

# CASIO

## Annual Report 2015

For the year ended March 31, 2015

# Inventing New Ways to Make Life Better



## CONTENTS

### ▶ Profile

- 1 Profile
- 2 Business Overview

### ▶ To Our Stakeholders

### ▶ Casio's Strength

- 5 Casio's Strength
- 6 Six Global Timepiece Brands

### ▶ Special Features

- 7 Timepieces
- 8 Calculators
- 9 Projectors

### ▶ Financial Highlights

### ▶ Management Foundation

- 11 Corporate Governance
- 13 Corporate Social Responsibility (CSR) Activities

### ▶ Financial Section

- 15 Management's Discussion and Analysis
- 16 Business Risks
- 18 Consolidated Five-Year Summary
- 19 Consolidated Balance Sheets
- 20 Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

- 21 Consolidated Statements of Changes in Net Assets
- 22 Consolidated Statements of Cash Flows
- 23 Notes to Consolidated Financial Statements
- 40 Independent Auditor's Report

### ▶ Corporate Data

- 41 Principal Subsidiaries / Directors and Statutory Auditors
- 42 Corporate Data / Investor Information

# Profile

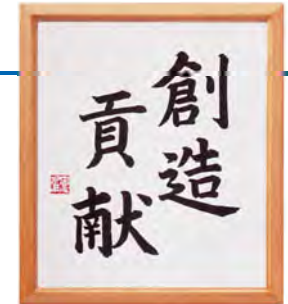
## Our Ability to Go from "0" to "1"

### Philosophy

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

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

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



Corporate creed – "Creativity and Contribution"

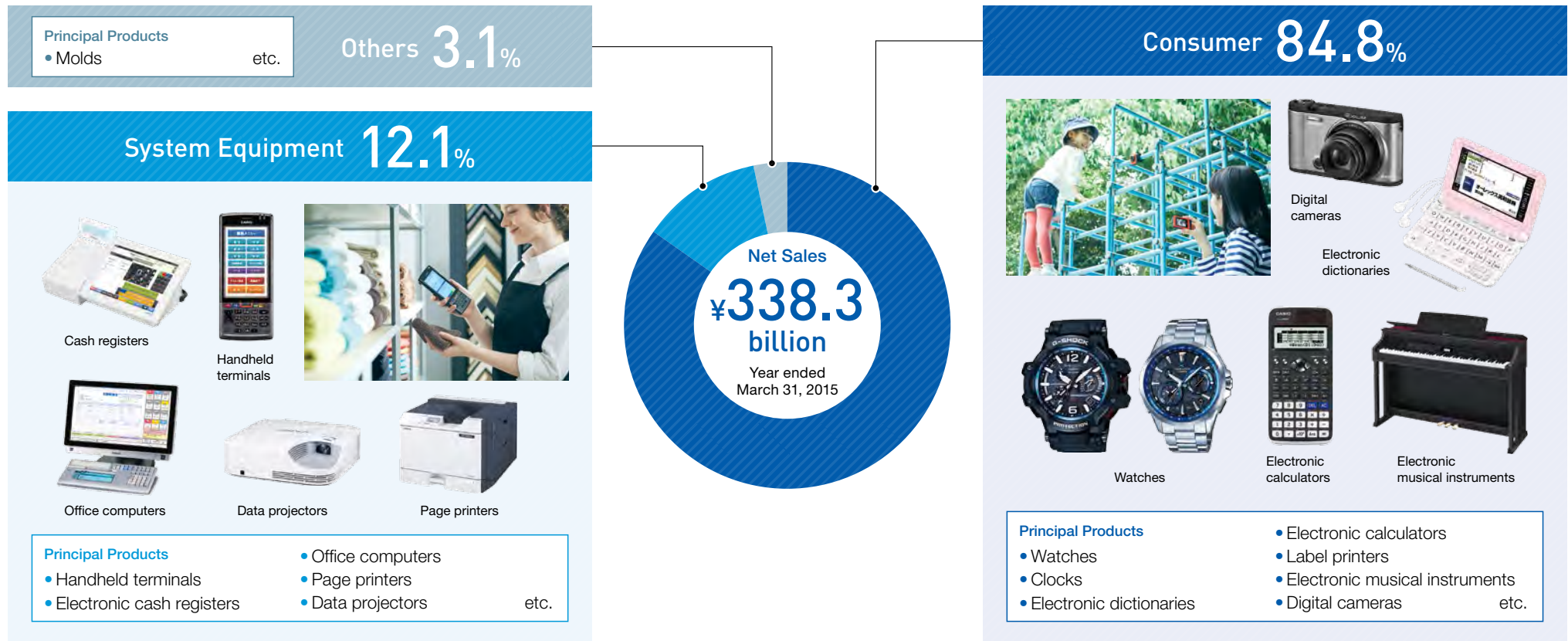
1957	1965	1972	1974	1980	1983	1995	2002	2010
<ul style="list-style-type: none"> <li>• Four Kashi brothers start commercial production of the world's first all-electric compact calculator, the 14-A.</li> <li>• Casio Computer Co., Ltd. founded.</li> </ul>	001 transistor-based electronic desktop calculator released.	<ul style="list-style-type: none"> <li>• Casio stock transferred to the first section of the Tokyo Stock Exchange.</li> <li>• Casio Mini, the world's first personal electronic calculator, released.</li> </ul>	Casiotron digital watch released.	Casitone electronic keyboards released.	First G-SHOCK shock-resistant watch released.	QV-10, a digital camera with an LCD monitor, released.	EXILIM, then the world's thinnest, wearable card-sized digital camera, released.	Mercury-free high-brightness projectors released.

