

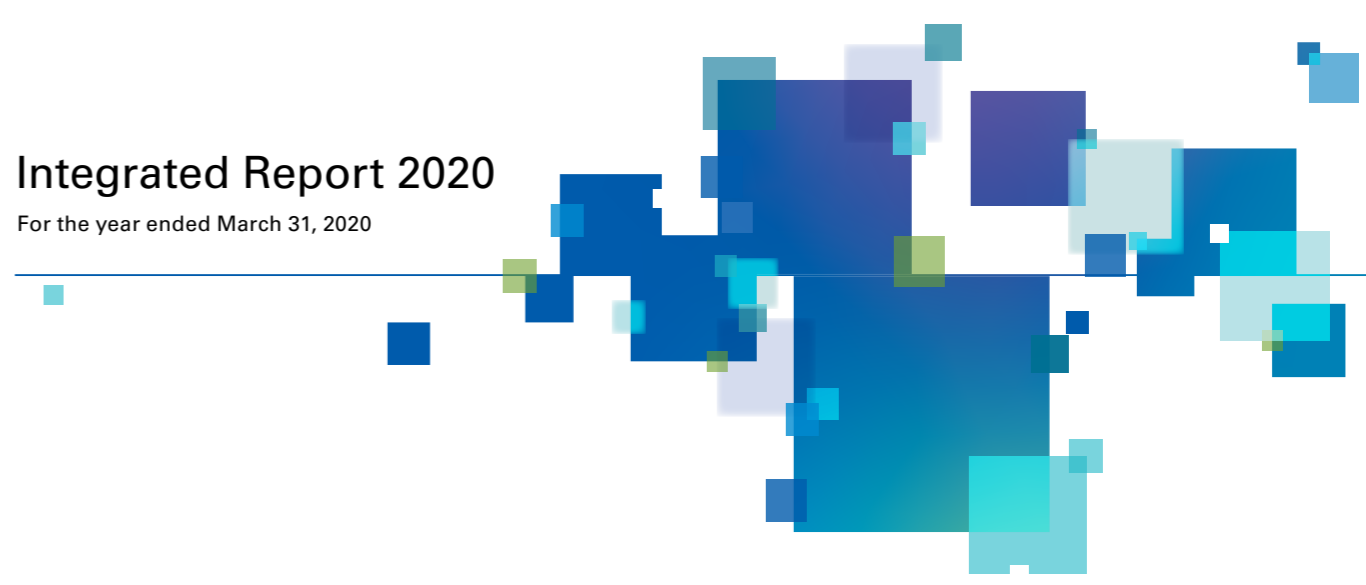


CASIO COMPUTER CO.,LTD.

<https://world.casio.com>

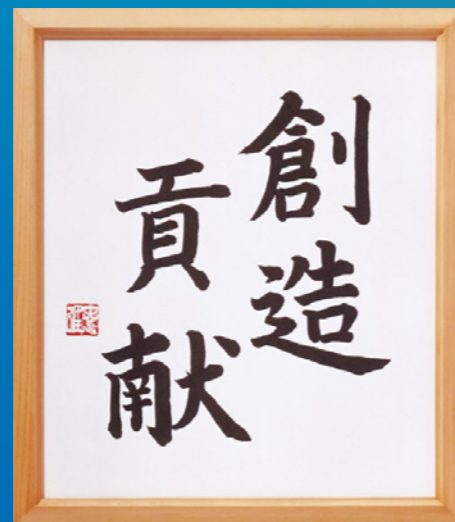
Integrated Report 2020

For the year ended March 31, 2020



Corporate Creed

Creativity and Contribution



Creativity for Contribution

Since its establishment, Casio has placed value on the concept of “Creativity and Contribution,” which is its corporate philosophy.

This refers to our commitment to contributing to society by maximizing the unique strengths of the Casio Group to create new culture according to the changing times.

Through “Creativity for Contribution,” we aim to be a corporation that continuously creates new value, the most important value for those who need it as well as the type of value that blends seamlessly into the lifestyles of our customers.

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Editing Policy

We publish information for the purpose of reporting on our medium- to long-term strategies toward achieving a sustainable society and our initiatives related to sustainability. We hope that publishing this report will help better communication with stakeholders and lead to improvements in future Casio initiatives.

Integrated Report

Since 2019, Casio has published the Integrated Report to convey its medium- to long-term strategies for achieving sustainable growth with society.

Sustainability Website

We publish information to provide a comprehensive report on our sustainability activities by creating a website that provides excellent searchability.
<https://world.casio.com/csr/>

Sustainability Report 2020 (published in December 2020)

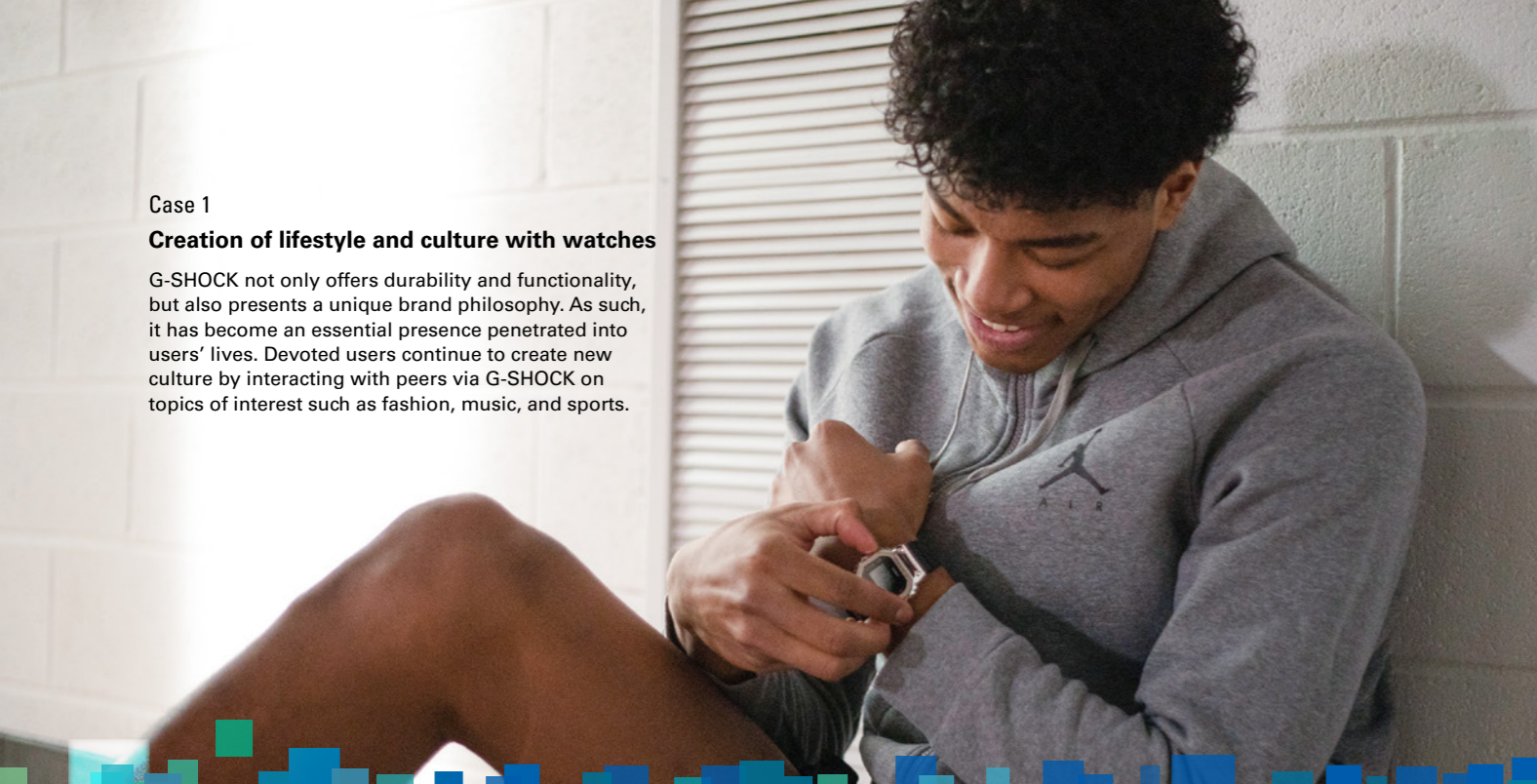
We provide a downloadable version (PDF) of the information published on our Sustainability Website. This PDF allows the batch printing of all information as well as printing of desired sections.

Notes on Forward-Looking Statements

Earnings estimates and statements that are not objective facts included in this report are judgments made based on information available at the time this report was created. As such, this information contains risks and uncertainties. Actual earnings may differ from indicated estimates due to various factors including economic conditions, market trends, and currency rates.

Case 1
Creation of lifestyle and culture with watches

G-SHOCK not only offers durability and functionality, but also presents a unique brand philosophy. As such, it has become an essential presence penetrated into users' lives. Devoted users continue to create new culture by interacting with peers via G-SHOCK on topics of interest such as fashion, music, and sports.



Case 3
Development of running that suits many different styles

In a partnership with ASICS Corporation, we will launch a comprehensive service for runners, covering devices, equipment, applications, facilities, services, and more. We will provide a running experience based on one's running proficiency and lifestyle and meet various user needs, such as improving running form, enhancing performance, and managing exercise amount, enabling users to truly feel their growth and find enjoyment in running.



Casio's Goals

Casio aims to create culture by developing new user experiences and contribute to society.

Given the constantly changing environment, we have taken another look at our role to achieve "Creativity and Contribution" for a new era. We intend to develop new user experiences by harnessing our strengths in order to continually meet underlying consumer needs in society. In turn, we will foster this value so that it will penetrate people's daily lives and become essential, thereby creating a new culture and contributing to society.



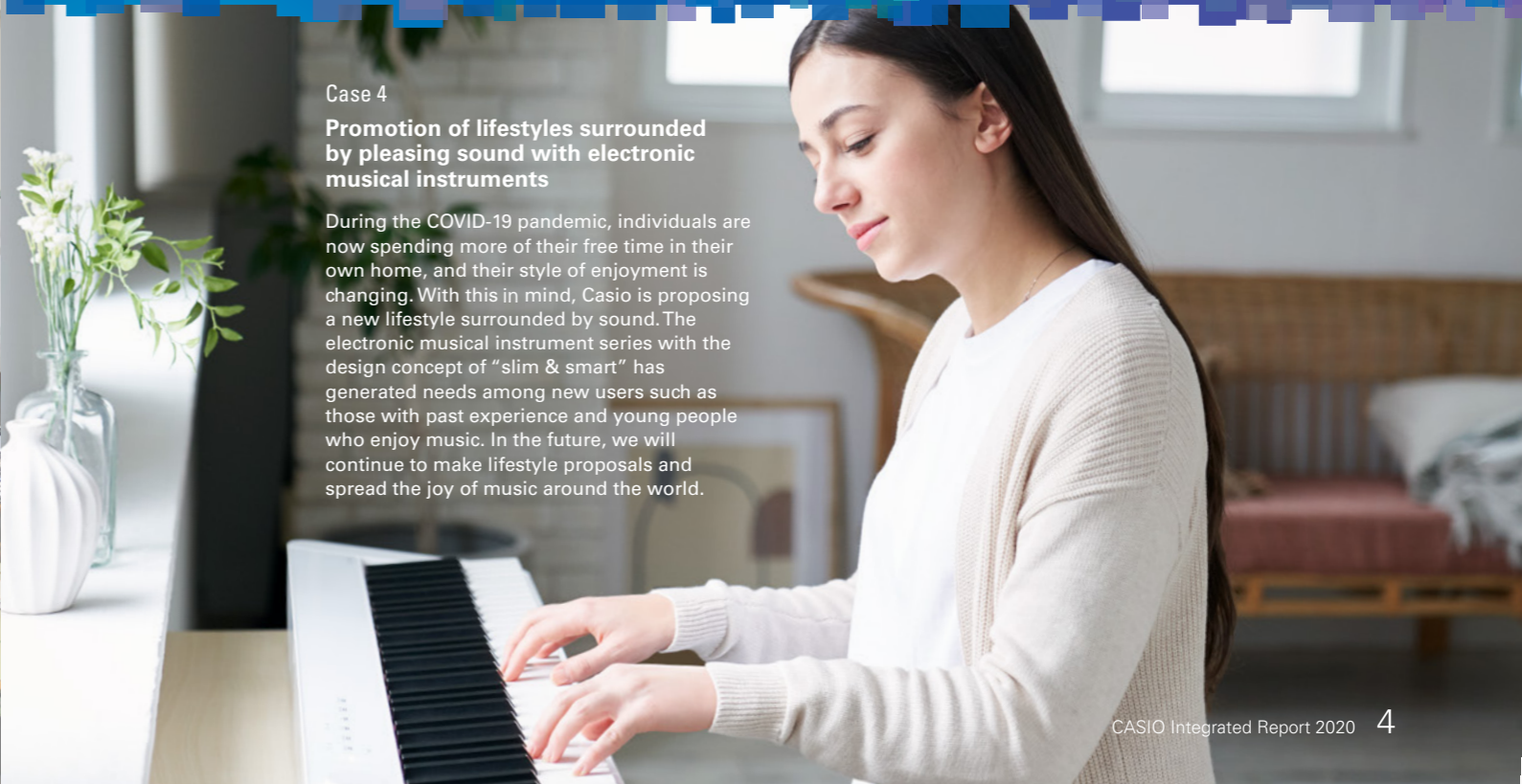
Case 2
Math education fostering a drive to succeed

Our scientific calculators account for more than half of the worldwide market share. In this segment, we established a proprietary business model called GAKUHAN activities that seamlessly provides user support, lesson plan proposals, and teaching material development for teachers. In addition, we are developing products focused on fostering problem solving skills through collaboration with education ministries and school teachers around the world. We are doing our part to realize better education and improve true academic potential.



Case 4
Promotion of lifestyles surrounded by pleasing sound with electronic musical instruments

During the COVID-19 pandemic, individuals are now spending more of their free time in their own home, and their style of enjoyment is changing. With this in mind, Casio is proposing a new lifestyle surrounded by sound. The electronic musical instrument series with the design concept of "slim & smart" has generated needs among new users such as those with past experience and young people who enjoy music. In the future, we will continue to make lifestyle proposals and spread the joy of music around the world.

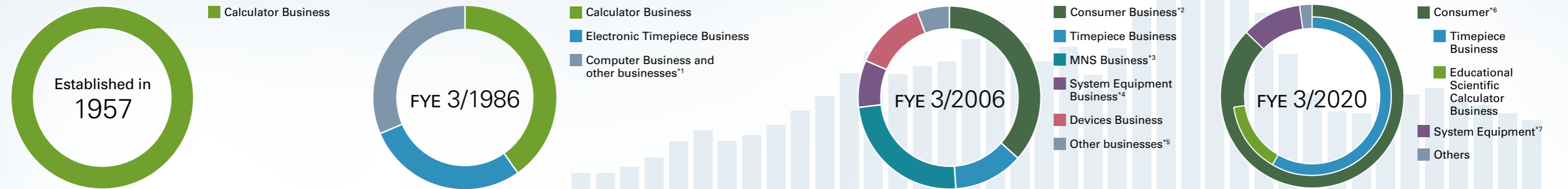


Our Value Creation Journey

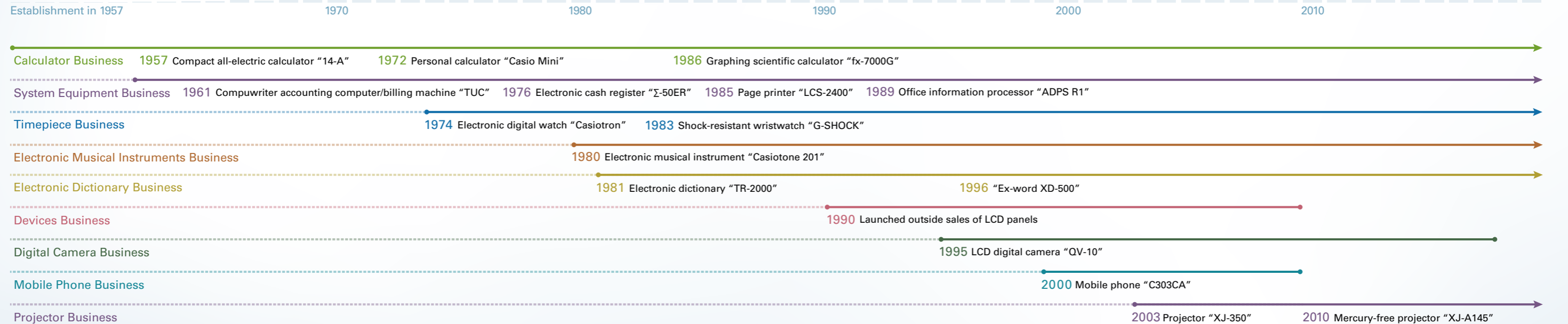
Since its establishment in 1957, Casio has passed down the development philosophy that invention is the mother of necessity. This means that rather than developing products based on user demand, we use the products we develop to create new demand among users. Casio continues to identify latent needs among customers and propose new value to society while realigning its business portfolio according to the times.

- *1. Main products: Electronic musical instruments, small LCD televisions, portable radios, system equipment
- *2. Main products: Calculators, label printers, electronic dictionaries, LCD televisions and other video equipment, digital cameras, electronic musical instruments
- *3. Main products: Mobile phones, handheld terminals
- *4. Main products: Electronic cash registers (including point-of-sale systems), office computers, page printers, data projectors
- *5. Main products: Factory automation systems, molds, toys, etc.
- *6. Main products: Watches, clocks, electronic dictionaries, calculators, label printers, electronic musical instruments, etc.
- *7. Main products: Handheld terminals, electronic cash registers, management support systems, data projectors, etc.

Transitions in Business Composition



Transitions in Net Sales



1950s

Casio Computer Co., Ltd. was founded by the four Kashio brothers Tadao, Toshio, Kazuo, and Yukio. Applying their respective expertise, they founded Casio Computer in 1957 after successfully developing the world's first compact all-electric calculator. Solving the speed, noise, and operability problems of calculators of the time, it brought greater efficiency to office work. The outstanding performance it provided is the basis for today's calculators. This was truly an instance of culture being created through an invention that generates demand.

1970s

Based on the technology and know-how cultivated in calculators, Casio introduced one developed product after another, including electronic typewriters, scientific calculators, electronic watches, and Japanese-language office computers. Each of these products were smaller and more personal and were equipped with functions not previously available. Casio's presence grew worldwide as the new value proposed with uses that differed from past products was recognized.

1980s

In 1983, Casio released G-SHOCK, which overturned the conventional wisdom of the day that watches were precision devices that were easily broken. It established the new value of a shock-resistant watch that maintains accuracy even when subjected to various unfavorable conditions. The watch was first adopted by police officers and firemen in the United States. Later, it gained support among sports players and as a fashion accessory among young people. To this day, the brand remains unrivaled all over the world.

1990s

While the bubble was crashing in the Japanese economy, Casio benefitted from the increasing support of G-SHOCK among young people especially but also adults and women. We also continued developing products with various new functions, including the world's first digital camera for consumers with an LCD monitor, a personal digital assistant developed jointly with Microsoft Corporation, an electronic dictionary with in-depth content, and a shock/water-proof mobile phone. We continued making new proposals to society and promoted diversification.

2000s

In the 2000s, the markets targeted by Casio's business domains were going strong. We introduced new products to the global market, including mobile phones, digital cameras, electronic dictionaries, and electronic musical instruments, and sales were on the rise. In the latter half of the 2000s, however, the profitability of the mobile phone and device businesses in particular deteriorated, which was combined with a worldwide drop in demand resulting from the global economic downturn precipitated by Lehman Brothers Holdings Inc.'s bankruptcy in 2008, causing the markets that Casio had nurtured to dampen.

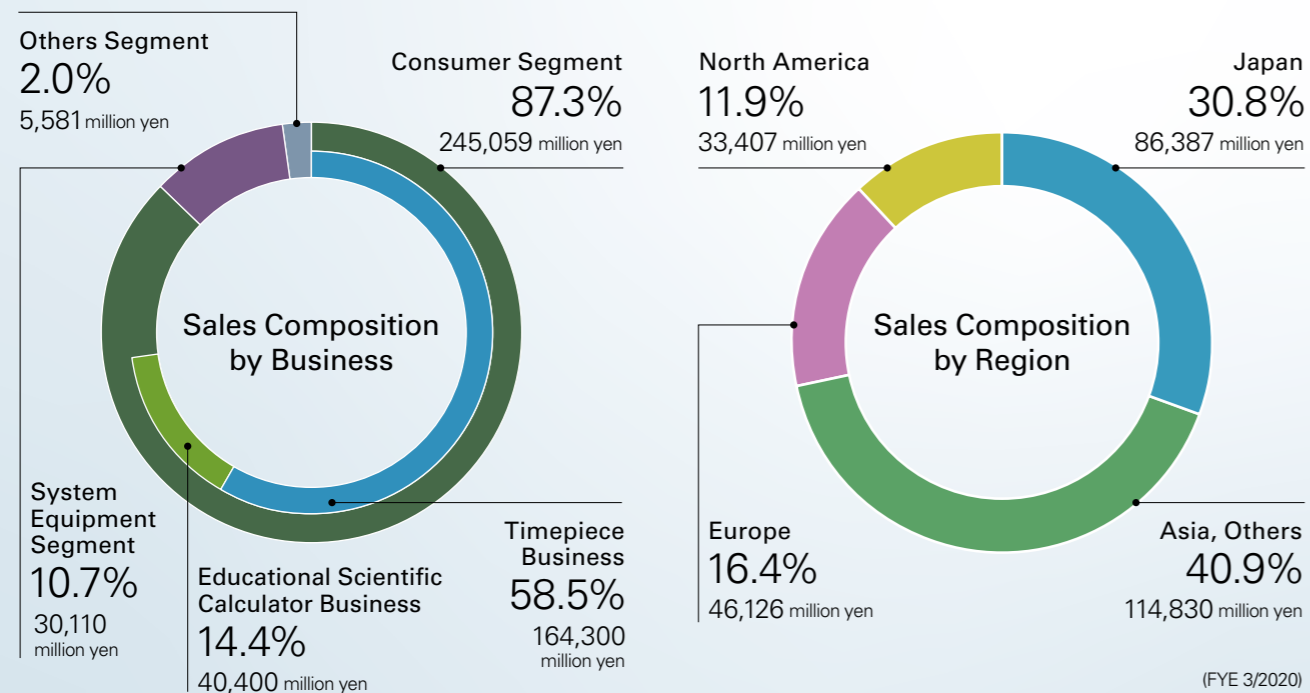
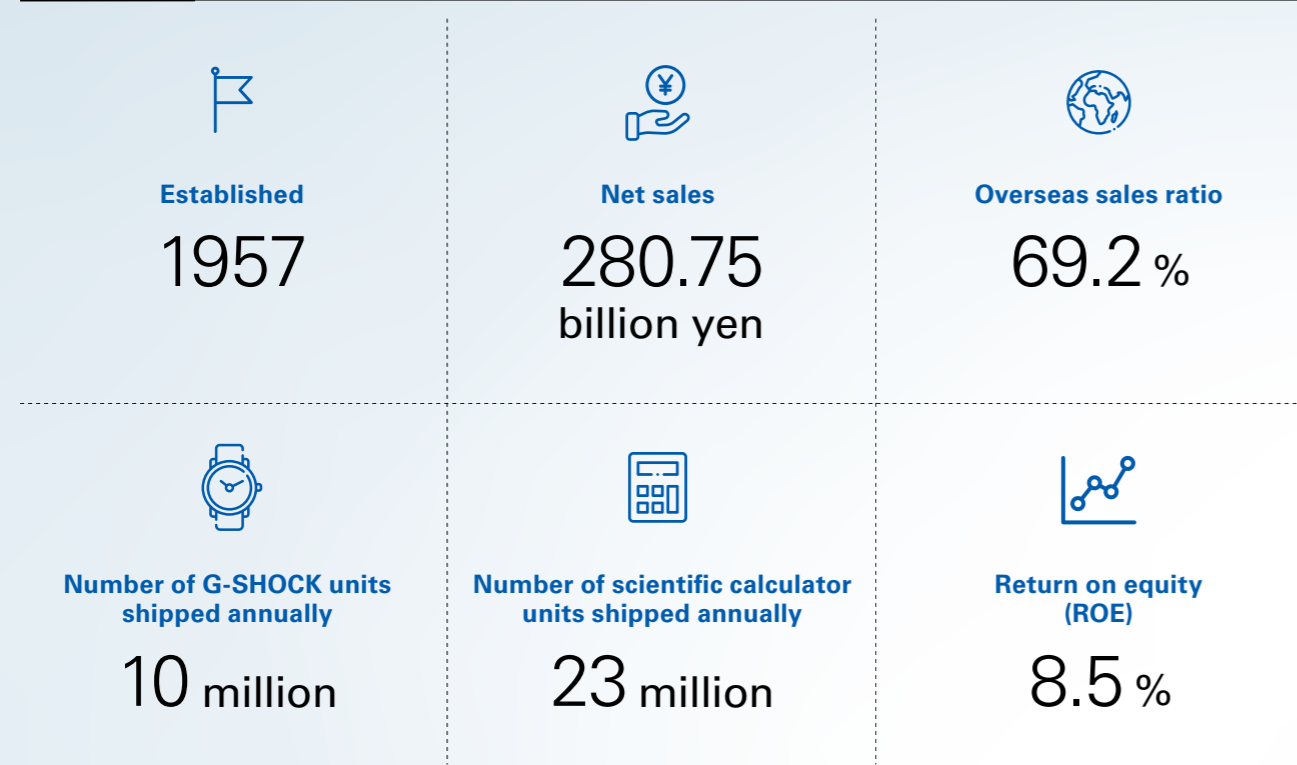
2010s

The Timepiece and Educational Scientific Calculator Business in which our brand and business model had been established continued growing steadily worldwide, but we began a fundamental review of our business portfolio. We transferred and withdrew from the Devices and Mobile Phone businesses, which saw a decline in profitability, as well as the Compact Digital Camera Business, which was a rapidly shrinking market, shifting our policy to that of concentrating management resources in businesses that will continue creating value into the future.

Snapshot of Casio

Casio's global business units comprise the Consumer Segment, System Equipment Segment, and Others Segment. The Consumer Segment, which accounts for more than 80% of net sales, is mainly comprised of the Timepiece Business and Educational Scientific Calculator Business, among others, and underpins Casio's growth.

Casio by the Numbers



Casio's Businesses

Consumer Segment

Timepieces

Global brand G-SHOCK has a solid business foundation, and in recent years metallic G-SHOCK models have been well-received and are gaining in market share.

Our G-SQUAD watch with a heart rate monitor and GPS functionality has also gotten off to a favorable start and is contributing to an increase in users.