Forward-Looking Statements

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

## Business Overview (Year ended March 31, 2015)

# Development and Production to Sales and Service in Three Segments



## To Our Stakeholders

### Message from the Chairman & CEO



#### Business Report for Fiscal 2015

Initiatives to strengthen each of our businesses generated good results for fiscal 2015, the year ended March 31, 2015. Consolidated net sales increased 5.2% compared with the previous fiscal year to ¥338.3 billion, and operating income increased 38.3% to ¥36.7 billion. Net income increased 65.1% compared with the previous fiscal year to ¥26.4 billion. Net income per share increased 68.3% to a record ¥100.8.

The timepiece business continue to perform well. Other products contributed to results as well, including unique, high-end digital cameras and localized calculators designed for in-market needs in countries such as India and China.

#### Management Strategies and Specific Initiatives

We will enhance profitability in existing businesses while establishing new businesses that will become core operations in the future. In the timepiece business, we will increase sales of GPS hybrid radio-controlled solar-powered watches and models that connect to a smartphone via Bluetooth®. We have also introduced a unique genre of new digital camera products. We plan to promote these businesses by aggressively using CASIO Signage.

We expect to generate growth by expanding our lineup of

localized calculators and our lineup of high-end electronic musical instruments while introducing DJ equipment for young demographics. We also intend to make the projector business profitable by introducing strategic models with high cost performance.

In our new businesses, we will promote CASIO Signage, which is a powerful sales promotion tool. In addition, we will develop a highly original wrist terminal.

The Casio Group has formulated new medium-term management targets to generate additional growth. We plan to double earnings compared with fiscal 2015 during the three years ending March 31, 2018. We need to expand in the robust timepiece business and other consumer product businesses, stabilize earnings in the systems solutions business for corporate customers, and generate steady growth in new businesses in order to achieve our targets. We will require a potent management organization with strong leadership to establish comprehensive management initiatives to achieve all of our goals. We have therefore initiated a management organization in which I will work in tandem with the Casio Group's new President and Chief Operating Officer. I will cooperate with our new President on initiatives I cannot handle alone to build a management foundation that will endure well into the future.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

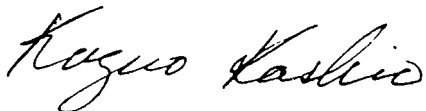
## To Our Stakeholders

## Message for Shareholders

We will steadily enhance management under a policy that links shareholder returns to performance. We are targeting increased profitability and return on equity (ROE). Moreover, we will increase cash dividends per share to ¥35.00 from ¥25.00 based on our robust results for fiscal 2015.

Our new President and management organization will do everything possible to meet shareholder expectations. We are inspired by your continued support.

Kazuo Kashio  
Chairman and Chief Executive Officer



## Message from the President &amp; COO

**We will develop original products that exceed everyone's expectations.**

I would like to take this opportunity to introduce myself to investors. I am the Casio Group's new President and Chief Operating Officer, Kazuhiro Kashio.

My challenges are to generate growth by complementing the timepiece business that is driving our results with stronger growth in other businesses while building a balanced management organization.

The key to enhancing the ability of our businesses to grow is putting our corporate creed of "Creativity and Contribution" into practice when we manufacture products. Casio has consistently created unique and completely original products. We have astonished people, and that is why our products are a must-have fixture of their lives. One of our roles in society is to manufacture products that create new lifestyle value, which I believe is crucial to our long-term development.