Educational Products, Electronic Musical Instruments, and Label Printers

Based on our unique GAKUHAN activities, which support schools and teachers through accumulated educational methods, we hold a majority share of the global scientific calculator market. In addition, we manufacture and market electronic dictionaries, calculators, electronic musical instruments, label printers, and other products that leverage our proprietary technology and know-how.



System Equipment and Others Segments

We have a System Equipment Business consisting of handheld terminals, electronic cash registers, management support systems, data projectors, and other such products as well as an Others Segment that includes formed parts and molds.



Value Creation Model

Casio aims to create new culture and contribute to society by implementing a value creation cycle that focuses on latent needs and new user experiences while combining and improving its unique strengths.

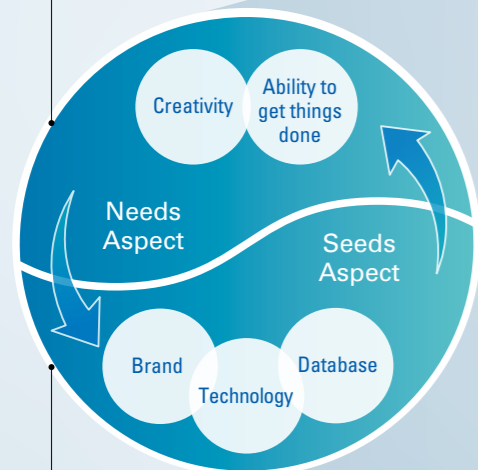
This cultural creativity and activities to continually maintain and develop culture based on “Creativity and Contribution” define the Casio’s approach to value creation.

Sources of Value Creation

There are two aspects to our value creation: the needs aspect, which involves the strong desire to create new value, and the seeds aspect, which involves the technology, brand, and database that we have cultivated over the years. The ability to bring these two aspects together is a unique strength of Casio.

Needs Aspect

Value spreads and takes root by looking into the future and not just creating new value but continuing to produce that value. G-SHOCK, which has continued to satisfy various needs according to the times, and GAKUHAN activities involving scientific calculators, in which we developed an educational method together with education ministries, schools, and teachers in various countries, are good examples of this.



Seeds Aspect

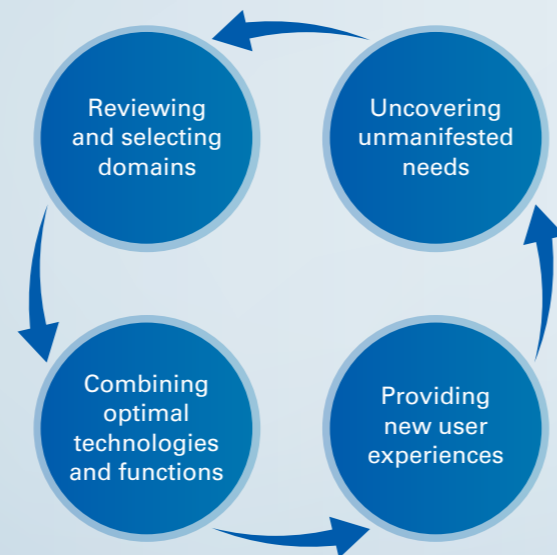
Technology Continually improving technology to satisfy the times, such as digitalization technology and miniaturization, weight reduction, slimming, and energy-saving technology (Examples: Miniaturization/energy conservation, durability, sound source/acoustics, light sources, printing, image processing, and sensing algorithms), including co-creation with outside parties

Brand G-SHOCK, of which a total of more than 100 million units have been sold, scientific calculators used in 100 different countries, etc.

Database Various user data assets accumulated through business

Value Creation Cycle

The starting point of Casio’s business activities is to uncover unmanifested needs. There is an infinite amount of latent needs, so we review and select domains while considering the effectiveness of management resources and combine the optimal technologies and functions, including those of outside partners. This allows us to provide value in the form of new user experiences, which leads to the uncovering of more latent needs. We see this cycle as the engine by which Casio creates value.



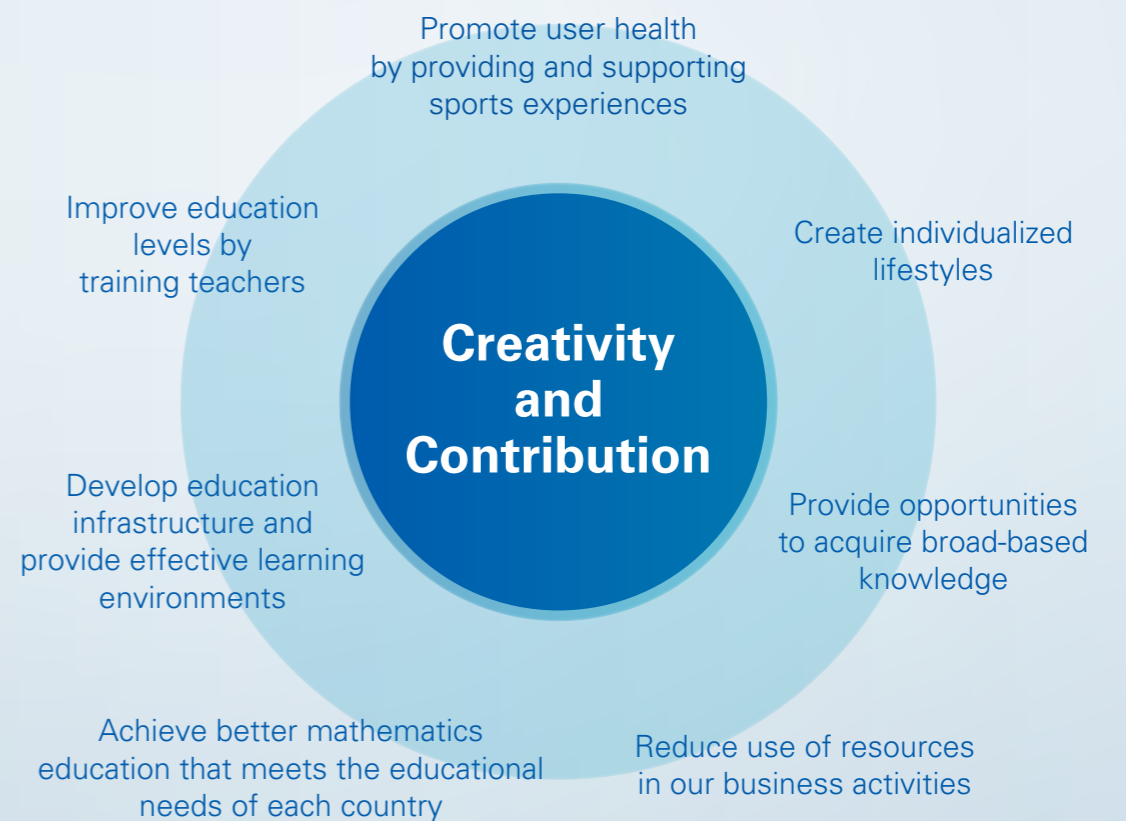
Value Provided

Creating and developing new culture

In the present society, lifestyles, hobbies, and preferences are becoming increasingly diverse. If new user experiences are enjoyed as value and if you can bring about great significance, it will penetrate people’s daily lives and come to life as culture. Moreover, if you can continue to develop that culture, it can contribute to people’s lives and the richness of society. This, in turn, becomes fertile soil for coming up with solutions to various social issues.

This value creation comes from the starting point of “Creativity and Contribution.” By creating value through the creation of this kind of new culture, Casio will continue to contribute to society.

Related SDGs





KASHIO Kazuhiro
President & CEO

Creating and fostering culture by delivering new user experiences. To establish this approach to value creation at Casio, we will work on fundamental structural reform that realigns everything based on social contribution from the starting point of “Creativity and Contribution.”

Corporate Creed and Value Creation

Casio is a company that has grown by emphasizing and giving shape to the corporate creed of “Creativity and Contribution.” Through creativity, we produce new lifestyles and culture, thereby contributing to society. Our long-cherished desire is to enrich people’s lives and make them more convenient through our inventions. The true value provided with the development of the world’s first compact all-electric calculator upon our founding was more than just enabling quick and easy calculations, it made the very act of calculation simple and within reach.

Casio has come out with many firsts, including personal calculators, shock-resistant watches, and the thinnest digital camera (at the time). Each of these has created new value in calculation, telling time, photography, and more. This was done by increasing the usage scenarios or target users, such as allowing anyone to perform calculations anytime, keeping accurate time even under harsh environments, and allowing photographs to be taken whenever desired with a camera in the pocket.

The important thing is establishing that value as a new culture and contributing to people’s lives and society. Take scientific calculators, for example. As a result of many years of joint development of instruction with education ministries and schools of various countries, every year, our products support the education of approximately 23 million first-year high school students mainly outside of Japan as recommended educational supplies. Creating this cycle has allowed us to contribute to mathematics education in developing thinking skills.

Activities to create new culture in this way and enrich and bring greater convenience to people’s lives and society define Casio’s approach to sustainability in the aim of achieving growth of the Company and society. When it comes to environmental, social, and governance (ESG)

issues, simply addressing external requirements is not enough. Contributing to society through creativity is the be-all and end-all. I believe that it is precisely because we identify ESG issues as indispensable and essential challenges for bringing that about that our efforts at environmental consideration, human resources development, work environment improvement, human rights, and compliance function effectively.

Challenges and Reform

To sustain “Creativity and Contribution,” we must transform the format and details of value creation to suit the times.

In recent years, however, Casio’s business has become more fragmented. Unable to bring “Creativity and Contribution” in line with the times and falling into the trap of partial optimization and short-term thinking, we almost lost sight of true value for end users, which should be our main focus. As a result, the scale of our business did not grow in the first half of the 2010s, and our operating margin, an indicator of profitability, was stuck in the single digits.

Since I became president in 2015, I have communicated various messages throughout the Company as well as to stakeholders, but in short, the reform that I seek to bring about is realigning everything at the Company based on social contribution from the starting point of “Creativity and Contribution.” My thinking is to transform Casio into a company that can continue to contribute to society into the future by establishing Casio’s approach to value creation and creating new user experiences.

Toward that end, we launched the medium-term management plan in the fiscal year ended March 2020 and worked on reforming the management platform. There are many challenges when it comes to the business portfolio



and organizational management. I have decided to reassess the business structure in three categories—Growth Businesses, New Businesses, and Businesses Needing Better Profitability—and also to review the organizational structure and work styles.

Creating a New Casio

The spread of COVID-19 has completely changed the business environment. Our basic thinking of going back to the starting point and contributing to society by creating culture remains unchanged, but the changes we had envisioned in society five or 10 years from now are expected to come all at once. Changes in society called the “new normal,” such as work-style changes, the shift to remote products and services, digital transformation (DX), and a cashless society, are forcing a review of all kinds of corporate activities.

In response, we have declared that in the fiscal year ending March 2021 we will not pursue profits from a short-term perspective but rather accelerate and bring reform to completion. We will fundamentally reform our management and business platform to begin our journey as a new Casio starting from April 2021.

The keyword is “reset.” First, we will establish our medium- to long-term vision and standards for our activities, build optimal businesses and organizations to bring those things about, set priority issues, and design strategies. We have established two organizations dedicated to promoting reform. Namely, the Future Development Hub, which will manifest the vision and unify direction based on reflection up to now, and the Corporate Innovation Office, which will create new business models and work styles. Our stance is to emphasize employee participation and processes and engage in essential review and discussion while emphasizing speed so that we do not revert to what was optimal for the Casio of yesterday or today.

Intermediate Goals by Business (Vision for Each Business a Few Years after COVID-19) (Billions of yen)

	Net sales	Operating profit	Operating margin	Vision
Timepiece Business	200	40	20%	Retain core fans of G-SHOCK using enhanced digital marketing and expand smart watches focusing on domains where we excel
Educational Scientific Calculator Business	55	8	15%	Expand the GAKUHAN business and develop the web app business
Businesses Needing Better Profitability	60	3	5%	Establish a structure for steady profits through fundamental structural reform
New Businesses	10	5		Continually generate annual operating profit of more than 5 billion yen
Adjustment		-8		
Total	325	48	15%	Establish a management platform to achieve a highly profitable earnings structure as a sustainable value creation company that adapts to change post-COVID-19

Strategic Direction

As for our business strategy, we are promoting review and planning that takes into account the impact of COVID-19.

In the fiscal year ended March 2020, the Timepiece Business performed well owing to sales in China and e-commerce, but the impact of COVID-19 on production, distribution, and sales caused progress delays in New Businesses and Businesses Needing Better Profitability. In the fiscal year ending March 2021, we expect the difficult circumstances to persist as there has already been a tremendous impact on our businesses, including fewer customers visiting stores in the Timepiece Business and school closings in the Educational Scientific Calculator Business. As previously mentioned, this year we are working on realigning everything, including products, business structures, and business models. I hope to be able to start the fiscal year ending March 2022 without any residual concerns.

At the same time, we have established and published intermediate goals for each business addressing the post-COVID-19 society as we look ahead to business development from a medium-term perspective. Out of our Growth Businesses, we will restore the Timepiece Business to its pre-COVID-19 growth trajectory, including strengthening smart watches, and we will re-expand the GAKUHAN model and grow the web app business in the Educational Scientific Calculator Business. With our New Businesses, we will aim to generate more than 5 billion yen of operating profit annually by fully leveraging Casio’s strengths. In our Businesses Needing Better Profitability,

the policy is to complete fundamental structural reform and rebirth them with the capacity for continuous profits.

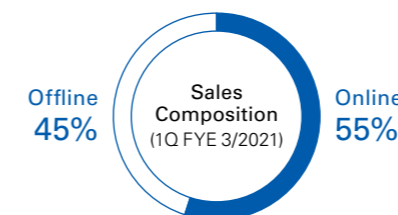
We have reaffirmed that even in the midst of the COVID-19 pandemic, the Casio technological platform, the G-SHOCK product appeal and brand power, and our educational method in the Educational Scientific Calculator Business boast a solid advantage, and that our efforts reaching the latent needs of users keep ahead of the changing times and lead to growth. For example, in China, our Timepiece Business has enjoyed an e-commerce sales ratio of over 50% owing to our aggressive e-commerce and social media marketing that was begun several years ago. This allows us to more easily adapt to changes for a new normal, and we have received feedback that Casio is alone in succeeding in both online and offline sales policies. Additionally, our electronic musical instruments based on the concept of “slim & smart” have created needs among new users such as those with past experience and young people who enjoy music. Our proposals for how to spend free time and situations for enjoying music have been successful, and the percentage of “slim & smart” instruments among electronic musical instrument sales has increased 10 percentage points year on year to 40% (1Q FYE 3/2021).

Providing New User Experiences via New Businesses

I would like to once again explain my thinking on New Businesses, which are symbolic as we uncover and provide

Examples of Creating New User Needs During the COVID-19 Pandemic

Timepiece Business: Online marketing in China



- Successful rollout of e-commerce and social media from several years ago
- Addressing of marketing changes during the pandemic and creation of user needs

Electronic Musical Instruments Business:

Electronic musical instruments featuring “slim & smart” designs

Slim piano offering both quality touch and sound

Target: Those with current or previous experience in their 30s to 40s



Readily usable slim keyboard offering convenient placement

Target: Children and early teenagers (as usual) as well as young people who enjoy music



- Reaching beginners and those starting again who hope to utilize free time resulting from the pandemic
- Percentage of “slim & smart” instruments among electronic musical instrument sales: 40% (Up 10 percentage points year on year)

(1Q FYE 3/2021)

new user experiences. While anticipating what society will be like 10 or 20 years from now, we have conducted a comprehensive review of the latent needs that we should uncover and established the four domains of sports tech, beauty tech, medical, and imaging. We decided to combine co-creation with outside partners and internal technology and know-how as the necessary resources for meeting those latent needs and design businesses accordingly.

For example, in the Sports Tech Business which we are working on in collaboration with ASICS Corporation, we hope to create a culture where many of world's 140 million runners can enjoy an individually optimized running experience. In addition to optimal shoes, form analysis, ascertainment of running conditions, and recording/management of data are essential to meet the various needs of runners, which include being "faster, more efficient, and healthier." By combining these previously disjointed elements, we plan to provide a seamless running experience. We are currently conducting various field tests. Particularly at value verification events, we have had some promising results, including a majority saying that they were more satisfied than expected with sensor measurements and form analysis.

Capital Policy and Financial Strategy

In regard to our capital policy and financial strategy, the basic policy of generating free cash flows and optimizing capital efficiency through capital cost-conscious business activities while maintaining financial security will remain unchanged. However, our specific plan will be presented along with a new strategy that begins in the fiscal year ending March 2022. Your patience is appreciated until then. As evidenced by the more than 130 billion yen in liquidity in hand, an equity ratio of over 60%, and a 50 billion yen commitment line, Casio has a solid financial base. We have been able to maintain financial security even in these uncertain times. Going forward, when coming up with a strategy for returning to a growth trajectory, we will be able to capitalize on this solid and ample financial base to ensure the optimum allocation of funds considering investment efficiency.

Governance Reform to Improve Corporate Value

Casio will work on improving corporate value by implementing the value creation approach explained above.

Management efforts are also essential for this, and governance reform is at the core. Believing that swift decision-making and strengthening of management oversight are essential for engaging in management as

a new Casio, we transitioned to a company with an Audit & Supervisory Committee in June 2019. At the same time, we revised the criteria for electing outside directors and reduced the number of directors. This reshuffled the Board, bringing on members possessing extensive knowledge and experience in corporate management and other fields and increasing the percentage of outside directors to 37.5% from the previous 28.6%. The new structure allows for lively discussion from a long-term perspective, and we have seen results in terms of governance reform. There is no end, however, to enhancing corporate governance. We will continue to pour effort into further enhancement while taking into account the results of evaluations of the effectiveness of the Board of Directors and other such indicators.

On the other hand, there are still many issues when it comes to executive governance. This year, there was an incident in which impropriety was uncovered on the part of a former employee at our subsidiary in Germany. We take such incidents seriously and are working to strengthen internal control and Group governance as led by the new Internal Control Committee established in April 2020, in addition to focusing on fostering a culture in which employees themselves are able to take the initiative in risk management.



Stakeholder Dialogue and Corporate Value

We believe that dialogue for sharing direction and progress and incorporating an outside perspective is important for bringing about improvement in corporate value. I have taken the lead in dialogue with shareholders and investors, sharing and communicating management's thinking, awareness of issues, progress both good and bad, and other such matters. We will continue earnestly working on investor relations (IR) from the investor's standpoint.

In addition to this, dialogue with employees will also be increasingly important in the future. We believe that it is important to get employees involved and work together with them to come up with and implement a vision for Casio's future. As such, we will continue to enhance internal messages and actively engage in discussions. I also believe that this is the shortcut to growth and development.

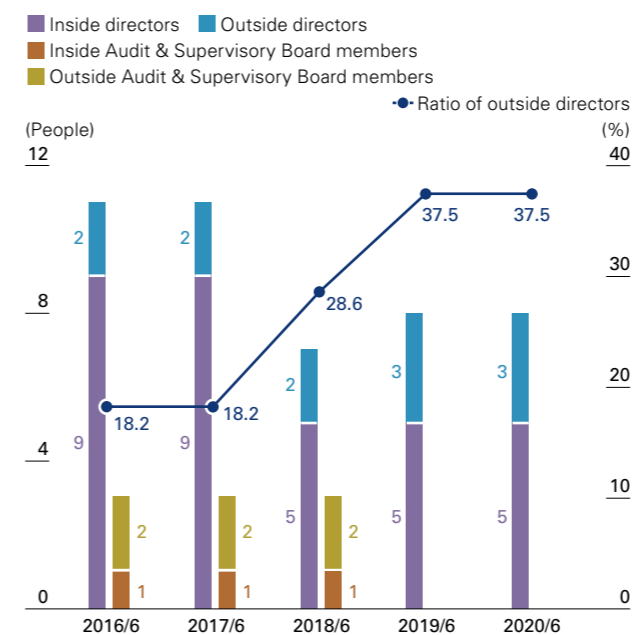
Resetting based on contribution to society while returning to the starting point, Casio will be reborn as a company that is capable of continually creating value in a society that is based on the new normal. Stay tuned for the future of Casio.

Kashio Kazuhiro
KASHIO Kazuhiro
 President & CEO

Overview of Financial Structure and Capital Policy (FYE 3/2020)

Solid financial base	<ul style="list-style-type: none"> Ample liquidity in hand of 134.7 billion yen (maintenance of 71.7 billion yen in net cash) Maintenance of financial security Equity ratio of 60.6% and debt-to-equity (D/E) ratio of 0.31 times Maintenance of sound pension finances: Excess reserves of 6.8 billion yen/13%
Backup line	<ul style="list-style-type: none"> Commitment line: 50 billion yen Multi-borrower/multi-currency borrowing limit
Capital policy	<ul style="list-style-type: none"> Prioritizing performance-linked and stable dividends, dividend left unchanged at 45 yen this year Year-end dividend to be decided at General Meeting of Shareholders In regard to share buyback, priority is on cash in hand in emergency situations. Flexibility will be maintained for share buybacks in the event of a significant disparity with the theoretical stock price.

Number of Board of Directors' Members/ Ratio of Outside Directors

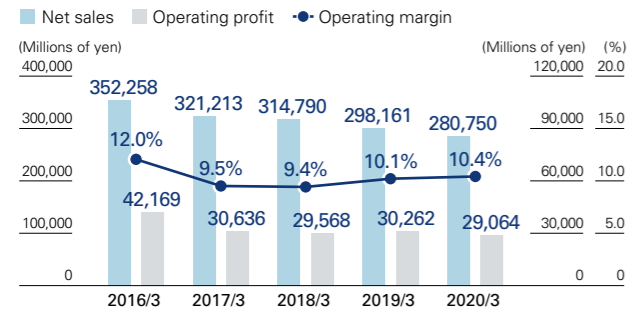


Note: In accordance with a resolution passed at the General Meeting of Shareholders held on June 27, 2019, we switched from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee structure.

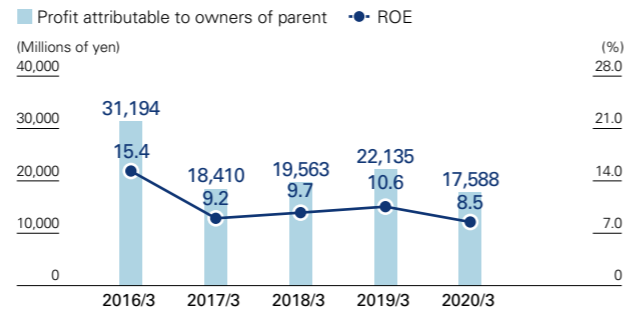
Financial and Nonfinancial Highlights

Financial Highlights

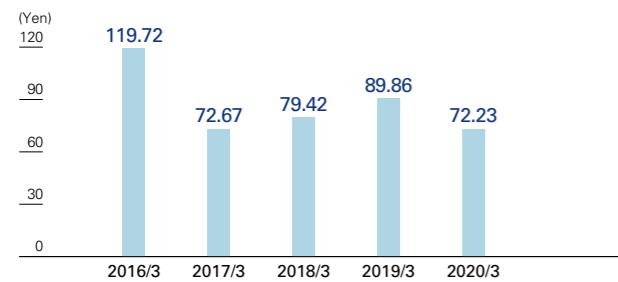
Net Sales / Operating Profit / Operating Margin



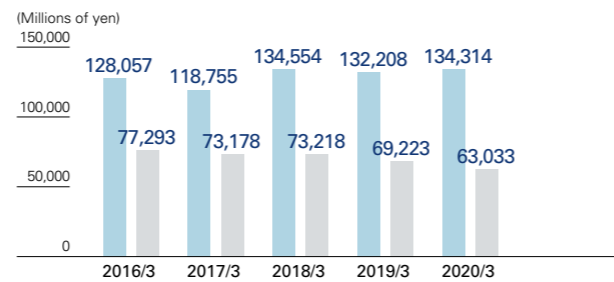
Profit Attributable to Owners of Parent / Return on Equity (ROE)



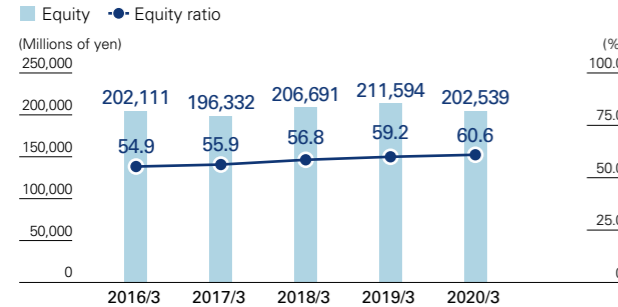
Earnings per Share (EPS)



Cash and Cash Equivalents / Interest-Bearing Debt

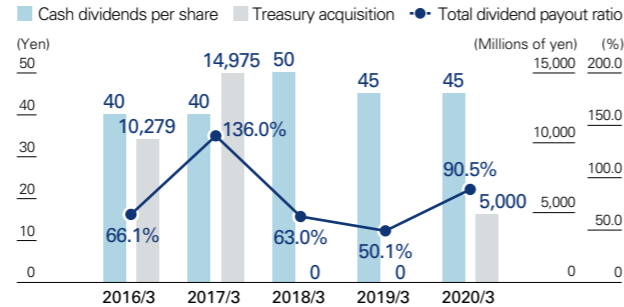


Equity / Equity Ratio



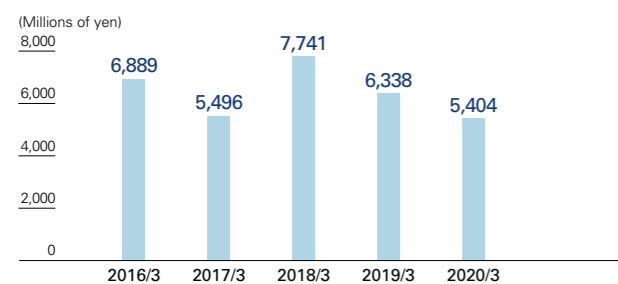
Note: As of FYE 3/2019, we applied the Partial Amendments to Accounting Standards for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018). These accounting standards have been applied retroactively for figures from FYE 3/2018.

Cash Dividends per Share / Treasury Acquisition / Total Dividend Payout Ratio

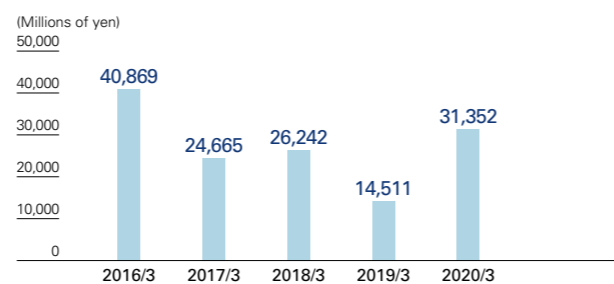


Note: The per share amount of 50 yen for FYE 3/2018 includes a 60th anniversary commemorative dividend of 10 yen.

Capital Investment

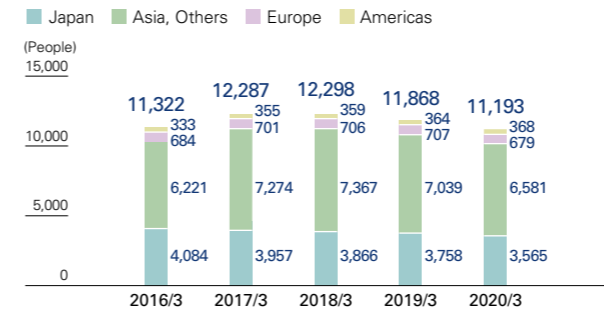


Free Cash Flows

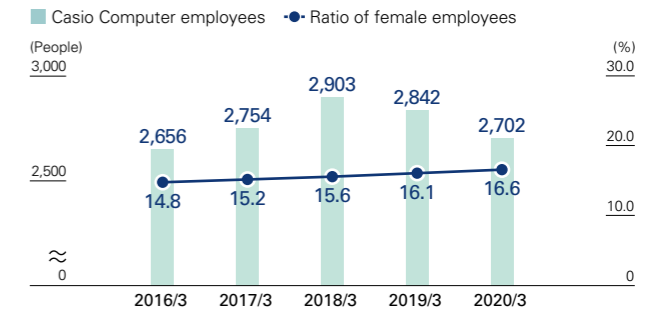


Nonfinancial Highlights

Number of Employees (by Region)

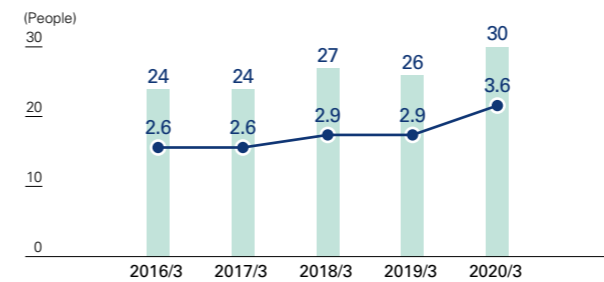


Number of Employees / Ratio of Female Employees



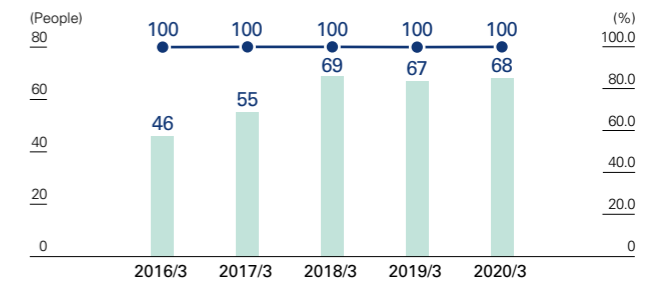
Scope: Casio Computer Co., Ltd.

Number of Female Executives / Ratio of Female Executives



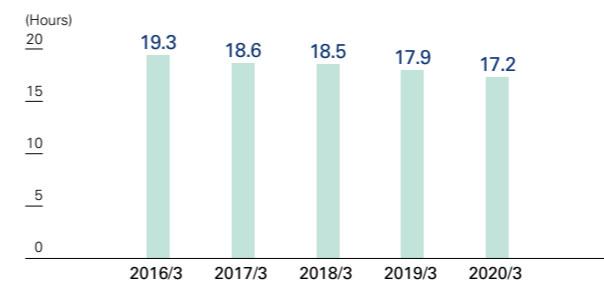
Scope: Casio Computer Co., Ltd.

No. of Persons Taking Childcare Leave / Rate of Return from Childcare Leave



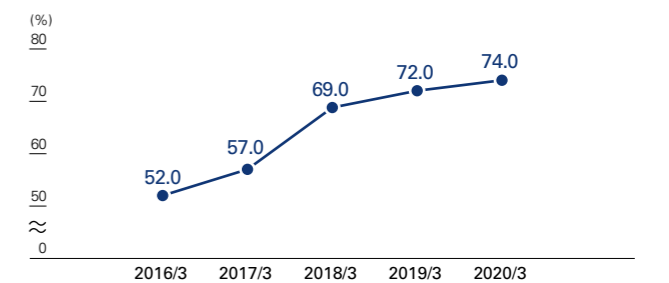
Scope: Casio Computer Co., Ltd.

Overtime Hours (Average per Month)

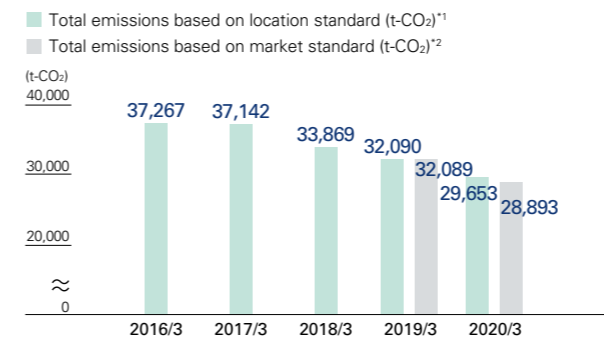


Scope: Casio Computer Co., Ltd.

Green Star Product Sales Ratio



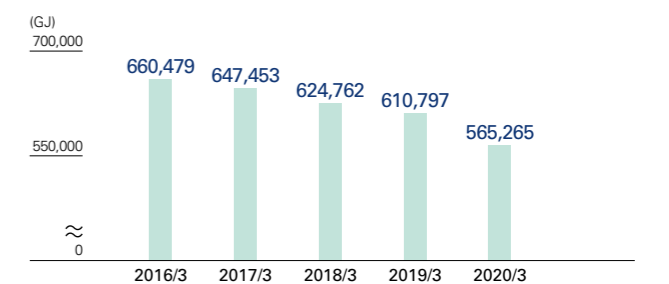
Greenhouse Gas Production Volume



*1. The conversion factor for CO₂ emissions from electricity usage was taken from International Energy Agency (IEA) Emission Factors 2019.

*2. The conversion factor for CO₂ emissions from electricity usage differs according to power transmission and distribution business operator (the IEA factor is used if not applicable).

Heat Calculated Using Energy Consumption



Note: The amount of heat from energy consumption has been re-calculated to reflect the change to the standards for greenhouse gas production volume.

Strategy and Reform

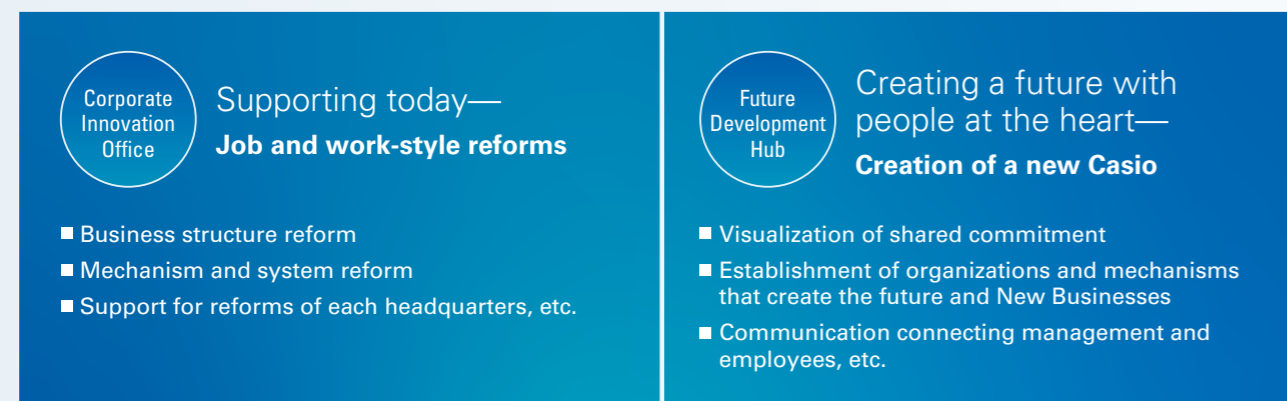
Overview of Strategy and Reform



Casio is moving ahead with various reforms, including structural, organizational, and work styles, with an eye toward the post-COVID-19 society, in order to transform the Company into one that will continually contribute to society well into the future. We are promoting our growth strategy based on the four business categories of the Timepiece Business and Educational Scientific Calculator Business, which are both Growth Businesses, along with New Businesses and Businesses Needing Better Profitability. Aimed at strengthening our management platform, which underpins this strategy, we are pushing ahead with

reforms to our business platform by function and sustainability platform. We have established the Corporate Innovation Office and Future Development Hub as dedicated departments reporting directly to the president, in order to accelerate companywide, cross-sectional initiatives, such as articulating Casio's future vision, resolving remaining issues, and establishing new work styles and mechanisms, while linking these reforms and the strategy together. We intend to complete reforms during the fiscal year ending March 2021 and launch the new Casio from April 2021.

Dedicated Organizations to Create a New Casio Today and in the Future



Corporate Innovation Office Job and work-style reforms

The Corporate Innovation Office analyzes our businesses using outside knowledge, conducts peer comparison of global competition, and carefully examines any remaining issues. It has also established the following seven themes of reform based on environmental changes and shifting business strategies driven by the COVID-19 pandemic. The Corporate Innovation Office undertakes Companywide reforms as well as leads and manages the progress of reforms as a hub of reform activities being carried out at each department.

In terms of management process and new medium-term management plan, the commitment of business departments is applied to a specific plan and focus is placed on implementing the plan-do-check-act (PDCA) cycle accurately, while ensuring objectivity and comprehensiveness. We are seeking to review all aspects of operations, including decision-making methods, business analysis and progress management mechanisms, and approaches to key performance indicator (KPI) design, as an initiative that will affect the future of Casio's management. Regarding global back office staff and head office staff, we are working to increase productivity and streamline duties based on changes in work styles. During Global Marketing Headquarters reform, we are expanding digital marketing, including integrating and revamping our e-commerce sites, and promoting restructuring of the marketing structure linked to distribution reforms. As for Businesses Needing Better Profitability, we will move ahead with structural reform while examining each process and contributions to users.

COVID-19 has increased the urgency for these reforms. We plan to complete the design and introduction of systems and mechanisms for each theme and share these Companywide during the fiscal year ending March 2021 and officially launch these new mechanisms and systems from the fiscal year ending March 2022, which will contribute to earnings thereafter.

Focus Themes of the Corporate Innovation Office

- Improvement/strengthening of management process
- Improvement/strengthening of new medium-term management planning foundation
- Head office staff reform
- Global Marketing Headquarters reform
- Production Headquarters reform
- Development Headquarters reform
- Structural reform of Businesses Needing Better Profitability

Future Development Hub Creation of a new Casio

The Future Development Hub stands at the center of Casio's value creation. This organization creates a new future for Casio involving all employees with people at the heart of its efforts to create a sustainable future. We will foster a new form of "Creativity and Contribution" for a new post-COVID-19 era while passing down our founding spirit, dreams, and ideals. The corporate culture and organizational climate to which we aspire is defined as a "commitment sharing organization" representing a workforce who shares the same commitment and creates businesses autonomously. Our goal is for employees to collectively work to contribute to users while valuing diversity and transcending such boundaries as department, gender, and nationality.

Aimed at this realization, we have put into place four designs for the matters that must be completed in the fiscal year ending March 2021. First, to clarify our future vision and behavioral standards, we will establish an official vision and conduct guidelines through discussions involving management and employees. In terms of human resources, we will create appealing career paths to form a "commitment sharing organization" and establish a life cycle-based personnel system and various plans after transforming our human resources strategy from "the right job for the person" to "the right person for the job." On the operations side, we will develop mechanisms for new business creation because the sustained creation of New Businesses invigorates the Company and links up with employee motivation and confidence. We will set up business creation schemes and programs for Companywide New Businesses that transcend the frameworks of each headquarters. In turn, these activities will be shared with employees, and we will work on strengthening internal communication through various measures using the Company intranet mutually connecting management and employees as a platform.

We launched the Future Development Caravan to promote these themes, supporting the proposal of measures through dialogue with many employees.

Focus Themes of the Future Development Hub

- Clarification of future vision and behavioral standards (establishment of vision and conduct guidelines)
- Human resources development and organizational transformation initiatives
- Development of mechanisms for new business creation
- Invigoration of internal communication

Timepiece Business

Message from the Officer in Charge

Now is the time to reform G-SHOCK and aim for medium- to long-term growth when we have a strong business foundation. Undoubtedly, our users, too, hope to see new developments. We will work on transforming the very value of G-SHOCK as a service, producing a user experience that only G-SHOCK can provide and creating a new culture.

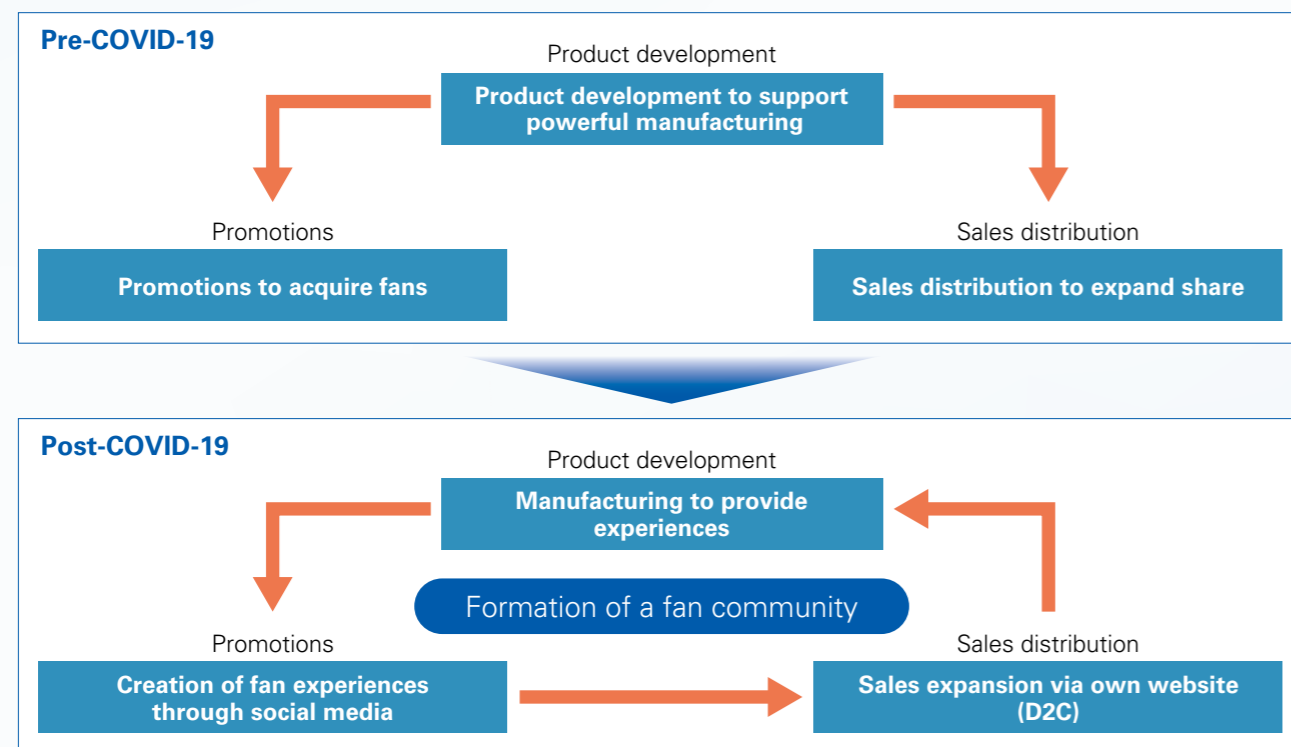
Key Points of Our Efforts

- Establish a unique market for G-SHOCK and an unparalleled brand
- Undertake reform of G-SHOCK while expanding sales through digital marketing
- Aim to form a fan community for creating new experiences for fans
- Plan to complete platform development and preparations within the fiscal year ending March 2021



MASUDA Yuichi
Senior Executive Managing Officer
Senior General Manager of Development
Headquarters and Senior General Manager of
Timepiece Business Unit

Structure of Basic G-SHOCK Strategy



Background behind Strategy and Basic Approach

The Timepiece Business has made it through three turning points and continued to grow since it was started in 1974 and G-SHOCK was launched in 1983. The first turning point was when G-SHOCK became a fashion item in the 1990s. This was partly a temporary popularity boom, but brand recognition spread rapidly. The second turning point was establishment as a brand embodying lifestyles through analog watch development and global marketing in the 2010s. The third turning point in 2018 and later was metal and smart watch development and growth in emerging countries, which resulted in the expansion of sales and profits. G-SHOCK has accounted for an increasingly larger percentage of the Timepiece Business year after year, and in the fiscal year ended March 2020 (the year under review), it has grown to account for roughly 60% of the business.

These leaps forward are the result of robustness and other functions as well as meeting latent user needs keeping in step with the times. Today, it has established a market as an unparalleled brand posing, a unique philosophy

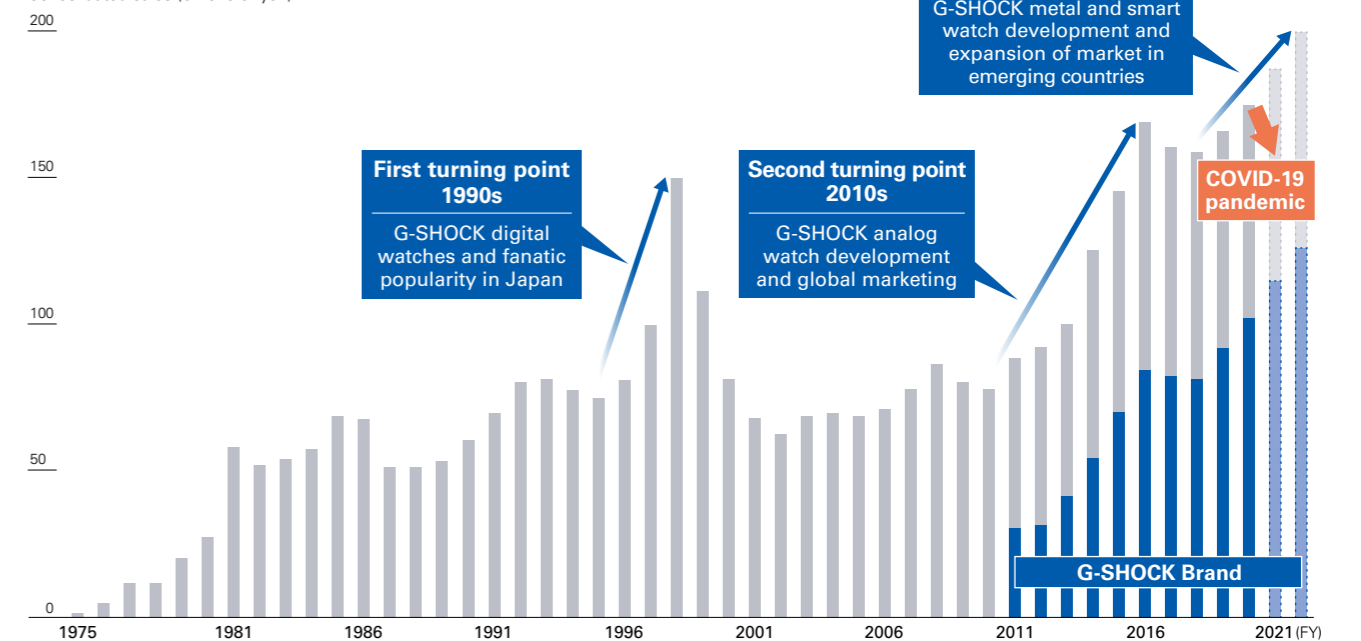
and boasts around 10 million shipments annually.

However, the business environment has changed completely as a result of COVID-19. In addition to the direct impact on business operations, it has brought about a shift to new post-COVID-19 values and lifestyles in society and among our users, making it necessary for the Timepiece Business to make a big shift as well.

In terms of performance, sales and profits both fell significantly due to the major impact of suspension of store operations and restrictions on going out. However, e-commerce sales are growing, and business performance has been favorable in China where the e-commerce sales ratio is especially high. This has reaffirmed the product appeal and brand power of G-SHOCK and the bond with users. On the other hand, it has brought issues with our existing marketing and product strategies to the surface. In the short term, we are working on shifting our promotions from physical events to social media and sales distribution from physical stores to online, but these efforts alone are not sufficient to achieve medium- to long-term growth.

Timepiece Business Sales Trend and Three Turning Points

Consolidated sales (billions of yen)



Timepiece Business

Growth Strategy for the Timepiece Business

Under these circumstances, the reform that Casio will be working on is reform of G-SHOCK value itself.

Leaving behind the conventional approach of selling the products we develop through promotions and distribution measures, we will shift our business to one in which we form and develop fan communities to create new experiences for fans. The business structure will be monetizing through product and service provision based on a platform (our own e-commerce website) for creating products with fans and directly connecting with them. It also means converting G-SHOCK into a service.

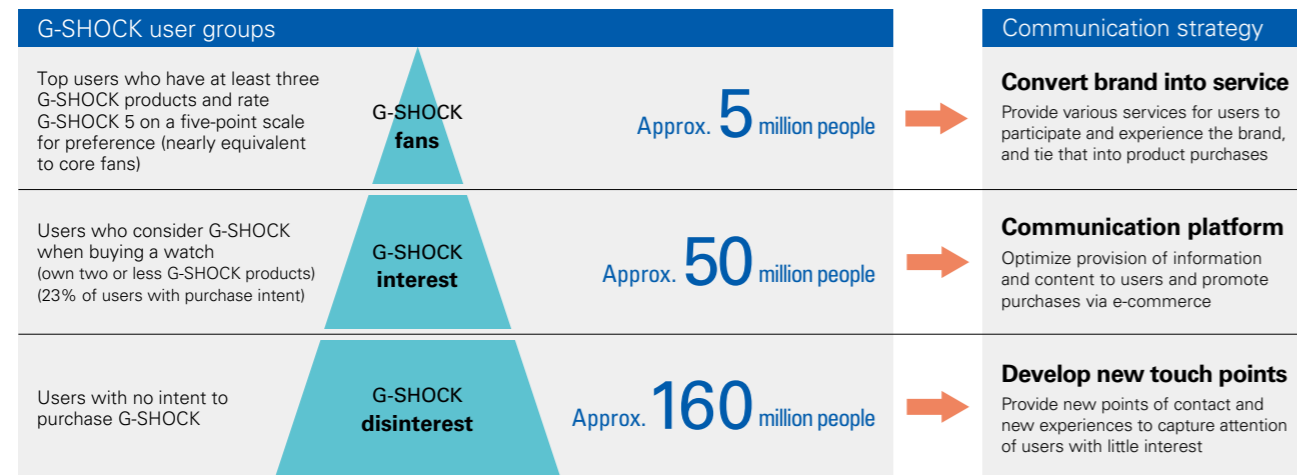
The core target of this reform is the roughly 5 million users (in-house survey and estimate) called "G-SHOCK fans." We conducted a survey of this group and found that they can be categorized into three value and preference types, namely "trends," "G-SHOCK brand preference," and "practicality." We will define the experiential value of each of these types and design and execute product, promotion, and distribution strategies based on those experiential values. What is important is that users are able to actively enjoy brand experience services according to their own preferences along the way of forming a community. Currently, we are working on the test introduction of a

service in which fans post their ideas for customizing G-SHOCK and new products will be developed based on popular vote as well as a service to enjoy G-SHOCK based on behavior logs. Going forward, we will accelerate these efforts and promote enhancement of our services in collaboration with our fans.

At the same time, in the short term we are working to expand sales through digital marketing measures targeting the roughly 50 million followers who are favorably disposed toward G-SHOCK (G-SHOCK interest group). In the medium term, we plan to roll out efforts to convert them into fans and measures to promote purchases based on the abovementioned fan community and our unique platform.

This plan is a reform that is only possible because G-SHOCK has become integrated in people's lifestyles. Now is the time to work on a major shift when the product has such support and the business foundation is solid. During the fiscal year ending March 2021, we will work on renewing and reorganizing our website and various field tests for forming a fan community in order to promote in earnest a new business development from April 2021 for converting G-SHOCK into a service.

G-SHOCK User Groups and Communication Strategies



Source: Estimated based on in-house global timepiece brand survey (February 2020)

Educational Scientific Calculator Business

Message from the Officer in Charge

This business has continued to grow steadily by creating needs in educational workplaces and continuing to meet them, but we have come to a major crossroads of change in the educational environment. We will focus on new efforts to contribute to the future of education based on the joy of contributing to student growth in each country and our responsibility as a leading company.

Key Points of Our Efforts

- Establish a stable profit cycle and high barrier to entry through unique GAKUHAN activities
- Strengthen online support for use of scientific calculators on the hardware side in response to the introduction of IT to educational environments, which is accelerating due to COVID-19
- Promote the provision of applications and modules on the software side, taking advantage of the educational methods and technological seeds we have accumulated



OTA Shinji
Executive Officer
Senior General Manager of Educational Business Unit

Countries and Regions Penetrated by Scientific Calculators



Educational Scientific Calculator Business

Background Behind Strategy and Basic Approach

GAKUHAN activities are the pillar of the Educational Scientific Calculator Business, aiming for the common purpose of realizing better education. By engaging in product development and introduction through collaboration with schools, teachers, and education ministries in each country and ensuring that our products are incorporated into class curricula, we have created a cycle in which mostly first-year high school students purchase Casio products every year. This is a result of maintaining direct communication with teachers in each country, developing optimal products for their schools, and providing extensive support for classes and teaching methods for more than 30 years.

In fact, product functions have been customized according to study course guidelines, language, and curriculum, and today there are 61 models for 18 regions. We have also produced customizations in short cycles while securing profitability through LSI development suited to high-mix, low-volume manufacturing, automated production, and more in order to promote this strategy in development and production as well.

As a result of these efforts, Casio scientific calculators

have been adopted in 100 countries and have captured a majority share of the global market. On top of the product characteristic of use in the classroom, the know-how we have accumulated in relation to educational methods, needs gathering, and more makes for a very high barrier to entry. We are also continuing to form community forums for teachers in each country to give each other advice.

At the same time, the global educational environment is at a major turning point. School closings and other measures to address the COVID-19 pandemic have impacted Casio, but in the medium to long term the introduction of IT into the educational environment is what will shift the paradigm. In recent years, budgets and programs have been put together by national governments to prepare IT devices, and the COVID-19 pandemic has further accelerated the shift to online classes, teaching materials, and tests. However, just as school administration differed in each country under the pandemic, the introduction of IT into educational environments must also be carried out according to the needs and circumstances of each country.

Growth Strategy for the Educational Scientific Calculator Business

At Casio, in response to these changes in the environment, we are working on the development of New Businesses in both the hardware and software realms to contribute to future school education.

On the hardware side, we will actively provide support for online utilization of scientific calculators and tie this into further expansion of sales and product improvements. For example, in Portugal, when we published free online support software for scientific calculators, a televised class utilizing this software was provided on a government-run educational television program, and this increased awareness among classroom teachers looking for tools for remote classes. We will also roll out efforts according to local educational visions and circumstances in new markets, including switching from on-site to online teacher training.

On the software side, we will strengthen our mathematics learning tool web app business based on the educational methods we have cultivated in our GAKUHAN activities. It is already in use in the United States, and we will aggressively market it in Japan, Europe, Asia, and other places for use in mathematics education as it allows a multifaceted approach in PC and tablet environments. Going forward, as a new undertaking, Casio will focus on the software business for streamlining and improving the

value of digital textbooks and tests and the provision of support for the educational environment itself. Formulas are important in mathematics education and scoring, but there are few engines in the world capable of calculation in formula-form. We are confident that Casio's calculation engine is the most powerful in the world. Currently, we are making full use of this technological seed to promote efforts to provide test modules and automatic scoring engines for use by textbook publishers and exam providers. In the future, we hope to contribute to the development and increased value of future educational platforms from various angles, including input, processing, and output while utilizing our rich and powerful asset of educational content tailored to the needs of each country, which has been cultivated in the Electronic Dictionary Business.

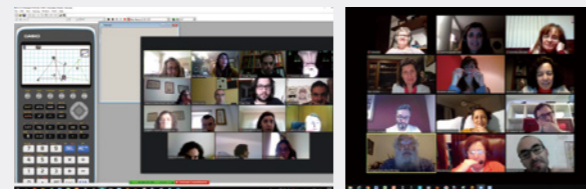
In our Educational Scientific Calculator Business, our engineers are given opportunities to have a dialogue with students at educational institutions in each region. Their feeling of having contributed to students' lives that can be obtained through such a dialogue instills the energy for them to engage in their activities. Leveraging the distinctive characteristic of the business of having established a cycle of needs creation, development, and implementation support, we will contribute to education all over the world while continuing to engage in new efforts.

Success Stories in the Midst of the COVID-19 Pandemic

Overseas

Provision of scientific calculator software (emulator) for online classes free of charge

- Promoted use through online workshops (contribute to digital classes conducted via teacher PCs)
- Accelerated cultivation in Portugal through use within government-run educational television program



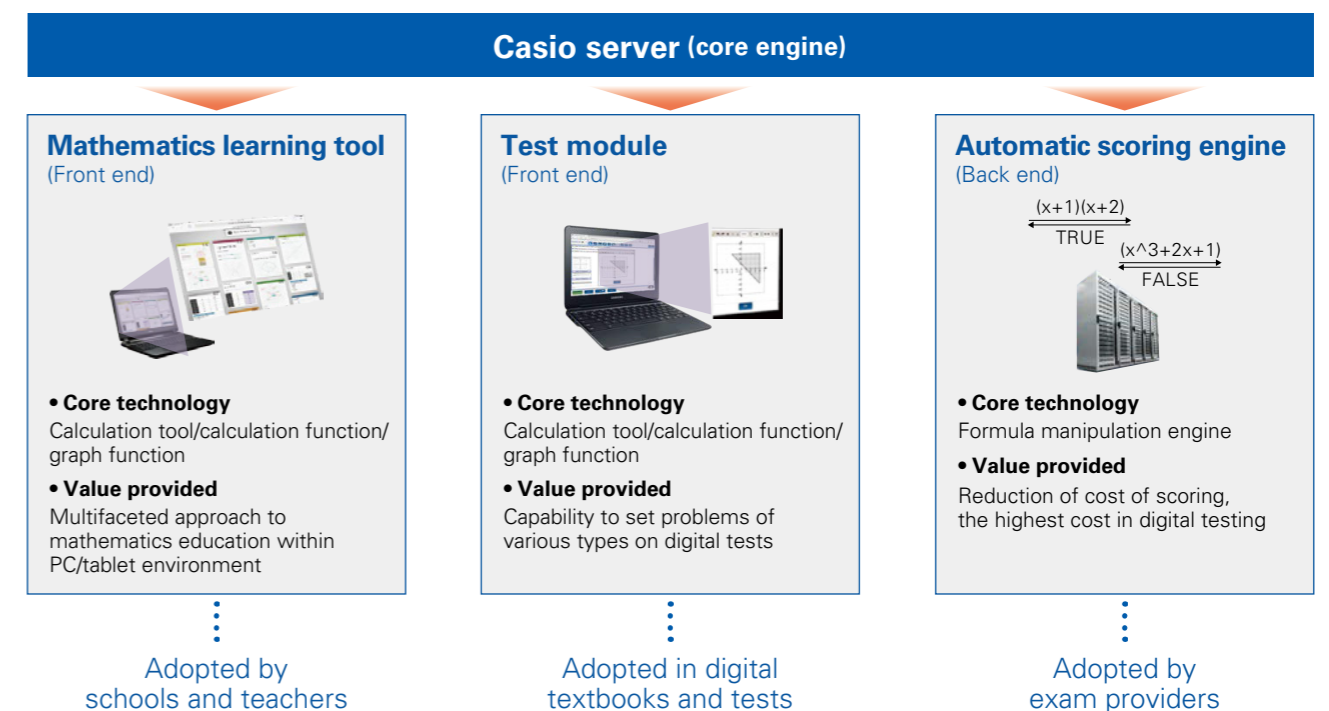
Japan

Publishing of learning tool (ClassPad.net) to support online learning free of charge

- Mathematics learning tool that allows scientific calculations and graph drawing to be carried out in a web browser
- Support for the creation of new teaching materials for online classes carried out simultaneously



Providing Value through Software Based on Introducing IT in Educational Environments



New Businesses

Messages from Officers in Charge

Beauty Tech, Medical, and Imaging Businesses

These three businesses will directly input Casio's technologies for the betterment of society.

They are ideally suited for the post-COVID-19 society that will require contactless and personalized services, which once again reaffirms the importance of these businesses. We will accelerate collaboration with our co-creation partners and dedicate our fullest efforts to the development of these businesses.

Sports Tech Business

The Sports Tech Business, which fulfills the growth requirements of alignment with mega trends, keen sense of effects, and the need for Casio to work on, is expected to become a segment symbolizing Casio's value creation through the creation of both new user experiences and culture. We will now work toward quickly establishing a model for a co-creation foundation and a running ecosystem.

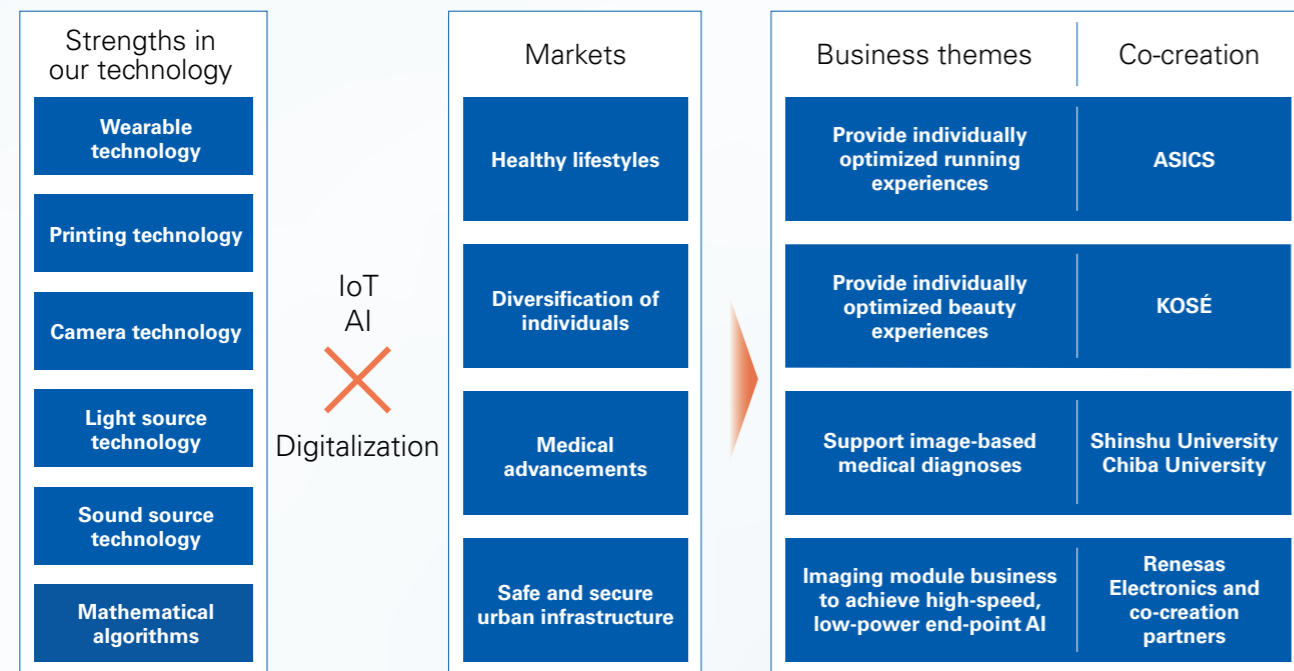


NAKAYAMA Jin
Executive Officer
Senior General Manager of
Business & Technology
Development Center



IGUCHI Toshiyuki
Executive Officer
Senior General Manager of
Sports & Healthcare
Incubation Center

New Business Domains and Themes



Growth Strategies of the Beauty Tech, Medical, and Imaging Businesses

In the Beauty Tech Business, we are using the major underlying need of women's pursuit of beauty as a theme. First, we will establish a nail printing business that utilizes our sensing technology and printing technology through collaboration with KOSÉ Corporation. This business will involve using a dedicated printer to print out custom-made nails easily, simply, and quickly without having to visit a nail salon. Although we have experienced some delays in the real-life testing at KOSÉ's brick-and-mortar store due to COVID-19, we are moving ahead steadily with proof of concept (PoC)* verification. We aim to launch the service sometime in the fiscal year ending March 2022. Looking ahead, we will expand the business to include additional software-based services and look toward its applicability to other beauty services.

The Medical Business aims for more sophisticated medical treatment through image processing and AI-driven analysis. In May 2019, we developed a dermo camera for diagnosing medical conditions based on skin images and image management software jointly with Chiba University and Shinshu University. These have been rolled out to the dermatology market and are now steadily increasing their track record and stock of information in the marketplace. In addition to expanding the use of this camera and software by dermatologists around the world, we will expand their use to other medical fields, such as obstetrics and

gynecology, while exploring AI-supported diagnostic services using the accumulated data.

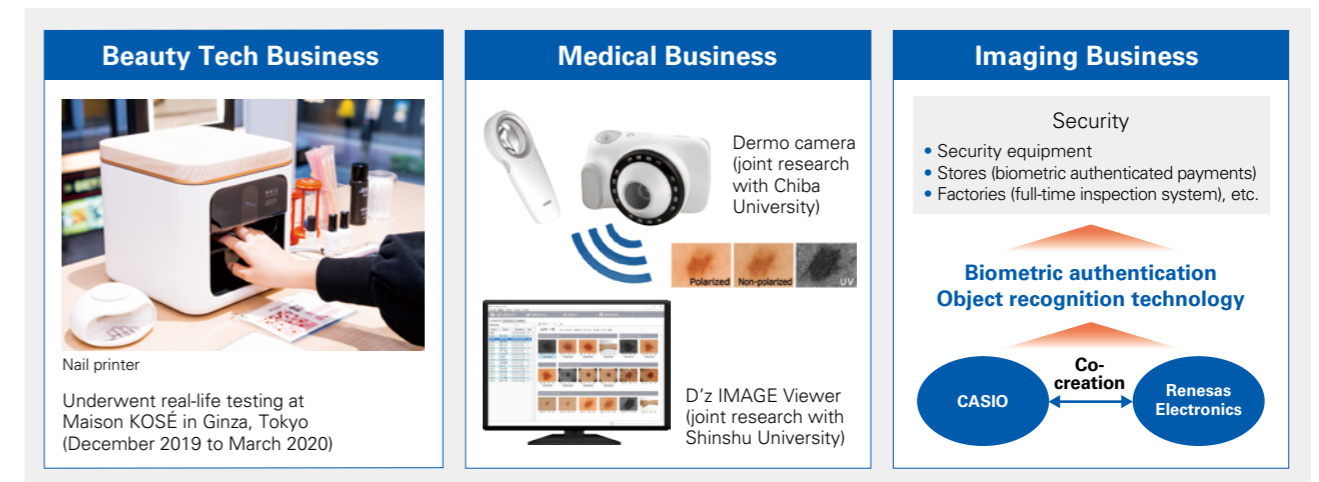
The Imaging Business is a B2B business that provides image processing and sensing technologies in modules to explore and create underlying needs with co-creation partners and customer companies.

We are now focusing on utilizing the low power consumption, ultra-high-speed processing AI chip, which was developed jointly with Renesas Electronics Corporation, by taking advantage of specific technologies such as dynamically reconfigurable processor (DRP). This will make it possible for AI-driven processing at the end point of cameras and other products and thus contribute to the reduction of the data amount sent to and from the cloud and the improvement of security. For this reason, we are now exploring the business potential with a major security equipment manufacturer. Going forward, we will speed up collaboration with our partners and customers to expand its use to various other applications.

In terms of profit structure, each of the three businesses above will generate recurring profits from the provision of technology, and they are expected to have high investment efficiency and profitability.

* PoC: Evidence, typically derived from an experiment or pilot project, which demonstrates that a new concept, theory, or idea, etc., is feasible.

Beauty Tech, Medical, and Imaging Businesses



New Businesses

Growth Strategy for the Sports Tech Business

Society is paying closer attention to healthy life expectancy and quality of life (QOL), while issues surrounding the health care systems and medical cost issues of each country are being debated. Furthermore, people's awareness toward health is rapidly changing due to the COVID-19 pandemic. Casio will engage in co-creation with the right partners and harness its proprietary technology to provide new, personalized experiences and support the health of people around the world, recognizing that people's ability to maintain their health is a universal value.

We have categorized the direction of this business into the two domains of sports tech, for increasing physical fitness, and health care tech, for improving health. With sports tech the first focus, we will establish a one-stop integrated service platform that combines hardware and services to deliver personalized solutions to runners through collaboration with ASICS. Later, we intend to gradually expand into the health care domain to work toward a sports and health business that supports people's health.

This market is receiving attention from competitors as

well. Casio, however, possesses not just the powerful brand names of CASIO and G-SHOCK but also along with biomechanics technology for visualizing body movements developed through industry-academia collaboration with universities as well as wearable technologies and sensing technologies, that allows us to maintain in a superior position.

First, we will use AI to analyze various data obtained from our wearable devices, including vital data and biomechanics. This will be connected with coaching based on ASICS' knowledge along with facilities and services to address various needs so that all runners will be able to experience effective results for themselves. Currently, we are making steady progress toward the launch of this new business, and we plan to release the first new product in spring 2021.

With this integrated service at the core, we will expand co-creation domains with companies from different industries to establish a co-creation foundation for a running ecosystem that dramatically improves convenience in order to deliver the services needed by runners in a one-stop fashion.

Sports Tech Business

CASIO Sensing & Analysis

Acquires habitual/running data **unique to each runner** and analyzes it using an AI algorithm and biomechanics*

* Biomechanics is a way of exploring and applying the structure and movement of living organisms mechanically.

Provides the user with **personalized** advice and information on form and optimal training method

ASICS

Analyzes running efficiency and landing shock and evaluates form

Heart rate, pace, distance, time, path, strides, pitch, posture, vertical movement, etc.

74

ストライド 152 steps

ランタイム 1:55

ランニングスコア 74

Businesses Needing Better Profitability

Shift to a continuously profitable business structure by means of drastic business structure reforms

Language Education Devices Business

- Establish stable profit base in existing domains based on digitization of education
- Study new business domains

Electronic Musical Instruments Business

- Concentrate lineup and management resources on "slim & smart" products
- Enhance distribution strategy (expand e-commerce)
- Expand services for targets enjoying musical instruments as entertainment

Projector Business

- Pursue miniaturization strategy using proprietary technology resources
- Create new markets and establish new business models

SA Business

- Establish a new business model using proprietary technology assets

Key Strategic Points

In the Language Education Devices, Electronic Musical Instruments, Projector, and System Equipment businesses, we are implementing drastic structural reforms to shift to a business structure that generates profits continuously. Specifically, the Corporate Innovation Office, which works cross-sectionally by theme, collaborates with reform project teams of each headquarters of development, production/procurement, sales, and back office operations to implement reform measures designed for post-COVID-19 society.

In the first half of the fiscal year ended March 2020, the focused profitability improvement initiatives performed particularly well in the Electronic Musical Instruments Business, which showed improvement in performance. On the other hand, overall we are experiencing delays due to COVID-19, and as such, we will speed up efforts to complete the reform initiatives during the fiscal year ending March 2021.

With the interim goal of reforms set as a "state where all factors of concern have been resolved," we aim to establish a new stable profit structure for the Language Education Devices and Electronic Musical Instruments businesses, while aiming to reform the very structure for the Projector and System Equipment businesses.

Reform of Each Business

In the Language Education Devices Business, we aim to transform based on the rapid digitization of education. We will transform the domestic business into a structure that generates stable profits through customization for each school and enhancement of various business management cycles. In addition, we will establish a new business vision through structural reform in China, exploration of applications business, and studies on the feasibility of

business expansion to countries other than China.

In the Electronic Musical Instruments Business, we are developing and promoting a medium-term business strategy based on the vision of enriching people's spirits and lives through proposal of a new lifestyle surrounded by pleasant sounds.

In the fiscal year ended March 2020, we concentrated our lineup and management resources on competitive "slim & smart" products as well as aimed to enhance cost effectiveness. As a result, we achieved steady profits after we uncovered new needs for those staying at home amidst the COVID-19 pandemic and acquired new customers. In the future, we will introduce new "slim & smart" products linked to the proposed lifestyle and enhance our distribution strategy, including expanding e-commerce. At the same time, we will develop services targeting consumers who enjoy musical instruments as entertainment, including online lessons and social media communication that we are providing in select areas for now.

The Projector Business will undergo a drastic business review and switch to a strategy focusing on our miniaturization technology and more compact products. Together with the embedded and module domain and the communication domain, we will create a new domain that uses our proprietary expertise in projection light source engine technology.

In the SA Business, we aim to create a new business model. Specifically, while exiting the high-end segment in some regions, we will adopt a strategy that focuses management resources in areas that emphasize connectivity with customers, such as Bluetooth cash registers and cashless registers, along with exploring the adoption of a subscription model. Based on these, we aim to transform our business model and restructure our profit base.

Business Platform by Function

Key Themes

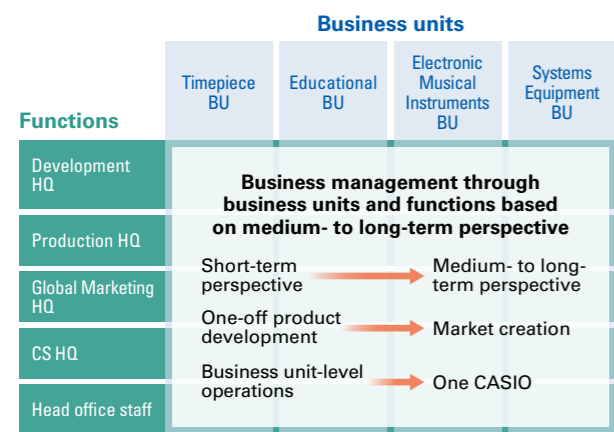
- Review fundamentals of systems, functions, and processes based on contribution to users
- Carry out business operations with a medium- to long-term perspective, total optimization and transition from products to services
- Maximum utilization of digital technologies
- Accelerate reforms through enhancement of cross-organizational collaboration
- Pursue value utilizing Casio's strengths

Basic Approach

Casio began reforms to its executive structure from April 2018 as part of its broader reforms to its management aimed at increasing corporate value. This initiative seeks to establish a fully optimized management structure based on a medium- to long-term perspective by clarifying accountability of each business unit and function supervised by individual senior general managers.

The functions of the Development Headquarters, Production Headquarters, Global Marketing Headquarters, Customer Satisfaction (CS) Headquarters, and head office staff—are addressing the following reform themes while working closely with the Future Development Hub and Corporate Innovation Office, which are dedicated departments heading up Companywide reforms.

Business Units and Functions



Initiatives of the Development Headquarters

Approach to Reforms

The Development Headquarters integrated and

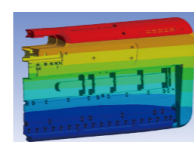
restructured its development functions in existing businesses, which had been fragmented, through the executive structure reforms initiated in April 2018. With the focus of products and services offered by each business shifting from use to experience, the Development Headquarters aims to practice a user-first approach to broaden the global Casio fanbase, instead of merely developing new products in line with plans.

To this end, the headquarters values the approach of achieving “product performance” that exceeds “product concept.” This is based on the belief that unless customer evaluation of product performance, such as quality, ease of use, and after-sales service, exceeds the product concept that forms the expectations prior to purchase, such as function, performance, design, and brand, we will not be able to suit or sustain users’ continuous satisfaction and experiences, nor broaden Casio’s fanbase or create new culture.

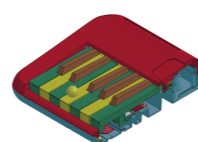
Organizational Reforms within the Development Headquarters

Software development will play an even more important role in future development, and it will be critical to maximize the technologies and know-how of each product from a Companywide perspective. Conventionally, our development structure was categorized by product, but in June 2020

Examples of Increasing Efficiency of Various Product Analyses and Testing Incorporating CAE* That Is Benefiting the Electronic Musical Instruments Business



Example of keyboard analysis using CAE
Grip strength test



Keystroke behavior analysis and test

* Computer Aided Engineering: A design technology that improves quality with fewer prototypes by using virtual prototyping and testing from the initial development stage.

we reorganized this structure into two organizations: an organization assigned to each product responsible for achievement of “product concept,” and an organization for each function to improve “product performance.” With this new structure, we will aim to maximize development efficiencies by having producers manage mass production technologies, design, and cost for each product and maximize the investment effects of new products. At the same time, we will promote the flexible allocation of development resources and sharing of know-how at function-based organizations. In particular, in our development functions such as design, device, structure, and quality, we will also focus on process reforms using digital engineering, which should help us steadily reduce development resources.

Strengthening of the Technology Platform

Currently, Casio maintains various competitive and advantageous technologies including robustness, compact and low energy-consumption, sound source and acoustics, light source, printing, image processing, and sensing algorithms. And it is vital in the future that we further evolve our technology platform, including new technologies. We will work on technological development from a medium- to long-term perspective based on our business strategy following the timeline below, while emphasizing co-creation with outside partners and the hiring and development of human resources aimed at acquisition of new skills.

- Advanced technological development toward future business strategy (up to three years forward)
- Advanced product development of core products for product strategy (up to two years forward)
- Commercialization plan (short term)

Mission of the Development Headquarters

Eliminate organizational borders and use strong alliances with relevant departments to practice a user-first approach to broaden the global Casio fanbase by doing the following:

- Developing technology and frameworks to maximize product concepts
- Developing product performance that can secure better-than-expected customer satisfaction
- Advancing to develop technology to achieve product strategies and aggressively engage in intellectual property activities

Initiatives of the Production Headquarters

Previous Reforms and Achievements

The Production Headquarters was established in October 2017 following functional integration. The headquarters has carried out fundamental reforms of its manufacturing structure, which have involved restructuring production bases centered around the Yamagata mother factory and the standardization of production processes. As part of these reforms, the Production Headquarters actively collaborated with other departments while emphasizing the establishment and sharing of its mission. As a result, it achieved an increase in the ratio of in-house production, higher efficiencies of its own production bases, technology accumulations, and quality issue resolutions.

New Production Reforms

These initiatives, however, were just the first stage of reforms for eliminating loss and represent the midway point for increasing product value and corporate value. When considering each business strategy focused on user experience and contributions to users in a post-COVID-19 society, it is essential to supply more personalized products in a flexible and prompt manner.

Based on this, the Production Headquarters initiated supply chain reforms and engineering chain reforms based on a shift to smart factories in June 2020. It has established the interim goal of shortening the lead time to sales from three months to just two.

Specifically, demand forecasts were switched from monthly to weekly through joint efforts with the Global Marketing Headquarters, and an integrated process directly linking marketing with the production sites was established through re-engineering, digitization, and systems integration. By linking sales plans with production and procurement plans, the Production Headquarters will strive to achieve operations in real time.

At the same time, it will work to realize more efficient and speedy production through automation of all production processes. Automation has been proactively introduced to timepiece production, and we will increase the introductions utilizing our know-how from timepieces and further expand the introductions through the use of AI. One example is sound quality inspections of digital pianos that it plans to automate during the fiscal year ending March 2021. In contrast to the conventional inspection process, which required the skills of highly experienced engineers, the Production Headquarters will seek to phase out manned inspections and increase inspection accuracy by incorporating AI-driven waveform analysis (99.6%

Business Platform by Function

accuracy of detecting an abnormal sound in testing). In addition, it introduced a preventive maintenance system using vibration sensors in June 2020, making it possible to automate monitoring of facilities as well as prevent failures before they occur.

Furthermore, the Production Headquarters will seek to shorten development lead time, reduce development and production resources, and improve quality in processes from development to production. This will be achieved by linking with the reforms that the Development Headquarters is carrying out to create smart development and production processes through data connections.



Automated sound quality tester on the piano keyboard production line

Mission of the Production Headquarters

The Production Headquarters will achieve the following for Casio's sustainable growth:

- Contribute to increased product value by optimizing the innovation process using superior purchasing technologies as well as production technology platforms
- Increase customer satisfaction by stably supplying high-quality, appropriately priced products to market

Digital Marketing Reforms and Initiatives of the Global Marketing Headquarters

Approach to Reforms

In a digitalized society, which connects all things in vast amounts of data, Casio considers this circumstance as a good opportunity to create connections with each and every consumer through digital marketing. Based on this approach, in 2020 Casio initiated digital marketing reforms for understanding individual consumers to keep providing value to them. The goal is to better understand individual consumers and continually provide the optimal experience to each, which will make Casio a clear choice in a highly digitalized society.

Digital Marketing in Tune with Consumers



Reform Policies

The Global Marketing Headquarters has defined three policies of these reforms.

First, and the most fundamental, is to understand the desires of each and every consumer. We will identify the needs and issues of each and every consumer by consolidating, integrating, and analyzing user data obtained individually from various contact points. Currently, the Global Marketing Headquarters is preparing for the introduction of an integrated management system for user data and working to implement and utilize digital tools for behavior analysis.

Second is to provide special experiences to each and every consumer at the best timing based on these consumer desires. Specifically, the headquarters will consolidate management of digital content and product information globally as well as promote omnichannel by stepping up collaboration between stores and online channels such as the website and e-commerce. In addition, special fans will be identified based on purchase history and other data, and in turn, the Global Marketing Headquarters will work to create a mechanism where special products and services reach these fans both through stores and those online channels.

Third is to continually support each and every consumer after purchase using various formats. The Global Marketing Headquarters will collect and integrate membership information of customers and engage customers appropriately after purchase.

Linked with these digital marketing reforms, the headquarters has begun structural reforms for providing the right value to target users. It is inevitable to achieve reforms by both directly connecting with consumers and building relationships with strong and creative retailers. The Global Marketing Headquarters will establish a new marketing platform compatible, with business strategy by re-establishing roles, systems and work styles.

Sustainability Platform

Key Themes

- Provide a comfortable workplace and promote diversity
- Realize a recycling society
- Promote CSR procurement
- Realize a decarbonized society
- Live in harmony with nature
- Respect human rights

Basic Approach

Casio aims to be a company that is needed by society and respected by employees, through sustainable growth while providing solutions to environmental and social issues expected by society through its business operations. Toward this end, we recognize it is important to continually build and enhance upon our sustainability platform including labor, environment, human rights, and anti-corruption, in order to address the ever-changing management environment.

In promoting this, we incorporate the principles of the UN Global Compact, which we joined in 2010, in our overall business activities and we disclose information following the GRI Guidelines, while referencing ISO 26000, containing guidance on social responsibility. In the fiscal year ended March 2016, we identified material CSR issues to carry out these initiatives using an appropriate

PDCA cycle.

In response to the Sustainable Development Goals (SDGs), we established our own sustainability targets for each business in 2019 and clarified which of the 17 SDGs that Casio will contribute to. We plan to establish specific KPIs tied to the SDGs as well as our medium-term management plan.

Material CSR Issues

Casio has specified its material CSR issues starting from identifying materiality for the Company, then identifying materiality for stakeholders through surveys and interviews of external stakeholders, and finally verifying and organizing issues for each. We intend to continually review each materiality while closely examining changes in the social environment.

Material CSR Issues and Focus Areas

Materiality	Focus areas during FYE 3/2020
Providing a comfortable workplace and promoting diversity	Maintain and increase rate of employees taking/returning from childcare leave, increase female employee recruitment rate, maintain legally mandated employment rate of people with disabilities, enhance stress management, and implement/verify stress checks
Realizing a recycling society	Increase the Casio Green Star product sales ratio, boost recycling rate for business site waste, and reduce water consumption
Promoting CSR procurement	Implement CSR education at Casio sites and at business partners, and conduct annual audit follow-up
Realizing a decarbonized society	Create scenarios to reduce CO ₂ emissions over the medium to long term, curtail greenhouse gas emissions, and conduct supplier surveys
Living in harmony with nature	Increase the usage rate of forest certified paper for our product catalog
Respecting human rights	Conduct a survey on human rights issues and implement feedback, provide human rights education, and develop a grievance mechanism

Sustainability Platform

Human Resources Management

To come out on top of severe competition and grow sustainably as a company, it is vital to maximize the value of our human resources, among our various management resources, who are responsible for carrying out business activities. Therefore, Casio recognizes the critical nature of enhancing human resources development compatible with social structure and environmental changes as well as developing a workplace environment that enables our diverse pool of people to meet their full potential.

Invigoration of Organization and Human Resources

With the above in mind, Casio has implemented a number of measures related to human resources to address the issues of Japan's declining birthrate and aging population, decreasing labor population, and more diverse work styles. In the fiscal year ended March 2019, we initiated a structural reform aimed at increasing corporate value from a medium- to long-term perspective. In addition to our conventional rank-specific training and early retirement incentive program, in the fiscal year ended March 2020 we actively promoted young managers and launched the "Job Satisfaction Reform Project," while beginning a review of our new personnel management system. Today, job satisfaction reforms have been passed on to the Future Development Hub, and we are moving ahead with initiatives to reform our structures, mechanisms, and organizations with the goal of becoming a company that provides every employee with a high degree of motivation and meaningful work to address the needs of a post-COVID-19 society.

Provision of Workplace Environments That Enables All Employees to Meet Their Full Potential

Casio has approximately 11,000 employees groupwide with varying personalities and talents. Given changes in the social environment along with employees' values and lifestyles, we recognize the importance of practicing corporate management that leverages diversity as a strength in response to these changes.

One of the material CSR issues we identified is "providing a comfortable workplace and promoting diversity." We are working to develop a comfortable workplace for women and people with disabilities, including various childcare support measures, in addition to promoting work-life balance through flexible work formats in terms of time and space, such as working from home and staggered work hours. Toward this end, we have

established targets for the rate of employees taking childcare leave and returning to work afterwards, the ratio of women in recruitment, and statutory employment rate of people with disabilities.

Environmental Management

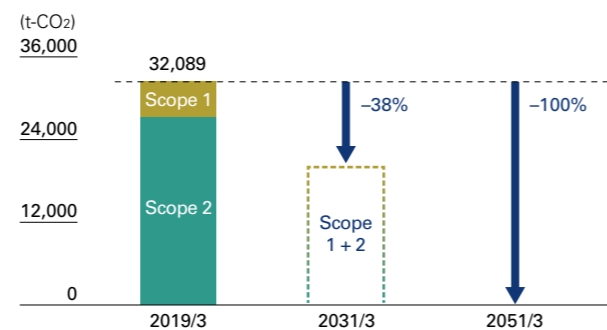
Under the Casio Environmental Vision 2050, a long-term environmental management policy with a target year of 2050, we are actively carrying out initiatives while reviewing the vision as needed. The vision focuses in particular on the following areas: realizing a decarbonized society; realizing a recycling society; and living in harmony with nature. We are now working to resolve these issues through the promotion of proactive and systematic environmental activities.

Realizing a Decarbonized Society

With climate change risks in the spotlight worldwide, Casio will promote even greater energy saving as well as expand its use of renewable energy and secure alternative modes in the value chain. Also, since its founding Casio has created a wide range of environmentally friendly products commanding its technologies making compact, lightweight, thin, and energy-saving designs possible. Looking ahead, we will create products with leading environmental performance to further expand our business.

Regarding greenhouse gas (GHG) emissions from our business activities, we have further increased our reduction target after revising our conventional calculation standards for greater precision. Specifically, we modified our target for Scope 1 and 2 emissions to "reduce 38% by FYE 3/2031 compared with FYE 3/2019 and achieve virtually zero emissions by FYE 3/2051." To achieve this target, we will now promote the introduction of highly efficient and energy-saving facilities, improvement of

Reduction Plan for GHG Emissions (Scope 1 and 2) Based on Medium- to Long-Term Targets



operational processes, and use of renewable energy. Moreover, more than 60% of Casio's CO₂ emissions in the entire value chain are attributed to purchased goods and services (Category 1 of Scope 3). Therefore, we have decided to conduct a survey of our major suppliers on their efforts to reduce GHG emissions. We have increased our reduction target for Scope 3 emissions to "reduce GHG emissions from purchased goods and services (Category 1) and use of sold products (Category 11) 30% by FYE 3/2031 compared to FYE 3/2019." Toward this end, we are now promoting initiatives across the entire value chain that help to lower overall GHG emissions.

Realizing a Recycling Society

Casio is working to conserve resources and recycle throughout the value chain. In terms of products, we are developing environmentally friendly products with compact, lightweight, longer life, and recycling-oriented designs, from the development and design stage to end-of-life recycling. Products that satisfy our proprietary standards receive certification as Casio Green Star Products or Casio Super Green Star Products.

Additionally, we are working to reduce the wastes generated at each of our business sites and increase the recycling rate of these wastes, with the goal of completely eliminating wastes bound for landfills.

Living in Harmony with Nature

Since direct impacts on biodiversity are small due to the nature of its business, Casio focuses on indirect impacts throughout the entire supply chain. Based on the Casio Group Biodiversity Guidelines, we are promoting activities aimed at living in harmony with nature, while closely monitoring developments in the business environment and the latest regulations.

In the Timepiece Business, focusing on the "opportunity" aspect of biodiversity, including promoting collaboration with nature conservation organizations from the perspective of living in harmony with nature, we are undertaking activities based on an outside-in approach and multi-stakeholder partnerships.

Human Rights

Casio is committed to compliance with laws, regulations, principles, and company rules and ensuring that its people act with a high level of business ethics and good conscience. To this end, we carry out educational activities across the Group worldwide and conduct a survey every

two years to identify issues and problems and make improvements based upon feedback.

In 2014, we established the Casio Group Basic Policy on Respect for Human Rights, aimed at strengthening governance for human rights at the global level. Since then, we have been working to make this policy known to all employees.

Specifically, in 2014 we created our own tool for checking the status of human rights, which we have used globally across the Group to continuously monitor the status of initiatives to address human rights issues. Looking ahead, we will implement the PDCA cycle to improve globally and strive to strengthen the human rights due diligence of the entire Group.

Supply Chain Management

Casio has established the Procurement Policies in order to carry out sustainability initiatives throughout the supply chain to conduct fair and equitable transactions. The policies cover matters that include not only ensuring compliance with laws and social norms but also giving consideration to human rights, labor, safety, health, and environmental conservation. Also, Casio has established the Supplier Guidelines to build a partnership structure underpinned by the understanding and acceptance of suppliers. We have introduced a mechanism for regular monitoring of compliance with these guidelines and promote initiatives using the PDCA cycle.

Specifically, since 2009 we have conducted annual questionnaires of suppliers globally to check their implementation of corporate social responsibilities, and we have received responses from all suppliers. This questionnaire is designed in a way to better understand the status of suppliers' CSR initiatives. Casio analyzes the results of the questionnaire and uses the results to provide feedback on its approach and vision for CSR procurement. In this manner, we strive for ongoing improvement.

Corporate Governance

Corporate Governance System

To promote sustainable growth and medium- to long-term improvements to our corporate value, we position swift decision-making, the proper performance of duties, and strengthening our management oversight functions as core issues for the Company. To ensure appropriate responses to these issues, we are strengthening the Board of Directors' oversight functions. To accelerate and optimize business execution based on appropriate supervision by the Board of Directors, with a resolution passed on June 27, 2019 at the General Meeting of Shareholders, we switched from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee structure. The total number of directors increased from seven to eight, and the percentage of outside directors from 28.6% to 37.5%.

Board of Directors

The Board of Directors is chaired by the President & CEO, and is comprised of the eight members including three outside directors.

- Five directors (excluding directors serving as Audit & Supervisory Committee members and of whom, one is an outside director)
 - Three directors serving as Audit & Supervisory Committee members (of whom, two are outside directors)
- The term for directors (excluding directors serving as

Audit & Supervisory Committee members) shall be one year in order to clarify management responsibilities and enable them to respond to rapid changes in operating environments.

The Board of Directors is responsible for the function of decision-making and overseeing business execution by management. The Board discusses and makes decisions on important management matters specified in laws and regulations, the Articles of Incorporation, and the Rules on the Board of Directors. To increase efficiency and agility in the execution of business, the Board of Directors delegates executive authority to executive officers on matters that do not meet the standards set for referral to the Board of Directors in laws and regulations, the Articles of Incorporation, and the Rules on the Board of Directors.

Audit & Supervisory Committee

The Audit & Supervisory Committee is comprised of three directors who are Audit & Supervisory Committee members. An inside director shall serve as committee chair and two outside directors are committee members.

In order to ensure the soundness and transparency of business management, Audit & Supervisory Committee members attend Board of Directors' meetings and other important meetings and committee meetings and voice their opinions, as necessary, to ensure appropriate decision-making.

Audit & Supervisory Committee members also exercise strict oversight by meeting regularly to

communicate with the President & CEO of the Company, soliciting information and reports from directors (excluding directors who are Audit & Supervisory Committee members) and others, and reading the documentation for resolutions on important matters.

Nomination and Compensation Committees

We have established voluntary Nomination and Compensation committees as advisory bodies under the Board of Directors to increase the transparency and appropriateness of the processes for nominating directors and determining their compensation.

When requested by the Board of Directors, the Nomination Committee submits proposals to the Board of Directors concerning the agenda for the General Meeting of Shareholders such as the appointment and dismissal of directors and recommendations on selection standards for director candidates.

When requested by the Board of Directors, the Compensation Committee deliberates on and submits proposals to the Board of Directors concerning the agenda for the General Meeting of Shareholders such as compensation for directors and recommendations on such matters as policies related to the director compensation system and its framework.

Executive Officer System and Executive Officers

Executive officers are delegated certain authority to

execute business according to the policies established by and under the supervision of the Board of Directors. Matters important to the execution of business are discussed at committee meetings that are attended by relevant executive officers and directors.

Executive officer candidates are nominated based on competence and performance history and are selected by the Board of Directors from among elite human resources capable of contributing to the further growth of consolidated operations. The term for executive officers shall be one year.

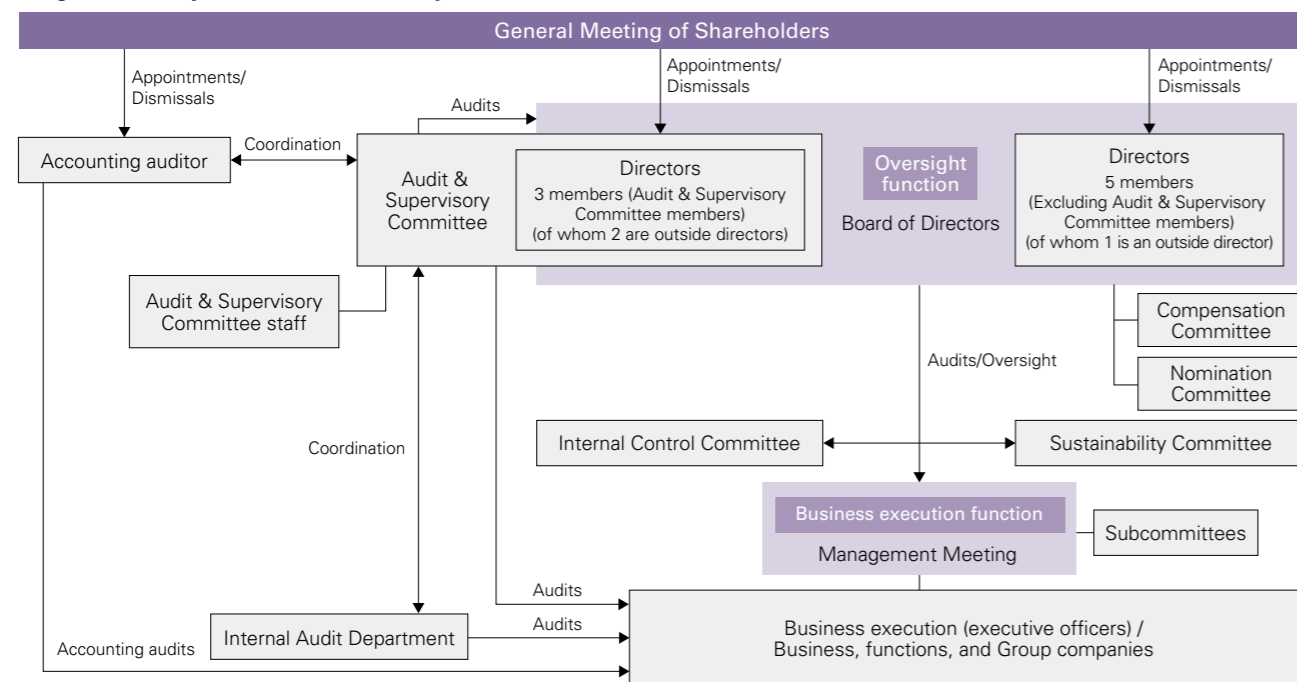
Composition of the Board of Directors

We believe that it is necessary for the Board of Directors to be comprised of members with diverse perspectives, experience, and skills in order to ensure effective management and oversight functions. As such, in addition to inside directors who are familiar with the Company's business, our Board of Directors is comprised of outside directors possessing broad knowledge and extensive experience in corporate management, science, administration, finance and accounting, law, and other fields.

Outside directors bring in external perspectives and increase management transparency. The Company also appoints outside directors to further strengthen the oversight function regarding the execution of business. They are experts who can provide opinions and advice from a wide variety of perspectives, including that of stakeholders, and are invited to Board of Directors' meetings and other meetings.

The three outside directors comment and state their

Diagram of Corporate Governance System



Positions and Responsibilities of Directors

Position	Name	Nomination Committee	Compensation Committee	Attendance at Board of Directors' meetings	Years of service as director (or Audit & Supervisory Board member)
President & CEO	KASHIO Kazuhiro	○	○	14/15 (93%)	9
Director and Executive Officer	YAMAGISHI Toshiyuki	○		15/15 (100%)	7
Director and Executive Officer	TAKANO Shin		○	15/15 (100%)	5
Director and Executive Officer	KASHIO Tetsuo			11/11 (100%)	1
Director (Outside)	OZAKI Motoki	●		9/11 (82%)	1
Director and Full-Time Audit & Supervisory Committee Member	UCHIYAMA Tomoyuki			15/15*1 (100%)	3*2
Director and Audit & Supervisory Committee Member (Outside)	CHIBA Michiko	○	○	15/15*1 (100%)	2*2
Director and Audit & Supervisory Committee Member (Outside)	ABE Hirotomo		●	11/11 (100%)	1

□: Outside Director ●: Committee Chair ○: Committee Member

*1 Including attending four times as Audit & Supervisory Board member.

*2 Years of service as Audit & Supervisory Board member and director of the Company. Appointed as director in June 2019.

Corporate Governance

opinions as necessary to ensure adequate and appropriate decision making by the Board of Directors.

Directors' Training

Based on the belief that directors must continue to advance their skills and knowledge to sufficiently fulfill their roles, we actively promote self-improvement by directors. The Company continuously offers the support, including the provision of information, opportunities, and cost reimbursements, necessary for self-improvement.

We continuously offer information to promote a better understanding of our business operations, particularly for outside directors. This includes planning and providing opportunities, both at the time of appointment and throughout the term of their appointment, to participate in important internal meetings, tour domestic and overseas plants and offices, and attend internal research seminars. Directors who are members of the Audit & Supervisory Committee are provided opportunities for skills improvement necessary for their roles and responsibilities through information provision by the Japan Audit & Supervisory Board Members Association and participation in seminars.

Reason for Appointment as an Outside Director

OZAKI Motoki Independent Director	Mr. Ozaki was appointed for his numerous years of management experience at major corporations and to utilize his objective perspective based on his vast experience and knowledge in overall Company management.
CHIBA Michiko Independent Director	Ms. Chiba possesses expertise in finance and accounting and extensive auditing experience as a certified public accountant. Ms. Chiba was appointed to provide audits and oversight of general management at the Company as an outside director from a fair and neutral position as a highly professional and objective third party.
ABE Hirotomo Independent Director	Mr. Abe possesses rich experience from working overseas for a <i>sogo shosha</i> (general trading company) and special knowledge based on his research and work in the legal field as a graduate school professor. He was appointed to provide audits and oversight of general management at the Company as an outside director from a fair and neutral position as a highly professional and objective third party.

Internal Auditing

The Internal Audit Department consists of four auditors who audit the status of organizational management based on common Group standards and work to strengthen internal controls. Dedicated staff have been allocated to directors who are members of the Audit & Supervisory Committee (including outside directors) to assist them in their work and they exchange information on a daily basis and hold regular quarterly meetings. They also plan internal audits, provide a summary report based on the items audited after internal audits have been conducted, and work together to improve the efficiency and effectiveness of the audit function. The results of internal audits are reported to directors (excluding directors who are members of the Audit & Supervisory Committee).

Analysis and Evaluation of Board of Directors' Effectiveness

With an awareness of the changes in the roles expected of the Board of Directors, we evaluate the effectiveness of the Board of Directors and conduct reviews aimed at strengthening organizational and operational governance.

In fiscal year ended March 2019, we conducted interviews of outside directors regarding points of improvement related to the role, function, and implementation of the Board of Directors' meetings. From these interviews, we received opinions such as the need to review standards for meeting agendas, and to enhance meeting materials. We are working to address these opinions.

In fiscal year ended March 2020, we conducted a survey of directors (including Audit & Supervisory Committee members) and received opinions such as the need to propose agenda items earlier and discuss them from a more strategic and long-term standpoint. Based on these opinions, we will work on further increasing the effectiveness of the Board and making continuous improvements.

Director Compensation

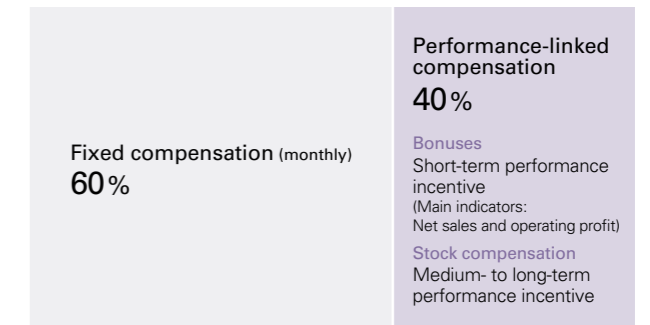
To ensure the sustainable growth of the Company, our basic policy for director compensation is to offer incentives that ensure competitive compensation levels while promoting a healthy entrepreneurial spirit. In principle, this policy applies regardless of position.

Compensation is comprised of fixed compensation (monthly) and performance-linked compensation (bonuses

and stock compensation), but in principle, to place greater emphasis on performance-linked compensation, the percentages are 60% and 40%, respectively. This percentage may be adjusted based on individual role. Performance-linked compensation is comprised of bonuses (short-term performance incentive) and stock compensation (medium- to long-term performance incentive). Of the aforementioned performance-linked compensation, bonus levels are set based primarily on net sales and operating profit for the fiscal year because we believe that these best reflect the results of management efforts to improve business performance. Specifically, they are based on performance relative to net sales and operating profit goals and actual figures. Business conditions and other qualitative factors are also reflected in bonus amounts. A restricted stock compensation plan has been introduced since fiscal year ended March 2020 to provide incentives for continuously improving the corporate value of the Company and to promote further value sharing with shareholders.

The process for determining compensation is for the structure and general framework to be deliberated on at meetings of the Compensation Committee chaired by an outside director after benchmarking with competitors for each position and the results to be submitted to the Board of Directors. The Board of Directors reviews the report to make their decision.

Director Compensation Composition



Dialogues with Shareholders

We recognize that it is crucial to build a long-term, trust-based relationship with our shareholders and investors through proactive dialogue, so we have a dedicated executive officer responsible for IR activities under the direction of our President & CEO.

Our internal structure promotes a common awareness of the importance of dialogue with shareholders. We collaborate on IR activities by gathering and accumulating necessary information from the

FYE 3/2020 Compensation

Executive category	Total compensation amount	Total amount by compensation type		Number of applicable executives
		Compensation type	Amount	
Directors (Excluding Audit & Supervisory Committee members and outside directors)	317 million yen	Fixed compensation	74 million yen	7
		Performance-linked compensation		
		Bonuses	14 million yen	
		Restricted stock compensation	28 million yen	
Audit & Supervisory Committee members (Excluding outside directors)	11 million yen	Fixed compensation	11 million yen	1
Audit & Supervisory Board members (Excluding outside Audit & Supervisory Board members)	3 million yen	Fixed compensation	3 million yen	1
Outside directors	32 million yen	Fixed compensation	32 million yen	7

Notes:

- Amounts paid to directors do not include employee wages paid to directors with managerial duties.
- At the 63rd General Meeting of Shareholders held on June 27, 2019, a resolution was passed setting the maximum compensation amount for directors (excluding Audit & Supervisory Committee members) at less than a total of 400 million yen per year (less than 30 million yen per year for outside directors). This does not include employee wages paid to directors with managerial duties. At the same meeting, within the above maximum compensation amount for directors (excluding Audit & Supervisory Committee members and outside directors), the maximum amount for restricted stock compensation was set at less than 100 million yen per year (and a maximum of 80,000 shares).
- At the 63rd General Meeting of Shareholders held on June 27, 2019, a resolution was passed setting the maximum compensation amount for directors (Audit & Supervisory Committee members) at a total of less than 70 million yen per year.
- At the 51st General Meeting of Shareholders held on June 28, 2007, a resolution was passed setting the maximum compensation amount for Audit & Supervisory Board members at a total of less than 70 million yen per year for four members. However, this does not include the provision for retirement benefits for directors (and other officers).
- As of June 27, 2019, we switched from a company with an Audit and Supervisory Board to a company with an Audit & Supervisory Committee structure.
- Based on the resolution at the 63rd General Meeting of Shareholders, the late KASHIO Kazuo, former representative director, was offered a special reward for service of 200 million yen.

Risk Management and Compliance

networks linking relevant departments. Directors or executive officers directly engage in IR activities as necessary depending on theme and content. In addition to sharing opinions received through shareholder interactions with the Board of Directors, we also share information at executive officer meetings as necessary to reflect those opinions in measures aimed at increasing corporate value.

To ensure the management of insider information during IR activities, we have outlined rules concerning the handling of important undisclosed information and work to ensure strict implementation of those rules. Part of our response measures includes requiring that meetings are attended by multiple people.

In addition to communication through individual meetings, other measures for IR management include holding quarterly earnings briefings for institutional investors and securities analysts where the President & CEO or executive officer responsible for IR provides a summary of financial results, introduces earnings forecasts, and explains operations. To promote further understanding of our Company, we are enhancing external communications by listing various IR information on our website and have established a help desk for receiving inquiries from shareholders.

Basic Policy

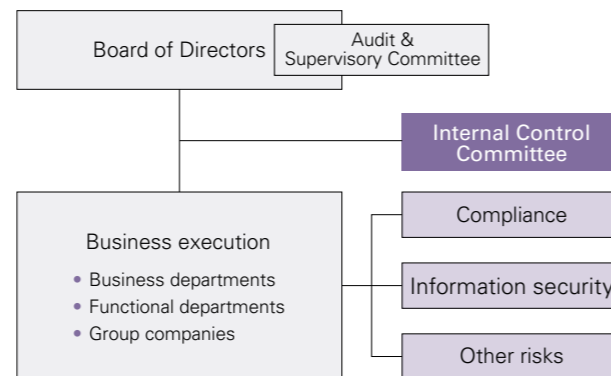
At Casio, we are promoting risk management under the basic policy to predict risks, implement preventative measures to minimize potential losses, and, if losses are incurred, implement effective follow-up measures to ensure business continuity.

Moreover, we have established the Casio Group Code of Conduct for all officers and employees to act with high ethical values and good sense in addition to obey international norms, applicable laws in each country and region, as well as company rules.

Internal Control Committee

The Internal Control Committee is established as an independent organization under the Board of Directors that will deliberate and make decisions on policies and tasks concerning internal control in general within the Casio Group in order to realize an effective, streamlined, and fail-proof risk management structure which carries out cross-sectional integration of compliance, information security, and other risk management functions.

Compliance and Risk Management Structure



Risk Management Structure

Risks that pose a serious impact on management are managed following the structure below based on the Risk Management Rules through collaboration among relevant organizations under the supervision of the Internal Control Committee.

Basic Structure

We will continue to develop education, training, and procedural manuals that serve as the foundation of Companywide risk management to prevent losses and minimize the impact on Company operations in the event of an incident.

Response Implementation Structure

This will serve as a total structure that ensures stable business continuity by enabling effective initial response, including prompt status assessment and information communication, and appropriate decision-making in the event of an incident.

Implementation of Global Risk Survey

In order to effectively conduct risk management, we predict various risks that may involve the Casio Group, and conduct global risk surveys to identify the frequency and impact of risks occurring and assess if appropriate measures are taken. Currently, we have identified three important risks—competition law, privacy law, and cybersecurity—and are implementing the following measures.

Competition Law

We have established the Antitrust Compliance Program to be shared and promoted at all global locations and are conducting employee education. In Japan, the Act against Unjustifiable Premiums and Misleading Representations Compliance Committee was established by relevant departments, and awareness promotion activities, including development of self-management regulations and education, are being implemented. Moreover, we are

striving to provide guidance through the responsible staff office, share customer opinions and feedback, and share case studies from self-audits and improvements implemented in relevant departments. Going forward, we will conduct regular audits based on the implementation status of education, and further enforce this program.

Privacy Law

As laws and regulations concerning personal information become more stringent globally, in order to promote business using data worldwide, we must adhere to the privacy laws of each country. To this end, we have established the DPO Team, which tracks legal trends of each country, ensures the appropriate handling of personal information—from acquiring to storage, usage, and disposal—and conducts employee education and regular audits.

Cybersecurity

We have established the Computer Security Incident Response Team (CSIRT) so that we can take accurate response to information security incidents that are on the rise and take rapid action in the case of an incident. While implementing technical measures within the Group backed mainly by the Information Technology & Engineering Department, we are working on defining rules and conducting education among employees.

Business Continuity Initiatives

At Casio, we have established the Risk Management Manual to ensure appropriate responses are taken in the event of unpredicted situations, which focuses on ensuring the safety of directors and employees and their families and preserving the corporate assets.

We also are working to enhance our business continuity plan (BCP). A BCP outlines procedures to promote rapid safety confirmation for directors and employees, rapid assessments of damage, rapid business recovery, and overall business continuity in the event that a future situation, such as a large-scale earthquake directly underneath the Tokyo metropolitan area, forces a suspension of operations. This plan is centered on the global supply chain and aims to minimize losses and reassure our business partners and customers. In emergencies, we will establish a response headquarters to direct limited resources in the continued provision of products and services around the world.

Compliance Risk Management

We review laws and regulations related to business promotion in addressing risk management in terms of compliance, with the Internal Control Committee in charge of verifying whether appropriate measures are taken by the lead department associated with each law. We take corrective measures in case of deficiencies as well as conduct regular monitoring.

Export Control

While supplying products to over 140 countries in the world, Casio designates export control managers within its relevant departments to ensure strict compliance with export control. Specifically, we have established self-management regulations, the Casio Security Trade Control Compliance Program, to ensure strict adherence to the laws and regulations and implement annual self-audit. In addition to Japanese laws, we have established a management structure to address US Export Administration Regulations to enhance our global export control.

Whistleblower Hotline

Casio has established a Whistleblower Hotline for internal and external reports and inquiries concerning compliance as well as an external hotline specifically for consultations from its business partners. Moreover, in addition to support in Japan, we have also set up the framework to assist global Group employees in English and Chinese. As stipulated by internal regulations, the use of this whistleblowing platform will not result in the user's disadvantage while personal information will be protected.

Incidents during the Fiscal Year under Review

Casio Electronics Co. Ltd. (UK subsidiary) was subjected to an on-site investigation by the Competition & Markets Authority and, as a result, had to pay a fine related to an antitrust violation during the fiscal year under review. Additionally, an illegal money transfer by a former employee of Casio Europe GmbH (German subsidiary) came to light.

The Casio Group (the Company and its consolidated subsidiaries) takes this situation seriously, and is fully committed to reinforce compliance, including following through on measures stated above, and enhance our internal control structure and prevent recurrence.

Messages from Our Outside Directors



OZAKI Motoki
Outside Director

The social change that Casio must focus on in the midst of this new normal is that new relationships are being built between people as they connect digitally and are conscious of social distancing, moving away from the object-oriented society of before.

These relationships will not be confined to a single organization, but instead, there will be a shift to building new relationships in which people can share their values and interests. Through this process, diverse values will be created with greater individuality. I believe such an era is coming.

Casio needs to engage in global activities as “one CASIO” in order to survive in a society that is navigating a new normal, and that is what I expect Casio to do from a medium- to long-term standpoint.

To realize one CASIO, it is essential to standardize work, coordinate, and share a social corporate philosophy across the entire Group. Under that structure, the Company must engage in business development and promotion of operations centered on consumers seeking new relationships. The result will be that deeply loyal Casio consumers will increase globally, boosting the importance of the Company’s existence and its value.

As an outside director, my role is, in the short term, to monitor current risks and efficiency. In the medium to long term, I hope to work with employees to make sure that Casio’s corporate strategies are consistent with and address societal changes such as the above.



CHIBA Michiko
Outside Director

In these times of uncertainty caused by COVID-19, it is necessary to aim to become a strong, resilient, and flexible organization capable of quickly implementing measures for improvement. These measures must be implemented according to the times by bringing together internal and external wisdom on a global basis even in the event of an unpredictable situation.

Based on the corporate creed of “Creativity and Contribution,” the Company must promote further efforts to contribute to society.

Building up new corporate value is important for ensuring sustainability and continuing to be needed by society. First, the Company needs to be one that management and employees can be proud of. To make that happen, I believe it is important to increase expertise at both the individual and company level, keep building up knowledge, and communicate with respect for one another. The Company needs to become an organizational entity that fosters the creation of new value, combining the strengths, knowledge, and individuality of each of its members.

I hope to fulfill my duties as a member of the Audit & Supervisory Committee, which underpins trust—the foundation of a company’s sustainable growth.



ABE Hiroto
Outside Director

We are facing an unprecedented crisis. COVID-19 has brought about great changes not only to our everyday lives but also to the market environment surrounding the Company and consumer behavior. Reshaping the values that had been considered the norm, it will be necessary to exercise creativity and exert efforts to create new value. Together, I hope to consider issues such as what is required of the Company under a rapidly changing socioeconomic environment and how the Company can contribute to society.

The Company transitioned to a company with an Audit & Supervisory Committee structure last year, but there are still some issues that require improvement from a governance standpoint. This year marks the second year of the transition, and as an outside director and Audit & Supervisory Committee member, I hope to work on further strengthening internal control and increasing management efficiency. To achieve this, it will also be necessary to build an audit structure that does not require people to move from place to place. Audit activities are also limited due to COVID-19, but I will cooperate with relevant departments to enhance the strength of internal control through efficient activities.

The word “crisis” comes from the Latinized form of the Greek word “krisis,” which refers to a turning point that could signify either danger or an opportunity. I hope to work together during this turning point and turn this crisis into an opportunity.

Directors



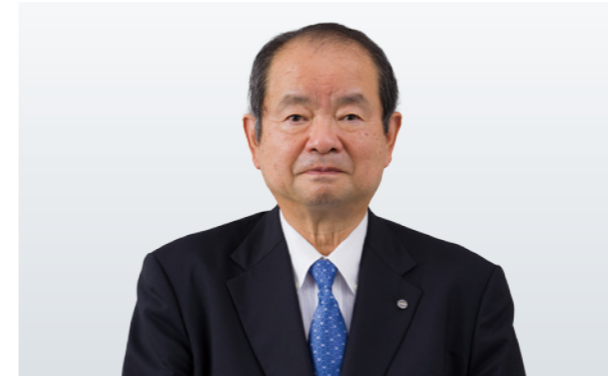
KASHIO Kazuhiro
Representative Director, Chairman of the Board

Apr. 1991 Joined Casio Computer Co., Ltd.
 Jul. 2007 Executive Officer, Deputy Senior General Manager of Corporate Management Division
 Jun. 2011 Executive Officer, Member of the Board, Senior General Manager of Digital Imaging Division
 Apr. 2013 Executive Officer, Member of the Board, Senior General Manager of Emerging Business Headquarters
 Oct. 2013 Executive Officer, Member of the Board, Head of Consumer and System Product, Senior General Manager of Emerging Business Headquarters
 May 2014 Director, Senior Executive Managing Officer, Senior General Manager of Business Headquarters of Consumer Product and System Solution
 Jun. 2015 President & COO
 Jun. 2018 President & CEO



YAMAGISHI Toshiyuki
Director, Member of the Board

Apr. 1985 Joined Casio Computer Co., Ltd.
 Apr. 2009 General Manager of Business Management Department, Corporate Management Division
 Dec. 2010 Executive Officer, Senior General Manager of Corporate Management Division
 Jun. 2013 Director, Senior General Manager of Corporate Management Division
 May 2014 Director, Executive Officer, Senior General Manager of Corporate Management Division
 Jan. 2018 Director, Executive Officer responsible for Drastic Management Reform
 Apr. 2018 Director, Executive Officer, Senior General Manager of Corporate Management Division
 Oct. 2019 Director, Executive Officer responsible for General Affairs, Public Relations, and Corporate Communications
 Jun. 2020 Director, Executive Officer responsible for ESG Strategy



OZAKI Motoki
Outside Director, Member of the Board

Apr. 1972 Joined Kao Soap Co., Ltd. (currently Kao Co., Ltd.)
 Jun. 2002 Director and Executive Officer, Kao Co., Ltd.
 Jun. 2004 Representative Director, President and Executive Officer, Kao Co., Ltd.
 Jun. 2012 Director and Chairman of the Board, Kao Co., Ltd. (retired March 2014)
 Jun. 2012 Director of the Kao Foundation for Arts & Sciences (to the present)
 Mar. 2014 President, Association for Corporate Support of the Arts (to the present)
 Jun. 2014 President, New National Theater Foundation (to the present)
 Jun. 2015 Nomura Securities Co., Ltd. Outside Director (to the present)
 Jun. 2016 Honda Motor Company Co., Ltd. Outside Director (retired June 2020)
 Jun. 2019 Casio Computer Co., Ltd. Outside Director



UCHIYAMA Tomoyuki
Director, Audit & Supervisory Committee Member

Apr. 1980 Joined Casio Computer Co., Ltd.
 Sep. 2000 Vice President, Casio Corporation of America
 Apr. 2002 Vice President, Casio Inc.
 Sep. 2013 Finance Division
 Oct. 2013 Director at Yamagata Casio, Co., Ltd.
 Jun. 2017 Audit & Supervisory Board member (full-time)
 Jun. 2019 Director, Audit & Supervisory Committee member (full-time)



TAKANO Shin
Director, Member of the Board

Apr. 1984 Joined Casio Computer Co., Ltd.
 Nov. 2007 General Manager of Accounting Department
 Dec. 2009 Executive Officer, Senior General Manager of Finance Division
 Jun. 2015 Director, Executive Officer, Senior General Manager of Finance Division



KASHIO Tetsuo
Director, Member of the Board

Apr. 1992 Joined Casio Computer Co., Ltd.
 Oct. 2004 Casio Soft Co., Ltd. Member of the Board
 Feb. 2005 Casio Information Services Co., Ltd. Member of the Board
 Jun. 2008 Executive Officer, CS General Manager of Global Marketing Headquarters
 Jun. 2016 Senior Executive Officer, CS General Manager
 Apr. 2018 Senior Executive Officer, Senior General Manager of CS Headquarters
 Jun. 2019 Director, Executive Officer, Senior General Manager of CS Headquarters



CHIBA Michiko
Outside Director, Audit & Supervisory Committee Member

Apr. 1984 Joined Tokyo Metropolitan Government
 Oct. 1989 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
 Mar. 1993 Registered as Certified Public Accountant
 Jul. 2010 Senior Partner at Ernst & Young ShinNihon LLC
 Aug. 2013 Member of Governance Council of Ernst & Young ShinNihon LLC
 Feb. 2016 Deputy Chair of Governance Council of Ernst & Young ShinNihon LLC (retired August 2016)
 Sep. 2016 Established Chiba Certified Accountant Office (to the present)
 Jun. 2018 Audit & Supervisory Board member of Casio Computer Co., Ltd.
 Mar. 2019 DIC Corporation, Outside Audit & Supervisory Board member (to the present)
 Jun. 2019 TDK Corporation, Outside Audit & Supervisory Board member (to the present)
 Jun. 2019 Casio Computer Co., Ltd. Outside Director, Audit & Supervisory Committee member



ABE Hiroto
Outside Director, Audit & Supervisory Committee Member

Apr. 1980 Joined Mitsui & Co., Ltd.
 Sep. 1988 Mitsui & Co. (Brazil) S.A. Manager of Legal Department
 Apr. 1992 Mitsui & Co. (USA) Inc. Assistant General Manager of Legal Department
 Oct. 2002 Mitsui & Co. (Europe) Plc General Manager of Legal Department
 May 2005 Mitsui & Co., Ltd. Europe, Africa, and Middle East Headquarters General Counsel & Chief Compliance Officer (retired March 2009)
 Apr. 2009 Meiji Gakuin University, Professor of Law (retired March 2011)
 Apr. 2011 Hitotsubashi University Graduate School, Professor of Law (to the present)
 Jun. 2019 Casio Computer Co., Ltd. Outside Director and Audit & Supervisory Committee member

Executive Officers



KASHIO Kazuhiro
President & CEO



MASUDA Yuichi
Senior Executive Managing Officer
Senior General Manager, Development Headquarters; Senior General Manager, Timepiece Business Unit



KASHIO Takashi
Executive Managing Officer
Senior General Manager, Global Marketing Headquarters



MORIYA Koji
Executive Officer
Manager, Office of the President; Responsible for Building Next-Generation R&D Environment



INADA Nobuyuki
Executive Officer
Deputy Senior General Manager, Production Headquarters; General Manager, Logistics Department



IGUCHI Toshiyuki
Executive Officer
Senior General Manager, Sports & Healthcare Incubation Center



YAMAGISHI Toshiyuki
Executive Officer
Responsible for ESG Strategy of the Company



TAKANO Shin
Executive Officer
Senior General Manager, Finance Division



KASHIO Tetsuo
Executive Officer
Senior General Manager, CS Headquarters



OTA Shinji
Executive Officer
Senior General Manager, Educational Business Unit



TAMURA Seiji
Executive Officer
Responsible for Public Relations & Investor Relations



KATO Tomoo
Executive Officer
Senior General Manager, Overseas Sales Division, Global Marketing Headquarters



ITOH Shigenori
Executive Officer
Chairman and CEO, Casio America, Inc.



MOCHINAGA Nobuyuki
Executive Officer
Deputy Senior General Manager, Development Headquarters; Responsible for Engineer Personnel



NAKAYAMA Jin
Executive Officer
Senior General Manager, Business & Technology Development Center



KAWAI Tetsuya
Executive Officer
Deputy Senior General Manager, Development Headquarters; Senior General Manager, Development Promotion Unit



AOSHICA Yukio
Executive Officer
Senior General Manager, Domestic Sales Division, Global Marketing Headquarters



SHINODA Yutaka
Executive Officer
Senior General Manager, Production Headquarters



NARUTAKI Yasumasa
Executive Officer
General Manager, Corporate Management Department



TANAKA Toru
Executive Officer
CEO, Casio (China) Co., Ltd.

Consolidated 11-Year Summary

	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	Millions of Yen 2020/3
Status of gains and losses											
Net sales	427,925	341,678	301,660	297,763	321,761	338,389	352,258	321,213	314,790	298,161	280,750
Cost of sales	330,417	227,923	195,622	181,479	189,358	190,706	199,251	187,755	179,215	168,778	158,145
Selling, general and administrative expenses	126,817	101,713	96,973	96,231	105,827	110,920	110,838	102,822	106,007	99,121	93,541
Operating profit (loss)	(29,309)	12,042	9,065	20,053	26,576	36,763	42,169	30,636	29,568	30,262	29,064
Profit (loss) before income taxes	(29,558)	10,333	715	18,942	22,957	34,220	40,664	23,455	24,612	29,369	27,641
Profit (loss) attributable to owners of parent	(20,968)	5,682	2,556	11,876	15,989	26,400	31,194	18,410	19,563	22,135	17,588
Status of cash flows											
Cash flows from operating activities	5,834	13,713	10,793	9,478	40,107	30,755	32,710	27,920	34,553	20,738	33,047
Cash flows from investing activities	(14,997)	(25,529)	3,107	(13,377)	8,044	(10,668)	8,159	(3,255)	(8,311)	(6,227)	(1,695)
Cash flows from financing activities	18,155	22,984	(30,729)	(4,695)	(38,523)	(30,629)	(21,673)	(30,933)	(10,589)	(16,934)	(24,915)
Free cash flows	(9,163)	(11,816)	13,900	(3,899)	48,151	20,087	40,869	24,665	26,242	14,511	31,352
Financial position											
Net assets	168,857	153,232	149,254	163,968	185,256	204,158	202,111	196,332	206,691	211,594	202,539
Total assets* ¹	429,983	402,456	366,212	369,322	366,964	374,656	368,454	351,452	364,203	357,530	334,100
Per share information											
Basic earnings (losses) per share (yen)	(75.58)	20.90	9.51	44.17	59.47	100.08	119.72	72.67	79.42	89.86	72.23
Cash dividends per share* ² (yen)	15.00	17.00	17.00	20.00	25.00	35.00	40.00	40.00	50.00	45.00	45.00
Financial data											
Operating margin (%)	(6.8)	3.5	3.0	6.7	8.3	10.9	12.0	9.5	9.4	10.1	10.4
Return on equity (%)	(12.2)	3.6	1.7	7.6	9.2	13.6	15.4	9.2	9.7	10.6	8.5
Return on assets (%)	(4.8)	1.4	0.7	3.2	4.3	7.1	8.4	5.1	5.5	6.1	5.1
Equity ratio	37.3	38.0	40.7	44.4	50.5	54.5	54.9	55.9	56.8	59.2	60.6
D/E ratio	0.65	0.90	0.75	0.69	0.47	0.38	0.38	0.37	0.35	0.33	0.31
Assets turnover (times)	1.0	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.8	0.8
Inventory turnover (months)	1.8	2.4	2.8	3.6	3.0	3.5	3.5	3.3	3.3	3.9	4.0
Capital investment	10,068	6,183	6,678	7,637	5,574	5,926	6,889	5,496	7,741	6,338	5,404
Depreciation on property, plant and equipment	12,657	7,674	6,060	5,325	5,717	5,794	6,505	6,357	5,819	6,092	5,646

*1. As of FYE 3/2019, we applied the Partial Amendments to Accounting Standards for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018). These accounting standards have been applied retroactively for figures from FYE 3/2018.

*2. The per share amount of 50 yen for FYE 3/2018 includes a 60th anniversary commemorative dividend of 10 yen.

In the financial section, figures indicated are rounded off to the nearest 100 million yen.

Consolidated Balance Sheets

March 31, 2020 and 2019 Casio Computer Co., Ltd. and Consolidated Subsidiaries

Assets	Millions of Yen		Thousands of U.S. Dollars [Note 1]
	2020	2019	2020
Current assets:			
Cash and deposits (Notes 3 and 5)	¥ 71,696	¥ 73,714	\$ 657,761
Securities (Notes 3, 5 and 6)	48,000	50,000	440,367
Notes and accounts receivable-trade (Note 5)	33,701	44,141	309,183
Allowance for doubtful accounts	(491)	(556)	(4,505)
Inventories (Note 4)	53,150	54,274	487,615
Short-term loans receivable with resale agreement (Note 3)	14,999	8,900	137,606
Other	6,331	8,143	58,083
Total current assets	227,386	238,616	2,086,110
Property, plant and equipment:			
Land	33,551	33,564	307,807
Buildings and structures	58,741	59,028	538,908
Machinery, equipment and vehicles	13,025	14,093	119,495
Tools, furniture and fixtures	34,430	33,400	315,872
Leased assets (Note 12)	6,825	2,043	62,615
Construction in progress	738	245	6,771
	147,310	142,373	1,351,468
Accumulated depreciation	(87,730)	(85,568)	(804,862)
Net property, plant and equipment (Note 13)	59,580	56,805	546,606
Investments and other assets:			
Shares of associates (Note 13)	258	2,719	2,367
Investment securities (Notes 5 and 6)	20,819	27,911	191,000
Retirement benefit asset (Note 10)	7,924	11,414	72,697
Deferred tax assets (Note 9)	7,452	8,451	68,367
Other	10,744	11,680	98,569
Allowance for doubtful accounts	(63)	(66)	(578)
Total investments and other assets	47,134	62,109	432,422
Total assets (Note 13)	¥334,100	¥357,530	\$3,065,138

See accompanying notes.

Liabilities and Net Assets	Millions of Yen		Thousands of U.S. Dollars [Note 1]
	2020	2019	2020
Current liabilities:			
Short-term borrowings (Note 8)	¥ 186	¥ 232	\$ 1,706
Current portion of bonds and long-term borrowings (Notes 5 and 8)	25,000	10,003	229,358
Notes and accounts payable-trade (Note 5)	23,603	28,522	216,541
Accounts payable-other	14,626	19,784	134,184
Accrued expenses	11,978	13,123	109,890
Income taxes payable	1,454	3,584	13,339
Provision for business restructuring	918	212	8,422
Other	9,303	7,303	85,349
Total current liabilities	87,068	82,763	798,789
Non-current liabilities:			
Long-term borrowings (Notes 5 and 8)	37,847	58,988	347,220
Retirement benefit liability (Note 10)	1,105	578	10,138
Deferred tax liabilities (Note 9)	1,290	1,320	11,835
Provision for business restructuring	860	1,020	7,890
Other	3,391	1,267	31,110
Total non-current liabilities	44,493	63,173	408,193
Total liabilities	131,561	145,936	1,206,982
Contingent liabilities (Note 14)			
Net assets (Note 11):			
Shareholders' equity:			
Share capital			
Authorized —471,693,000 shares			
Issued —259,020,914 shares	48,592	48,592	445,798
Capital surplus	65,042	65,058	596,716
Retained earnings	118,347	111,757	1,085,752
Treasury shares	(24,875)	(19,956)	(228,211)
Total shareholders' equity	207,106	205,451	1,900,055
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	4,455	8,246	40,872
Foreign currency translation adjustment	(7,490)	(4,178)	(68,716)
Remeasurements of defined benefit plans (Note 10)	(1,532)	2,075	(14,055)
Total accumulated other comprehensive income	(4,567)	6,143	(41,899)
Total net assets	202,539	211,594	1,858,156
Total liabilities and net assets	¥334,100	¥357,530	\$3,065,138

Consolidated Statements of Income

Years ended March 31, 2020 and 2019 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Net sales (Note 13)	¥280,750	¥298,161	\$2,575,688
Costs and expenses (Note 13):			
Cost of sales	158,145	168,778	1,450,872
Selling, general and administrative expenses	86,128	91,767	790,165
Research and development expenses	7,413	7,354	68,009
	251,686	267,899	2,309,046
Operating profit (Note 13)	29,064	30,262	266,642
Other income (expenses):			
Interest and dividend income	1,059	1,128	9,716
Insurance claim income	242	-	2,220
Interest expenses	(288)	(270)	(2,642)
Foreign exchange losses	(1,556)	(976)	(14,275)
Gain (loss) on retirement and sales of non-current assets	(73)	(838)	(670)
Gain on sales of investment securities (Note 6)	3,196	4,864	29,321
Subsidy income	-	50	-
Business restructuring expenses (Notes 13, 15 and 16)	(2,984)	(1,981)	(27,376)
Loss on competition law	(505)	-	(4,633)
Extra retirement payments (Note 10)	(274)	(2,620)	(2,514)
Special executive bonuses	(200)	-	(1,835)
Other, net	(40)	(250)	(367)
	(1,423)	(893)	(13,055)
Profit before income taxes	27,641	29,369	253,587
Income taxes (Note 9):			
Current	6,005	4,913	55,092
Deferred	4,048	2,321	37,137
	10,053	7,234	92,229
Profit	17,588	22,135	161,358
Profit attributable to owners of parent	¥ 17,588	¥ 22,135	\$ 161,358

	Yen		U.S. Dollars (Note 1)
	2020	2019	2020
Amounts per share of common shares:			
Basic earnings	¥72.23	¥89.86	\$0.66
Diluted earnings*	-	88.09	-
Cash dividends applicable to the year	45.00	45.00	0.41

* Diluted earnings per share for the fiscal year ended March 31, 2020 are not shown as there are no dilutive shares.

See accompanying notes.

Consolidated Statements of Comprehensive Income

Years ended March 31, 2020 and 2019 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Profit	¥ 17,588	¥22,135	\$161,358
Other comprehensive income:			
Valuation difference on available-for-sale securities	(3,791)	(2,639)	(34,780)
Foreign currency translation adjustment	(3,312)	(852)	(30,385)
Remeasurements of defined benefit plans, net of tax	(3,607)	(1,418)	(33,092)
Share of other comprehensive income of entities accounted for using equity method	(0)	0	(0)
Total other comprehensive income	(10,710)	(4,909)	(98,257)
Comprehensive income	6,878	17,226	63,101
Comprehensive income attributable to:			
Owners of parent	6,878	17,226	63,101
Non-controlling interests	-	-	-

Reclassification Adjustments and Tax Effects for Other Comprehensive Income

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Valuation difference on available-for-sale securities:			
Increase (decrease) during period	¥ (2,269)	¥ 1,060	\$(20,817)
Reclassification adjustments	(3,195)	(4,864)	(29,312)
Amount before income tax effect	(5,464)	(3,804)	(50,129)
Income tax effect	1,673	1,165	15,349
Total	(3,791)	(2,639)	(34,780)
Foreign currency translation adjustment:			
Increase (decrease) during period	(3,312)	(852)	(30,385)
Remeasurements of defined benefit plans:			
Increase (decrease) during period	(4,688)	(2,519)	(43,009)
Reclassification adjustments	(473)	446	(4,340)
Amount before income tax effect	(5,161)	(2,073)	(47,349)
Income tax effect	1,554	655	14,257
Total	(3,607)	(1,418)	(33,092)
Share of other comprehensive income of entities accounted for using equity method:			
Increase (decrease) during period	0	0	0
Reclassification adjustments	(0)	-	(0)
Total	(0)	0	(0)
Total other comprehensive income	¥(10,710)	¥(4,909)	\$(98,257)

See accompanying notes.

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2020 and 2019 Casio Computer Co., Ltd. and Consolidated Subsidiaries

Millions of Yen

	Number of common shares	Share capital	Capital surplus	Retained earnings	Treasury shares	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total net assets
Balance at April 1, 2018	259,020,914	¥48,592	¥65,058	¥101,938	¥(19,949)	¥10,885	¥(3,326)	¥3,493	¥206,691
Cumulative effects of changes in accounting policies	-	-	-	-	-	-	-	-	-
Restated balance	259,020,914	48,592	65,058	101,938	(19,949)	10,885	(3,326)	3,493	206,691
Dividends of surplus	-	-	-	(12,316)	-	-	-	-	(12,316)
Profit attributable to owners of parent	-	-	-	22,135	-	-	-	-	22,135
Purchase of treasury shares	-	-	-	-	(7)	-	-	-	(7)
Disposal of treasury shares	-	-	0	-	0	-	-	-	0
Effect of changes in accounting period of consolidated subsidiaries	-	-	-	-	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-	(2,639)	(852)	(1,418)	(4,909)
Balance at April 1, 2019	259,020,914	¥48,592	¥65,058	¥111,757	¥(19,956)	¥ 8,246	¥(4,178)	¥2,075	¥211,594
Cumulative effects of changes in accounting policies	-	-	-	(55)	-	-	-	-	(55)
Restated balance	259,020,914	48,592	65,058	111,702	(19,956)	8,246	(4,178)	2,075	211,539
Dividends of surplus	-	-	-	(11,616)	-	-	-	-	(11,616)
Profit attributable to owners of parent	-	-	-	17,588	-	-	-	-	17,588
Purchase of treasury shares	-	-	-	-	(5,010)	-	-	-	(5,010)
Disposal of treasury shares	-	-	(16)	-	91	-	-	-	75
Effect of changes in accounting period of consolidated subsidiaries	-	-	-	673	-	-	-	-	673
Net changes of items other than shareholders' equity	-	-	-	-	-	(3,791)	(3,312)	(3,607)	(10,710)
Balance at March 31, 2020	259,020,914	¥48,592	¥65,042	¥118,347	¥(24,875)	¥ 4,455	¥(7,490)	¥(1,532)	¥202,539

Thousands of U.S. Dollars [Note 1]

	Share capital	Capital surplus	Retained earnings	Treasury shares	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total net assets
Balance at April 1, 2019	\$445,798	\$596,863	\$1,025,294	\$(183,083)	\$75,651	\$(38,330)	\$19,037	\$1,941,230
Cumulative effects of changes in accounting policies	-	-	(505)	-	-	-	-	(505)
Restated balance	445,798	596,863	1,024,789	(183,083)	75,651	(38,330)	19,037	1,940,725
Dividends of surplus	-	-	(106,569)	-	-	-	-	(106,569)
Profit attributable to owners of parent	-	-	161,358	-	-	-	-	161,358
Purchase of treasury shares	-	-	-	(45,963)	-	-	-	(45,963)
Disposal of treasury shares	-	(147)	-	835	-	-	-	688
Effect of changes in accounting period of consolidated subsidiaries	-	-	6,174	-	-	-	-	6,174
Net changes of items other than shareholders' equity	-	-	-	-	(34,779)	(30,386)	(33,092)	(98,257)
Balance at March 31, 2020	\$445,798	\$596,716	\$1,085,752	\$(228,211)	\$40,872	\$(68,716)	\$(14,055)	\$1,858,156

See accompanying notes.

Consolidated Statements of Cash Flows

Years ended March 31, 2020 and 2019 Casio Computer Co., Ltd. and Consolidated Subsidiaries

Millions of Yen

Thousands of U.S. Dollars [Note 1]

	2020	2019	2020
Cash flows from operating activities			
Profit before income taxes	¥ 27,641	¥ 29,369	\$ 253,587
Depreciation	11,767	9,684	107,954
Loss (gain) on sales and retirement of non-current assets	73	838	670
Loss (gain) on sales of investment securities	(3,196)	(4,864)	(29,321)
Subsidy income	-	(50)	-
Increase (decrease) in retirement benefit liability	555	259	5,092
Interest and dividend income	(1,059)	(1,128)	(9,716)
Interest expenses	288	270	2,642
Foreign exchange losses (gains)	(1,212)	(1,198)	(11,119)
Share of loss (profit) of entities accounted for using equity method	153	(17)	1,403
Decrease (increase) in trade receivables	9,511	786	87,257
Decrease (increase) in inventories	(1,211)	(5,336)	(11,110)
Increase (decrease) in trade payables	(751)	(2,278)	(6,890)
Decrease/increase in consumption taxes receivable/payable	(551)	476	(5,055)
Other, net	(277)	(1,603)	(2,541)
Subtotal	41,731	25,208	382,853
Interest and dividends received	1,096	1,215	10,055
Interest paid	(286)	(276)	(2,624)
Extra retirement payments	(2,601)	-	(23,862)
Income taxes paid	(6,893)	(5,409)	(63,239)
Net cash provided by (used in) operating activities	33,047	20,738	303,183
Cash flows from investing activities			
Payments into time deposits	(388)	(1,868)	(3,560)
Proceeds from withdrawal of time deposits	398	1,915	3,652
Purchase of property, plant and equipment	(5,122)	(7,127)	(46,991)
Proceeds from sales of property, plant and equipment	75	13	688
Purchase of intangible assets	(4,760)	(5,606)	(43,670)
Purchase of investment securities	(8)	(11)	(73)
Proceeds from sales and redemption of investment securities	5,749	6,565	52,743
Proceeds from liquidation of subsidiaries and associates	2,304	-	21,138
Other, net	57	(108)	523
Net cash provided by (used in) investing activities	(1,695)	(6,227)	(15,550)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(46)	27	(422)
Proceeds from long-term borrowings	4,000	12,488	36,697
Repayments of long-term borrowings	-	(16,500)	-
Redemption of bonds	(10,000)	-	(91,743)
Purchase of treasury shares	(5,011)	(8)	(45,972)
Proceeds from sales of treasury shares	0	0	0
Repayments of lease obligations	(2,242)	(625)	(20,569)
Dividends paid	(11,616)	(12,316)	(106,569)
Net cash provided by (used in) financing activities	(24,915)	(16,934)	(228,578)
Effect of exchange rate change on cash and cash equivalents	(1,474)	77	(13,523)
Net increase (decrease) in cash and cash equivalents	4,963	(2,346)	45,532
Cash and cash equivalents at beginning of period	132,208	134,554	1,212,917
Increase (decrease) in cash and cash equivalents resulting from changes in accounting period of consolidated subsidiaries	(2,857)	-	(26,210)
Cash and cash equivalents at end of period (Note 3)	¥134,314	¥132,208	\$1,232,239

See accompanying notes.

Notes to Consolidated Financial Statements

Years ended March 31, 2020 and 2019 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 (together with the Company, "the Group") 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 Group 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, 2020, which was ¥109 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 which the Company controls through majority voting rights or existence of certain conditions. Shares of associates 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 non-controlling interests 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.

In preparing the consolidated financial statements, where the fiscal year-end date of the consolidated subsidiary is different from that of the Company, the financial statements prepared as of December 31, which is the closing date of those subsidiaries are included in the consolidated financial statements after making adjustments for significant discrepancies, etc., for inter-company transactions, as required by the accounting standards, or provisional closing of the accounts as of the consolidation closing date is performed.

The Company adopts the latter approach for Casio Electronics (Shenzhen) Co., Ltd. and five other subsidiaries with December 31 closing date from the year ended March 31, 2020 to improve the quality of financial disclosure of the consolidated financial statements.

In conjunction with this change, for those six subsidiaries, results of the operations for the twelve months from April 1, 2019 to March 31, 2020 have been included in the consolidated financial statements for the year ended March 31, 2020, and profit or loss generated during the period from January 1, 2019 to March 31, 2019 has been adjusted as a change in retained earnings. Cash flows for the three-month period have been adjusted to the balance of cash and cash equivalents at April 1, 2019.

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 (loss).

Assets and liabilities of consolidated overseas 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.

Securities and investment securities

Debt securities designated as held-to-maturity are carried at amortized cost using the straight-line method. 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 standards for financial instruments require 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 meet the criteria for hedge accounting.

If derivative financial instruments are used as hedging instruments 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 hedging instruments 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 primarily for the purpose of mitigating future risks of fluctuations of foreign currency exchange rates with respect to foreign currency assets and liabilities and risks of interest rate changes with respect to cash management.

Forward foreign currency contracts and interest rate swaps 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.

The amount of the allowance is determined by an estimated amount of probable bad debt that is based on past write-off experience and a review of the collectability of individual receivables.

Inventories

Inventories are stated primarily at the lower of cost (first-in, first-out) or net realizable values at year-end.

Property, plant and equipment, except leased assets

Property, plant and equipment is stated at cost. For the Company and its consolidated subsidiaries in Japan, depreciation is principally determined by the declining-balance method at rates based on estimated useful lives except for the following items. Buildings, excluding facilities attached to buildings, acquired on or after April 1, 1998, the building and structures of the head office of the Company, and facilities attached to buildings and structures acquired on or after April 1, 2016, are depreciated using the straight-line method. For overseas subsidiaries, depreciation is principally determined by the straight-line method. The depreciation period ranges from 2 years to 50 years for buildings and structures, from 2 years to 17 years for machinery, equipment and vehicles, and from 1 year to 20 years for tools, furniture and fixtures.

Software, except leased assets

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 under Investments and other assets in the consolidated balance sheets.

Leased assets

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

Leased 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) and the buildings of overseas consolidated subsidiaries in conjunction with the application of IFRS 16, while the latter consists of software. Leased 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.

Some overseas consolidated subsidiaries other than subsidiaries in the US prepare their financial information for consolidation purposes in accordance with International Financial Reporting Standards. As described in "Changes in Accounting Policies," International Financial Reporting Standards No. 16 Leases (hereinafter "IFRS 16") has been applied beginning with the year ended March 31, 2020. In accordance with IFRS 16, in principle, all leases have been recorded as assets and liabilities on the balance sheet in the case of lessees, using the straight-line method for depreciation of the right-of-use assets that were recorded as assets. Furthermore, in Note 12 "Lease Transactions," lease transactions based on IFRS 16 have been classified as "(2) Finance leases" transactions.

Retirement benefits

Under the terms of the employees' severance and retirement plan, eligible employees are entitled in most circumstances, upon mandatory retirement or early 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 its consolidated subsidiaries in Japan provide a defined benefit plan and have established and participated in the Casio corporate pension fund, which is a system of multi-employer pension plans.

The Company and a part of its consolidated subsidiaries in Japan also provide a defined contribution plan. On April 1, 2012, the Company and certain consolidated subsidiaries transferred part of the defined benefit plan to the defined contribution plan. In addition, the Company has established an employee retirement benefit trust.

The liabilities and expenses for retirement benefits are determined based on the amounts actuarially calculated using certain assumptions. Some of the consolidated subsidiaries apply a simplified method to calculate the liability and expenses for the retirement benefits.

Income taxes

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

The Company and certain consolidated subsidiaries in Japan apply the consolidated taxation system.

The Group recognizes tax effects of temporary differences between carrying amounts for financial reporting purposes and amounts for tax purposes. The provision for income taxes is computed based on the profit before income taxes 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 shares

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

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

Reclassifications

Certain reclassifications have been made in the 2019 consolidated financial statements to conform to the 2020 presentation.

Other significant matters in preparation of the consolidated financial statements

Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system.

Having regard to paragraph 3 of "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (PITF No.39, March 31, 2020), the Company and some of its domestic consolidated subsidiaries did not apply paragraph 44 of "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) but applied provisions of the tax laws prior to the amendment when calculating the amounts of deferred tax assets and liabilities that relate to transition to the group tax sharing system and related amendments of tax laws for transitioning to the single tax payment system.

Changes in Accounting Policies

Subsidiaries using International Financial Reporting Standards for consolidation purposes started to apply IFRS 16 from the year ended March 31, 2020. In accordance with IFRS16, lessees are required to recognize almost all leases as assets or liabilities in the balance sheet. Having followed the transitional treatment regarding the application of IFRS 16, the cumulative effects of the changes in the accounting policies were added to the opening balance of retained earnings for the fiscal year ended March 31, 2020.

As a result, in the consolidated balance sheet for the year ended March 31, 2020, "Property, Plant and Equipment" increased by ¥3,546 million (\$32,532 thousand). In addition, "Others" classified as current and non-current liabilities increased by ¥1,325 million (\$12,156 thousand) and ¥2,307 million (\$21,165 thousand), respectively.

The effects on the consolidated statements of income and earnings per share information for the fiscal year ended March 31, 2020 were immaterial.

Having reflected the cumulative effects on the opening balance of net assets for the current consolidated fiscal year, the opening balance of retained earnings in the consolidated statements of changes in net assets decreased by ¥55 million (\$505 thousand).

Accounting standards and guidance issued but not yet adopted

The following new standard and guidance have been issued and are not effective for the fiscal year ended March 31, 2020 but have not been adopted.

1. "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)
"Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 31, 2020)

(1) Overview

The above standard and guidance provide comprehensive principles for revenue recognition. Under the standard and guidance, revenue is recognized by applying the following 5 steps:

Step 1: Identify contract(s) with customers.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligation in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2022.

(3) Effects of the application of the standard and guidance

The Company and its consolidated domestic subsidiaries are currently in the process of determining the effects of these new standard and guidance on the consolidated financial statements.

2. Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections

"Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (ASBJ Statement No. 24, March 31, 2020)

(1) Overview

The objective of this standard is to give an overview of the principles and procedures of the accounting treatment that were applied in the absence of related accounting standards that specifically apply to a transaction, other event or condition.

(2) Effective Date

Effective from the end of the fiscal year ending March 31, 2021.

3. Accounting Standard for Disclosure of Accounting Estimates

"Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020)

(1) Overview

The objective of this accounting standard is to disclose information that will help users of the financial statements understand the contents of accounting estimates for items measured based on accounting estimates and recorded in the financial statements for the current year for which there is a risk of significant impact on the financial statements for the next fiscal year.

(2) Effective Date

Effective from the end of the fiscal year ending March 31, 2021.

Additional Information

In tax effect accounting, accounting estimates related to the collectability of deferred tax assets are based on the assumption that the impact of decreased sales, etc., caused by the outbreak of the novel coronavirus will continue until the first half of the fiscal year ending March 31, 2021.

This assumption is highly uncertain, and it is possible that prolonged impact will affect the Group's consolidated financial position and operating results in the following fiscal year.

3. Cash and Cash Equivalents

(1) Cash and cash equivalents at March 31, 2020 and 2019:

	2020	Millions of Yen 2019	Thousands of U.S. Dollars (Note 1) 2020
Cash and deposits	¥ 71,696	¥ 73,714	\$ 657,761
Time deposits over three months	(381)	(406)	(3,495)
Debt securities within three months to maturity	48,000	50,000	440,367
Short-term loans receivable with resale agreement	14,999	8,900	137,606
Cash and cash equivalents	¥134,314	¥132,208	\$1,232,239

(2) Significant non-cash transactions

1) Assets and obligations relating to finance lease transactions

	2020	Millions of Yen 2019	Thousands of U.S. Dollars (Note 1) 2020
Assets relating to finance lease transactions	¥5,741	¥344	\$52,670
Obligations relating to finance lease transactions	5,857	373	53,734

4. Inventories

	2020	Millions of Yen 2019	Thousands of U.S. Dollars (Note 1) 2020
Finished goods	¥36,008	¥39,061	\$330,349
Work in process	6,324	5,836	58,018
Raw materials and supplies	10,818	9,377	99,248
Total	¥53,150	¥54,274	\$487,615

5. Financial Instruments

(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 of 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 have a due date of within one year.

Operating payables and borrowings are subject to liquidity risk (the risk of 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 debts and credits denominated in foreign currencies, as well as interest rate swap contracts to fix the cash flows associated with borrowings. The Group utilizes and manages derivative transactions following the internal regulations for them, which stipulate policy, objective, scope, organization, procedures and financial institutions to deal with, and has proper internal controls in terms of execution and reporting for derivative transactions.

3) Supplemental information on fair values

The fair value of financial instruments is calculated based on quoted market price or, in the 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, 2020 and 2019. Items for which fair value is difficult to estimate are not included in the following table (see Note 2).

For 2020	Millions of Yen		
	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 71,696	¥ 71,696	¥ -
[2] Notes and accounts receivable-trade	33,701	33,701	-
[3] Securities and investment securities			
a. Held-to-maturity debt securities	20,000	20,000	-
b. Available-for-sale securities	48,763	48,763	-
Total assets	¥174,160	¥174,160	¥ -
Liabilities			
[1] Notes and accounts payable-trade	¥ 23,603	¥ 23,603	¥ -
[2] Current portion of long-term borrowings	25,000	25,003	3
[3] Long-term borrowings	37,847	37,941	94
Total liabilities	¥ 86,450	¥ 86,547	¥97
Derivative transactions *	¥ 66	¥ 66	¥ -

For 2020	Thousands of U.S. Dollars (Note 1)		
	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	\$ 657,761	\$ 657,761	\$ -
[2] Notes and accounts receivable-trade	309,183	309,183	-
[3] Securities and investment securities			
a. Held-to-maturity debt securities	183,486	183,486	-
b. Available-for-sale securities	447,367	447,367	-
Total assets	\$1,597,797	\$1,597,797	\$ -
Liabilities			
[1] Notes and accounts payable-trade	\$ 216,541	\$ 216,541	\$ -
[2] Current portion of long-term borrowings	229,358	229,385	27
[3] Long-term borrowings	347,220	348,083	863
Total liabilities	\$ 793,119	\$ 794,009	\$890
Derivative transactions *	\$ 606	\$ 606	\$ -

* Net receivables and payables, which are derived from derivative transactions, are presented in net amounts.

For 2019	Millions of Yen		
	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 73,714	¥ 73,714	¥ -
[2] Notes and accounts receivable-trade	44,141	44,141	-
[3] Securities and investment securities			
a. Held-to-maturity debt securities	20,000	20,000	-
b. Available-for-sale securities	57,855	57,855	-
Total assets	¥195,710	¥195,710	¥ -
Liabilities			
[1] Notes and accounts payable-trade	¥ 28,522	¥ 28,522	¥ -
[2] Current portion of long-term borrowings	-	-	-
[3] Long-term borrowings	58,988	59,113	125
Total liabilities	¥ 87,510	¥ 87,635	¥125
Derivative transactions *	¥ (58)	¥ (58)	¥ -

* Net receivables and payables, which are derived from derivative transactions, are presented in net amounts and any items which are net liabilities are indicated in parentheses.

(Note) 1: Methods for calculating the fair value of financial instruments and matters related to securities and 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 from correspondent financial institutions. Since certificates of deposit are short-term, and the fair value approximates the book value, the book value is used as fair value.

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

Liabilities

[1] Notes and accounts payable-trade

Since this item is short-term, and the fair value approximates the book value, the book value is used as fair value.

[2] Current portion of long-term borrowings, [3] Long-term borrowings

The fair value of these items 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 borrowings 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 swaps 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 (Note 1)
	2020	2019	2020
	Book value	Book value	Book value
Unlisted shares	¥314	¥2,775	\$2,881

The market price of the above shares is not available, therefore the fair value is difficult to estimate. Hence, these are not included in "[3] Securities and investment securities."

In the fiscal years ended March 31, 2020 and 2019, there were no impairment loss for unlisted shares.

(Note) 3: Monetary claims and securities and investment securities with repayment due dates after March 31, 2020 and 2019:

For 2020	Millions of Yen			
	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 71,696	¥-	¥-	¥-
Notes and accounts receivable-trade	33,701	-	-	-
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	-	-	-	-
(2) Corporate bonds	-	-	-	-
(3) Others	20,000	-	-	-
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	-	-	-	-
b. Corporate bonds	5,000	-	-	-
c. Other	-	-	-	-
(2) Other	23,000	-	-	-
Total	¥153,397	¥-	¥-	¥-

For 2020	Thousands of U.S. dollars (Note 1)			
	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	\$ 657,761	\$-	\$-	\$-
Notes and accounts receivable-trade	309,183	-	-	-
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	-	-	-	-
(2) Corporate bonds	-	-	-	-
(3) Others	183,486	-	-	-
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	-	-	-	-
b. Corporate bonds	45,872	-	-	-
c. Other	-	-	-	-
(2) Other	211,009	-	-	-
Total	\$1,407,311	\$-	\$-	\$-

For 2019	Millions of Yen			
	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 73,714	¥-	¥-	¥-
Notes and accounts receivable-trade	44,141	-	-	-
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	-	-	-	-
(2) Corporate bonds	-	-	-	-
(3) Other	20,000	-	-	-
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	-	-	-	-
b. Corporate bonds	10,000	-	-	-
c. Other	-	-	-	-
(2) Other	20,000	-	-	-
Total	¥167,855	¥-	¥-	¥-

(Note) 4: Long-term borrowings and other liabilities with interest due dates after March 31, 2020 and 2019:

	Millions of Yen					
For 2020	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Current portion of long-term borrowings	¥25,000	¥ -	¥ -	¥ -	¥-	¥ -
Long-term borrowings	-	3,347	8,000	25,500	-	1,000
Total	¥25,000	¥3,347	¥8,000	¥25,500	¥-	¥1,000

	Thousands of Dollars (Note 1)					
For 2020	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Current portion of long-term borrowings	\$229,358	\$ -	\$ -	\$ -	\$-	\$ -
Long-term borrowings	-	30,706	73,395	233,945	-	9,174
Total	\$229,358	\$30,706	\$73,395	\$233,945	\$-	\$9,174

	Millions of Yen					
For 2019	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Current portion of long-term borrowings	¥-	¥ -	¥ -	¥ -	¥ -	¥ -
Long-term borrowings	-	25,000	3,488	8,000	21,500	1,000
Total	¥-	¥25,000	¥3,488	¥8,000	¥21,500	¥1,000

6. Securities and Investment Securities

(1) Held-to-maturity debt securities

	Millions of Yen		
2020	Book value	Fair value	Difference
Securities with fair values exceeding book values	¥20,000	¥20,000	¥-
Securities other than the above	-	-	-
Total	¥20,000	¥20,000	¥-

	Thousands of U.S. Dollars (Note 1)		
2020	Book value	Fair value	Difference
Securities with fair values exceeding book values	\$183,486	\$183,486	\$-
Securities other than the above	-	-	-
Total	\$183,486	\$183,486	\$-

	Millions of Yen		
2019	Book value	Fair value	Difference
Securities with fair values exceeding book values	¥20,000	¥20,000	¥-
Securities other than the above	-	-	-
Total	¥20,000	¥20,000	¥-

(2) Available-for-sale securities

Securities with book values exceeding acquisition costs:

	Millions of Yen		
2020	Book value	Acquisition cost	Difference
Equity securities	¥13,258	¥ 6,008	¥7,250
Debt securities	5,000	5,000	-
Other	23,000	23,000	-
Total	¥41,258	¥34,008	¥7,250

	Thousands of U.S. Dollars (Note 1)		
2020	Book value	Acquisition cost	Difference
Equity securities	\$121,633	\$ 55,119	\$66,514
Debt securities	45,872	45,872	-
Other	211,009	211,009	-
Total	\$378,514	\$312,000	\$66,514

	Millions of Yen		
2019	Book value	Acquisition cost	Difference
Equity securities	¥21,538	¥ 9,476	¥12,062
Debt securities	10,000	10,000	-
Other	20,000	20,000	-
Total	¥51,538	¥39,476	¥12,062

Securities other than the above:

	Millions of Yen		
2020	Book value	Acquisition cost	Difference
Equity securities	¥2,497	¥3,318	¥(821)
Debt securities	-	-	-
Other	5,008	5,016	(8)
Total	¥7,505	¥8,334	¥(829)

	Thousands of U.S. Dollars (Note 1)		
2020	Book value	Acquisition cost	Difference
Equity securities	\$22,908	\$30,441	\$(7,533)
Debt securities	-	-	-
Other	45,945	46,018	(73)
Total	\$68,853	\$76,459	\$(7,606)

	Millions of Yen		
2019	Book value	Acquisition cost	Difference
Equity securities	¥1,336	¥1,476	¥(140)
Debt securities	-	-	-
Other	4,981	5,017	(36)
Total	¥6,317	¥6,493	¥(176)

(Notes): 1. Acquisition cost is presented based on book values after recognition of impairment loss.

2. The market price of unlisted shares is not available, therefore the fair value is difficult to estimate. Hence, the amounts of unlisted shares, which are ¥314 million (\$2,881 thousand) and ¥2,775 million on the consolidated balance sheets as of March 31, 2020 and 2019, respectively, are not included in available-for-sale securities above.

(3) Available-for-sale securities sold for the years ended March 31, 2020 and 2019:

2020	Millions of Yen		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥4,830	¥3,196	¥-
Debt securities	-	-	-
Other	-	-	-
Total	¥4,830	¥3,196	¥-

2020	Thousands of U.S. Dollars (Note 1)		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities	\$44,312	\$29,321	\$-
Debt securities	-	-	-
Other	-	-	-
Total	\$44,312	\$29,321	\$-

2019	Millions of Yen		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥7,482	¥4,864	¥-
Debt securities	-	-	-
Other	-	-	-
Total	¥7,482	¥4,864	¥-

(4) Securities and investment securities impaired

No impairment of securities and investment securities was recorded for the years ended March 31, 2020 and 2019.

With respect to impairment loss, securities with a fair value that has declined by 50% or more against their acquisition costs are impaired. Among 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 impaired.

7. Derivative Transactions

Derivative transactions not subject to hedge accounting

(1) Currency-related derivatives

2020	Millions of Yen			
	Contract amount		Fair value	Realized gain (loss)
Forward contracts:	Total	Due after one year		
To sell:				
Chinese yuan	¥3,506	¥-	¥66	¥66
Total	¥3,506	¥-	¥66	¥66

2020	Thousands of U.S. Dollars (Note 1)			
	Contract amount		Fair value	Realized gain (loss)
Forward contracts:	Total	Due after one year		
To sell:				
Chinese yuan	\$32,165	\$-	\$606	\$606
Total	\$32,165	\$-	\$606	\$606

2019	Contract amount		Fair value	Realized gain (loss)
	Total	Due after one year		
Forward contracts:				
To sell:				
Chinese yuan	¥2,786	¥-	¥(58)	¥(58)
Total	¥2,786	¥-	¥(58)	¥(58)

(Notes): 1. Fair values of derivative transactions are based on forward exchange rates.
2. Transactions are not market transactions.

(2) Interest rate-related derivatives

Not applicable at March 31, 2020 and 2019.

Derivative transactions subject to hedge accounting

(1) Currency-related derivatives

Not applicable at March 31, 2020 and 2019.

(2) Interest rate-related derivatives

2020	Hedge accounting method	Type	Main hedged item	Contract amount		Fair value
				Total	Due after one year	
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receivable at floating rate / payable at fixed rate	Long-term borrowings	¥2,000	¥2,000	(Note) 2	
Total			¥2,000	¥2,000	¥-	

2020	Hedge accounting method	Type	Main hedged item	Contract amount		Fair value
				Total	Due after one year	
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receivable at floating rate / payable at fixed rate	Long-term borrowings	\$18,349	\$18,349	(Note) 2	
Total			\$18,349	\$18,349	\$-	

2019	Hedge accounting method	Type	Main hedged item	Contract amount		Fair value
				Total	Due after one year	
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receivable at floating rate / payable at fixed rate	Long-term borrowings	¥2,000	¥2,000	(Note) 2	
Total			¥2,000	¥2,000	¥-	

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

8. Short-term borrowings, Bonds and Long-term borrowings and Lease Obligation

Short-term borrowings, bonds and long-term borrowings and lease obligation at March 31, 2020 and 2019:

	Average interest rates (%)**	Millions of Yen		Thousands of U.S. Dollars (Note 1)
		2020	2019	2020
Euro-yen convertible bond-type bonds with share acquisition rights due in 2019*	-	¥ -	¥10,003	\$ -
Short-term borrowings	0.1	186	232	1,706
Long-term borrowings due within one year	0.2	25,000	-	229,358
Lease obligations due within one year	1.8	1,798	538	16,495
Long-term borrowings due over one year	0.2	37,847	58,988	347,220
Lease obligations due over one year	1.5	2,947	859	27,037
Other	-	-	-	-
Total	-	¥67,778	¥70,620	\$621,816

* Details of bonds with share acquisition rights ("warrants")

Type of shares involved	common shares
Price of warrants	gratis
Share issue price	¥2,051.8 (\$18.82)
Total issue amount	¥10,050 million (\$92,202 thousand)
Total value of new shares issued upon exercise of warrants	-
Warrant-linked	100%
Period of exercise of warrants	August 6, 2014 to July 9, 2019

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

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

The conversion price of the euro-yen convertible bond-type bonds with share acquisition rights due in 2019 was adjusted to ¥2,051.8 (\$18.82) from ¥2,055.7 retroactively to April 1, 2016 pursuant to the terms and conditions of the bonds due to the payment of a year-end dividend of ¥22.5 per share and an annual dividend of ¥40.00 per share. The General Meeting of Shareholders held on June 29, 2016 approved the payment of these dividends.

** The average interest rate is the weighted average rate on the year-end balance.

The annual maturities of long-term borrowings within five years:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2021	¥25,000	\$229,358
2022	3,347	30,706
2023	8,000	73,395
2024	25,500	233,945
2025	-	-

The annual maturities of lease obligations within five years:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2021	¥1,798	\$16,495
2022	1,337	12,266
2023	762	6,991
2024	526	4,826
2025	154	1,413

The lines of credit with the main financial institutions agreed as of March 31, 2020 and 2019:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2020	2019
Line of credit	¥51,800	¥56,860
Unused	51,800	56,860
		475,229

9. Income Taxes

(1) The following table summarizes the significant differences between the statutory tax rate and the Group's actual income tax rate for financial statement purposes for the years ended March 31, 2020 and 2019.

	2020	2019
Statutory tax rate	30.6%	30.6%
Increase (reduction) in tax resulting from:		
Difference in statutory tax rate (including overseas subsidiaries)	(4.8)	(3.5)
Valuation reserve	8.9	(0.8)
Foreign tax	1.8	1.5
Tax credit	(0.7)	(1.0)
Other	0.6	(2.2)
Actual income tax rate	36.4%	24.6%

(2) Significant components of deferred tax assets and liabilities as of March 31, 2020 and 2019:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2020	2019
Deferred tax assets:		
Carryforward tax loss**	¥ 6,594	¥ 7,421
Inventories	2,032	1,582
Accrued expenses (bonuses to employees)	1,454	1,495
Property, plant and equipment	992	1,243
Other	5,847	4,987
Gross deferred tax assets	16,919	16,728
Valuation reserve for carryforward tax loss**	(4,291)	(2,078)
Valuation reserve for deductible temporary differences	(879)	(625)
Total valuation reserve*	(5,170)	(2,703)
Total deferred tax assets	11,749	14,025
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	(2,220)	(3,694)
Retained earnings of overseas subsidiaries	(1,947)	(1,785)
Unrealized holding gain	(1,287)	(1,287)
Other	(133)	(128)
Total deferred tax liabilities	(5,587)	(6,894)
Net deferred tax assets	¥ 6,162	¥ 7,131

* Valuation reserve increased by ¥2,467 million (\$22,633 thousand), because valuation reserve for carryforward tax loss increased by ¥1,930 million (\$17,706 thousand), and valuation reserve for deductible temporary differences increased by ¥323 million (\$2,963 thousand) at the Company in the fiscal year.

** Carryforward tax loss and its deferred tax assets by expiration periods:

For 2020	Millions of Yen						
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years	Total
Carryforward tax loss (a)	¥ 3,749	¥2,015	¥ 56	¥ 108	¥ 106	¥ 560	¥ 6,594
Valuation reserve	(3,409)	(90)	(47)	(103)	(106)	(536)	(4,291)
Net deferred tax assets (b)	¥ 340	¥1,925	¥ 9	¥ 5	¥ -	¥ 24	¥ 2,303

For 2020	Thousands of Dollars (Note 1)						
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years	Total
Carryforward tax loss (a)	\$ 34,394	\$18,486	\$ 514	\$ 991	\$ 972	\$ 5,138	\$ 60,495
Valuation reserve	(31,275)	(826)	(431)	(945)	(972)	(4,918)	(39,367)
Net deferred tax assets (b)	\$ 3,119	\$17,660	\$ 83	\$ 46	\$ -	\$ 220	\$ 21,128

For 2019	Millions of Yen						Total
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years	
Carryforward tax loss (a)	¥ 24	¥ 4,820	¥ 2,015	¥ 63	¥ 108	¥ 391	¥ 7,421
Valuation reserve	(15)	(1,483)	(35)	(50)	(104)	(391)	(2,078)
Net deferred tax assets (b)	¥ 9	¥ 3,337	¥ 1,980	¥ 13	¥ 4	¥ 0	¥ 5,343

(a) Carryforward tax loss shown in the above table is calculated using the effective statutory tax rate.

(b) Deferred tax assets for the years ended March 31, 2020 and 2019 of ¥2,303 million [\$21,128 thousand] and ¥5,343 million were recognized for carryforward tax loss of ¥6,594 million [\$60,495 thousand] and ¥7,421 million (amount calculated using the effective statutory tax rate) respectively. The deferred tax assets of ¥2,303 million [\$21,128 thousand] and ¥5,343 million were mainly recognized for a part of carryforward tax loss of ¥5,670 million [\$52,018 thousand] and ¥6,750 million (amount calculated using the effective statutory tax rate) respectively by the Company. The part of valuation reserve which was determined to be recoverable based on expected future taxable income is not recognized for the carryforward tax loss.

10. Retirement Benefits

(1) Defined benefit plan (Defined benefit plans, including multi-employer pension plans)

1) Movement in projected benefit obligation (except plans applying the simplified method)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Projected benefit obligation at beginning of period	¥48,818	¥50,038	\$447,872
Service cost	1,480	1,559	13,578
Interest cost	535	557	4,908
Actuarial differences accrued	490	(494)	4,496
Benefits paid	(3,412)	(3,044)	(31,303)
Other	(101)	202	(927)
Projected benefit obligation at end of period	¥47,810	¥48,818	\$438,624

2) Movement in pension plan assets (except plans applying the simplified method)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Pension plan assets at beginning of period	¥59,540	¥62,271	\$546,239
Expected return on pension plan assets	1,837	2,040	16,853
Actuarial differences accrued	(4,225)	(3,054)	(38,762)
Contributions paid by the employer	1,071	1,122	9,826
Benefits paid	(3,403)	(3,041)	(31,220)
Other	(74)	202	(679)
Pension plan assets at end of period	¥54,746	¥59,540	\$502,257

3) Movement in retirement benefit liability for plans applying the simplified method

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Retirement benefit liability at beginning of period	¥(114)	¥(445)	\$(1,046)
Retirement benefit expenses	458	540	4,202
Benefits paid	(47)	(18)	(431)
Contributions paid by the employer	(169)	(185)	(1,551)
Other	(11)	(6)	(101)
Retirement benefit liability at end of period	¥ 117	¥(114)	\$ 1,073

4) Reconciliation from projected benefit obligation and pension plan assets to liability (asset) for retirement benefits

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Funded projected benefit obligation	¥ 52,769	¥ 53,923	\$ 484,119
Pension plan assets	(60,027)	(65,173)	(550,706)
Unfunded projected benefit obligation	(7,258)	(11,250)	(66,587)
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	(6,819)	(10,836)	(62,559)
Retirement benefit liability	1,105	578	10,138
Retirement benefit asset	(7,924)	(11,414)	(72,697)
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	¥ (6,819)	¥(10,836)	\$ (62,559)

(Note): Including plans applying the simplified method.

5) Retirement benefit expenses

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Service cost	¥ 1,480	¥ 1,559	\$ 13,578
Interest cost	535	557	4,908
Expected return on pension plan assets	(1,837)	(2,040)	(16,853)
Amortization of actuarial differences	991	1,792	9,091
Amortization of prior service costs	(1,464)	(1,346)	(13,431)
Other	870	723	7,982
Retirement benefit expenses	¥ 575	¥ 1,245	\$ 5,275

(Notes): 1. Additional retirement benefit expenses paid one time are included in Other.

2. In addition to the above retirement benefit expenses, the Group recorded extra retirement payments of ¥274 million [\$2,514 thousand] and ¥2,620 million for the year ended March 31, 2020 and 2019, respectively.

6) Remeasurements of defined benefit plans (before income tax effects)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Actuarial differences	¥(3,697)	¥ (727)	\$(33,918)
Prior service costs	(1,464)	(1,346)	(13,431)
Total	¥(5,161)	¥(2,073)	\$(47,349)

7) Accumulated remeasurements for defined benefit plans (before income tax effects)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Unrecognized actuarial differences	¥ 5,967	¥ 2,270	\$ 54,743
Unrecognized prior service costs	(3,784)	(5,248)	(34,715)
Total	¥ 2,183	¥(2,978)	\$ 20,028

8) Pension plan assets

(i) Pension plan assets comprise:

	2020	2019
Equity securities	38%	39%
Debt securities	16%	15%
General account	23%	22%
Cash and deposits	17%	19%
Other	6%	5%
Total	100%	100%

(Note): The employee retirement benefit trust set up for corporate pension plans represents 16% and 17% of total pension assets, as of March 31, 2020 and 2019, respectively.

(ii) Long-term expected rate of return

Current and target asset allocations, as well as current and expected returns on various categories of pension plan assets have been considered in determining the long-term expected rate of return.

9) Actuarial assumptions

The principal actuarial assumptions at the end of the period are as follows:

	2020	2019
Discount rate	mainly 0.8%	mainly 0.8%
Long-term expected rate of return	mainly 3.0%	mainly 3.0%

(2) Defined contribution plan

At March 31, 2020 and 2019, the required contributions to the defined contribution plans of the Group were ¥987 million (\$9,055 thousand) and ¥1,121 million, respectively.

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 legal capital surplus, 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 legal capital surplus and legal retained earnings must be set aside as legal capital surplus or legal retained earnings. Legal retained earnings are included in retained earnings in the accompanying consolidated balance sheets.

Legal capital surplus and legal retained earnings may not be distributed as dividends. However, all legal capital surplus and all legal retained earnings 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 year that began on April 1, 2008 for which the new accounting standards were applied

The assumed outstanding future lease payments as of March 31, 2020 and 2019:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Future lease payments:			
Due within one year	¥-	¥6	\$-
Due over one year	-	-	-
Total	¥-	¥6	\$-

Total lease expenses, total assumed depreciation cost and total assumed interest cost as lessee for the years ended March 31, 2020 and 2019:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Total lease expenses	¥-	¥11	\$-
Total assumed depreciation cost	-	8	-
Total assumed interest cost	-	1	-

Assumed acquisition cost, accumulated depreciation and net book value of the leased assets under the finance lease contracts as lessee as of March 31, 2020 and 2019:

	Millions of Yen		
For 2020	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥-	¥-	¥-
Total	¥-	¥-	¥-

	Thousands of U.S. Dollars (Note 1)		
For 2020	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	\$-	\$-	\$-
Total	\$-	\$-	\$-

	Millions of Yen		
For 2019	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥104	¥99	¥5
Total	¥104	¥99	¥5

(Notes) 1. In calculating assumed depreciation cost, the leased assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and 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 difference between the total lease fee and acquisition equivalent amount is assumed the interest portion and distributed each year through the effective interest method.

(2) Finance leases

See Note 2 "Leased Assets."

(3) Operating leases

Outstanding future noncancelable lease payments as of March 31, 2020 and 2019:

	Millions of Yen		Thousands of U.S.Dollars (Note 1)
	2020	2019	2020
Future lease payments:			
Due within one year	¥124	¥164	\$1,137
Due over one year	297	457	2,725
Total	¥421	¥621	\$3,862

13. Segment Information

(1) Overview of reportable segments

The Group's reportable segments consist of the Group'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 Group has designated 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 are as follows:

Consumer	Watches, Clocks, Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, etc.
System Equipment	Handheld terminals, Electronic cash registers, Management support systems, Data projectors, etc.
Others	Formed parts, Molds, etc.

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

The accounting policy for the reportable segments is largely in line with the descriptions in Notes 1-2. Intersegment profits are based on the market price.

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

For 2020	Reportable segments				Adjustments*	Millions of Yen
	Consumer	System Equipment	Others	Total		Amounts on consolidated financial statements**
Net sales:						
External customers	¥245,059	¥30,110	¥ 5,581	¥280,750	¥ -	¥280,750
Intersegment	1	65	5,948	6,014	(6,014)	-
Total	245,060	30,175	11,529	286,764	(6,014)	280,750
Segment profit (loss)	39,025	(2,702)	337	36,660	(7,596)	29,064
Segment assets	179,041	30,686	14,963	224,690	109,410	334,100
Other:						
Depreciation	8,532	2,032	357	10,921	846	11,767
Amortization of goodwill	61	11	-	72	-	72
Investment to entities accounted for using equity method	-	-	258	258	-	258
Increase in property, plant and equipment and intangible assets	12,581	2,004	303	14,888	708	15,596

Thousands of U.S. Dollars (Note 1)

For 2020	Reportable segments				Adjustments*	Amounts on consolidated financial statements**
	Consumer	System Equipment	Others	Total		
Net sales:						
External customers	\$2,248,248	\$276,238	\$ 51,202	\$2,575,688	\$ -	\$2,575,688
Intersegment	9	596	54,569	55,174	(55,174)	-
Total	2,248,257	276,834	105,771	2,630,862	(55,174)	2,575,688
Segment profit (loss)	358,027	(24,789)	3,092	336,330	(69,688)	266,642
Segment assets	1,642,578	281,523	137,275	2,061,376	1,003,762	3,065,138
Other:						
Depreciation	78,276	18,642	3,275	100,193	7,761	107,954
Amortization of goodwill	560	101	-	661	-	661
Investment to entities accounted for using equity method	-	-	2,367	2,367	-	2,367
Increase in property, plant and equipment and intangible assets	115,422	18,385	2,780	136,587	6,496	143,083

For 2019	Reportable segments				Adjustments*	Millions of Yen
	Consumer	System Equipment	Others	Total		Amounts on consolidated financial statements**
Net sales:						
External customers	¥257,354	¥33,821	¥ 6,986	¥298,161	¥ -	¥298,161
Intersegment	4	168	6,782	6,954	(6,954)	-
Total	257,358	33,989	13,768	305,115	(6,954)	298,161
Segment profit (loss)	38,232	(910)	336	37,658	(7,396)	30,262
Segment assets	196,340	37,903	15,820	250,063	107,467	357,530
Other:						
Depreciation	6,746	2,044	376	9,166	518	9,684
Amortization of goodwill	65	11	-	76	-	76
Investment to entities accounted for using equity method	-	-	2,719	2,719	-	2,719
Increase in property, plant and equipment and intangible assets	7,682	2,856	539	11,077	969	12,046

* Adjustments are as shown below:

- (1) Downward Adjustments to segment profit (loss) for the years ended March 31, 2020 and 2019 are ¥7,596 million (\$69,688 thousand) and ¥7,396 million, respectively. These amounts include corporate expenses that are not allocated to any reportable segments of ¥7,596 million (\$69,688 thousand) and ¥7,396 million, respectively. Corporate expenses principally consist of administrative expenses of the parent company and R&D expenses for fundamental research, which are not attributable to any reportable segments.
- (2) Adjustments to segment assets for the years ended March 31, 2020 and 2019 are ¥109,410 million (\$1,003,762 thousand) and ¥107,467 million, respectively. These amounts include corporate assets that are not allocated to any reportable segments of ¥109,455 million (\$1,004,174 thousand) and ¥107,536 million, respectively.
- (3) Adjustments to depreciation for the years ended March 31, 2020 and 2019 are ¥846 million (\$7,761 thousand) and ¥518 million, respectively. These amounts consist of depreciation of assets related to administrative divisions that are not attributable to any reportable segments.
- (4) Adjustments to the increase in property, plant and equipment and intangible assets for the years ended March 31, 2020 and 2019 are ¥708 million (\$6,496 thousand) and ¥969 million, respectively. These amounts consist of capital expenditures in administrative divisions that are not attributable to any reportable segments.

** Segment profit (loss) is reconciled with operating profit in the consolidated financial statements.

(4) Information about geographic areas

Millions of Yen						
For 2020	Japan	North America	Europe	Asia	Others	Total
Net sales	¥86,387	¥33,407	¥46,126	¥83,988	¥30,842	¥280,750

Thousands of U.S. Dollars (Note 1)						
For 2020	Japan	North America	Europe	Asia	Others	Total
Net sales	\$792,541	\$306,486	\$423,175	\$770,532	\$282,954	\$2,575,688

Millions of Yen						
For 2019	Japan	North America	Europe	Asia	Others	Total
Net sales	¥94,512	¥37,922	¥50,822	¥82,071	¥32,834	¥298,161

(Notes): 1. Sales are classified by country or region where customers are located.

2. Net sales of North America includes ¥31,856 million in 2019 in US, while those of Asia includes ¥35,183 million (\$322,780 thousand) in 2020 and ¥30,093 million in 2019 in China.

Millions of Yen						
For 2020	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	¥48,956	¥1,050	¥2,312	¥7,089	¥173	¥59,580

Thousands of U.S. Dollars (Note 1)						
For 2020	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	\$449,138	\$9,633	\$21,211	\$65,037	\$1,587	\$546,606

Millions of Yen						
For 2019	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	¥49,239	¥959	¥407	¥6,084	¥116	¥56,805

(5) Information on impairment loss of non-current assets for each reportable segment

Millions of Yen					
For 2020	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment loss	¥-	¥503	¥-	¥-	¥503

Thousands of U.S. Dollars (Note 1)					
For 2020	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment loss	\$-	\$4,615	\$-	\$-	\$4,615

Millions of Yen					
For 2019	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment loss	¥991	¥251	¥-	¥-	¥1,242

(Note): The above impairment loss is included in the amount indicated as business restructuring expenses.

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

Millions of Yen					
For 2020	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	¥89	¥-	¥-	¥-	¥89

Thousands of U.S. Dollars (Note 1)					
For 2020	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	\$817	\$-	\$-	\$-	\$817

Millions of Yen					
For 2019	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	¥172	¥11	¥-	¥-	¥183

(Note): Disclosure of the amount of goodwill amortization has been omitted as it is disclosed in the segment information above.

14. Contingent Liabilities

At March 31, 2020 and 2019, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥319 million (\$2,927 thousand) and ¥452 million, respectively.

15. Impairment Loss

For 2020

The Group recognized impairment loss.

Use	Type of assets	Location
Business assets	Software etc.	Hachioji City, Tokyo. and others

With respect to business assets, the Group carries out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation.

The Group has applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment. Book value of these assets has been reduced to recoverable amounts and the reduced amounts of ¥503 million (\$4,615 thousand) are recognized as "Business restructuring expenses."

The breakdown of the losses is : ¥456 million (\$4,184 thousand) for software, and ¥47 million (\$431 thousand) for others.

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

For 2019

The Group recognized impairment loss.

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, machinery, equipment and vehicles, software etc.	Zhongshan City, Guangdong Prov. China and others

With respect to business assets, the Group carries out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation.

The Group has applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment. Book value of these assets has been reduced to recoverable amounts and the reduced amounts of ¥1,242 million are recognized as "Business restructuring expenses."

Independent Auditor's Report



The breakdown of the losses is : ¥779 million for tools, furniture and fixtures, ¥345 million for machinery, equipment and vehicles, ¥64 million for software, and ¥54 million for others.

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

16. Business Restructuring expenses

For 2020

These expenses include the following related to the restructuring of the system equipment business:

- Loss on disposal of assets due to withdrawal of part of the SA business
- Impairment loss on fixed assets
- Other expenses related to the above,

and expenses related to liquidation of a sales subsidiary

For 2019

These expenses include the following:

- Impairment losses on non-current assets (following the restructuring of the musical instrument business)
- Expenses associated with closing business offices (following the restructuring of Japan-based operations and services)
- Other expenses related to the above

17. Subsequent Events

Appropriation of retained earnings

At the annual shareholders' meeting held on June 26, 2020, the Company's shareholders approved the payment of a cash dividend of ¥22.50 (\$0.21) per share aggregating ¥5,458 million (\$50,073 thousand) to registered shareholders as of March 31, 2020.

Independent Auditor's Report

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

Opinion

We have audited the accompanying consolidated financial statements of CASIO COMPUTER Co., Ltd. and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2020 and 2019, the consolidated statements of income, comprehensive income, changes in net assets and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2020 and 2019, and its consolidated financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and supervisory committee is responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2020 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.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hiroto Kawase
Designated Engagement Partner
Certified Public Accountant

Satsuki Miyahara
Designated Engagement Partner
Certified Public Accountant

Nobuo Shibata
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
June 26, 2020

Company Data

(As of March 31, 2020)

Company Name

CASIO COMPUTER CO., LTD.

Main Office

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

Established

June 1, 1957

President and CEO

KASHIO Kazuhiro

Paid-in Capital

48,592 million yen

Employees

11,193 (consolidated*)

* Based on final date of fiscal year for subsidiaries with differing accounting periods

Business Offices

Hachioji R&D Center	Hachioji, Tokyo
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Domestic Subsidiaries

Yamagata Casio Co., Ltd.	Higashine, Yamagata
Casio Information Systems Co., Ltd.	Chiyoda, Tokyo
Casio Business Services Co., Ltd.	Hamura, Tokyo
Casio Communication Brains Inc.	Shibuya, Tokyo
Casio Estate Co., Ltd.	Shibuya, Tokyo
Casio Marketing Advance Co., Ltd.	Chiyoda, Tokyo

Overseas Subsidiaries

Casio America, Inc.	New Jersey, U.S.A.
Casio Canada Ltd.	Ontario, Canada
Casio Holdings, Inc.	New Jersey, U.S.A.
Casio Mexico Marketing, S. de R.L.de C.V.	Mexico City, Mexico
Casio Europe GmbH	Norderstedt, Germany
Casio Electronics Co. Ltd.	London, England
Casio France S.A.S.	Massy, France
Casio Espana, S.L.	Barcelona, Spain
Casio Benelux B.V.	Amstelveen, Netherlands
Limited Liability Company Casio	Moscow, Russia
Casio Italia S.r.l.	Milan, Italy
Casio Computer (Hong Kong) Ltd.	Kowloon, Hong Kong
Casio Electronics (Shenzhen) Co., Ltd.	Shenzhen, Guangdong Province, China
Casio Technologies Limited Company Guangzhou	Guangzhou, Guangdong Province, China
Casio Software Limited Company Shanghai	Shanghai, China
Casio (China) Co., Ltd.	Shanghai, China

Hamura R&D Center	Hamura, Tokyo
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CXD Next Co., Ltd.	Shibuya, Tokyo
Casio Human Systems Co., Ltd.	Shibuya, Tokyo
Ripplex Inc.	Shibuya, Tokyo
Casio Electronic Manufacturing Co., Ltd.	Iruma, Saitama
Casio Techno Co., Ltd.	Chiyoda, Tokyo

Casio (Guangzhou) Co., Ltd.	Guangzhou, Guangdong Province, China
Casio Electronic Technology (Zhongshan) Co., Ltd.	Zhongshan, Guangdong Province, China
Casio Timepiece (Dongguan) Co., Ltd.	Dongguan, Guangdong Province, China
Casio Electronics (Shaoguan) Co., Ltd.	Shaoguan, Guangdong Province, China
Casio Singapore Pte., Ltd.	Singapore
Casio (Thailand) Co., Ltd.	Nakhonratchasima, Thailand
Casio India Co., Pvt. Ltd.	New Delhi, India
Casio Taiwan Co., Ltd.	Taipei, Taiwan
Casio Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia
Casio Marketing (Thailand) Co., Ltd.	Bangkok, Thailand
Casio Brasil Comercio de Produtos Eletronicos Ltda.	Sao Paulo, Brazil
Casio Latin America S.A.	Montevideo, Uruguay
Casio Middle East FZE	Dubai, United Arab Emirates

Four other companies

* Domestic and overseas subsidiaries

Stock Information

(As of March 31, 2020)

Stock Exchange Listings

Tokyo

Number of Shares Authorized

471,693,000 shares

Number of Shares Issued

259,020,914 shares

Number of Shareholders

30,811 shareholders

Status of Major Shareholders

Shareholders	Shares held (Thousands of shares)	Ownership ratio (%)
Japan Trustee Services Bank, Ltd.	39,305	16.20
The Master Trust Bank of Japan, Ltd.	34,651	14.29
Nippon Life Insurance Company	12,985	5.35
Casio Bros. Corp.	10,000	4.12
SMBC Trust Bank Ltd.	6,365	2.62
Sumitomo Mitsui Banking Corp.	5,937	2.45
Trust & Custody Services Bank, Ltd.	4,918	2.03
MUFG Bank, Ltd.	4,097	1.69
JP MORGAN CHASE BANK 385151	3,761	1.55
CASIO SCIENCE PROMOTION FOUNDATION	3,350	1.38

(Notes)

- Among the above shares held by trust bank, shares associated with trust operations include the following:
Japan Trustee Services Bank, Ltd.: 39,305,000
The Master Trust Bank of Japan, Ltd.: 34,651,000
SMBC Trust Bank Ltd.: 6,365,000
Trust & Custody Services Bank, Ltd.: 4,918,000
- In addition to the above, the Company holds 16,453,000 treasury shares.
- In addition to the above, Sumitomo Mitsui Banking Corporation has contributed 6,365,000 (2.62%) of the Company's shares to a retirement benefit trust, and the bank reserves the right to provide instruction for the exercise of voting rights. Those shares are included in SMBC Trust Bank's number of shares held.
- The change report of the statements of large-volume holdings made available for public inspection on October 23, 2019 states that Nomura Securities Co., Ltd. and two other companies hold 17,463,000 shares (6.74%) as of October 15, 2019, the change report made available on December 20, 2019 states that Sumitomo Mitsui Banking Corporation and one other company hold 15,232,000 shares (5.88%) as of December 13, 2019, and the change report made available on March 2, 2020 states that MUFG Bank, Ltd. and three other companies hold 16,569,000 shares (6.40%) as of February 24, 2020. However, the Company is unable to confirm the actual number of shares owned as of the reference date for the exercise of voting rights, so the "Status of Major Shareholders" above does not take that into account.

Transitions in Stock Price

(Yen)

2,600

2,200

1,800

1,400

1,000

2018 Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. 2019 Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. 2020 Jan. Feb. Mar.

Breakdown of Shareholders