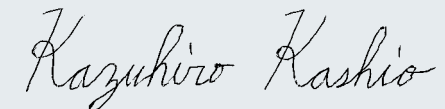
We will continue to exceed the expectations of the Casio fans who have supported the Group by delivering products that are unique to Casio because only we can make them. I intend to devote myself to managing the Casio Group in cooperation with Chairman Kazuo Kashio to drive growth higher. We are counting on your continued support.



## Biography of the New President and COO

<b>Name</b>	Kazuhiro Kashio
<b>Date of Birth</b>	1966 Jan. 22 (49 years old)
<b>Career</b>	1991 Apr. Joined Casio Computer Co., Ltd.
	2007 Jun. Executive Officer, Management Strategy Division
	Jul. Executive Officer, Deputy Senior General Manager, Management Strategy Division
	2011 Jun. Executive Officer, Member of The Board, Senior General Manager, DI Business Division
	2014 May Senior Executive Managing Officer, Member of The Board, Senior General Manager, Business Headquarters of Consumer Product and System Solution (Current)

Kazuhiro Kashio  
President and Chief Operating Officer



Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

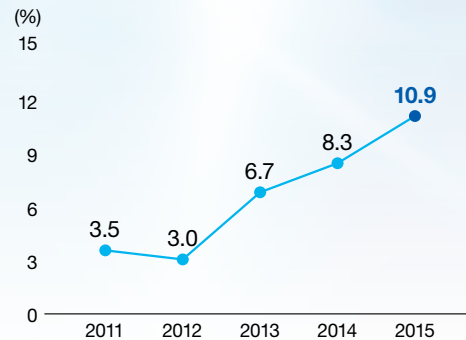
## Casio's Strength

High Profitability through  
Innovative Products

## Operating Profit Margin

10.9%

(Performance in fiscal year ended March 31, 2015)



## ROE

13.6%

(Performance in fiscal year ended March 31, 2015)



## Dividends

35.0 yen

(Performance in fiscal year ended March 31, 2015)



Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management Foundation

Financial Section

Corporate Data

## Six Global Timepiece Brands

# Six Brands That Are Globally Synchronized and Totally Individualized



**G-SHOCK**

**Absolute Toughness**

Built tough with a shock-resistant structure



**BABY-G**

**Tough and Cool**

A unique fusion of function with fashion



**OCEANUS**

**Elegance and Technology**

A stylish, polished and slim metal design



**PRO TREK**

**Feel the Field**

Ideal for those with a rugged lifestyle



**EDIFICE**

**Speed and Intelligence**

Advanced technology and dynamic design



**SHEEN**

**Elegant, Brilliant and Smart**

Metal watches for stylish women

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Special Feature I: Timepieces

### Expand the Timepiece Business with High-End Products



## GPS HYBRID WAVE CEPTOR

Casio has created the world's first hybrid solar timepiece that receives both GPS signals and radio wave time-calibration signals. It can receive time-calibration signals from any of six transmission stations worldwide, and can receive position and time data transmissions from GPS satellites. While retaining the convenience and reliability of radio-controlled solar timepieces,



this watch not only determines the local time zone but also determines whether it is on summer time when acquiring GPS satellite information, keeping accurate time worldwide. In short, it provides the precise time anywhere with the press of a button. We currently offer these timepieces in the G-SHOCK and OCEANUS brands.

## SMARTPHONE LINK

(Bluetooth® SMART)

Casio has also launched EDIFICE, a Bluetooth® SMART-enabled watch that links with smartphones. This allows the wearer to use a smartphone app that simplifies setting time in 300 cities around the world. EDIFICE can also simultaneously display different times in two cities, which differentiates it from typical analog watches.

We will promote these flagship models at international hub airports and in inflight magazines to appeal to globetrotting businesspeople. We will further increase sales and profitability in the timepiece business by expanding sales of high-end products.





## Special Feature II: Calculators

### Expand the Calculator Business by Broadening the Lineup of Localized Products

*Scientific Calculator with High-Resolution Local-Language LCD*



CLASSWIZ



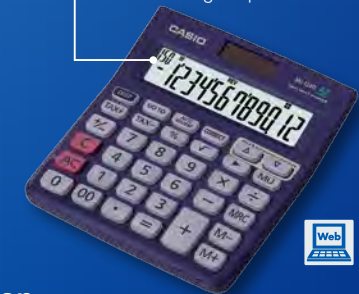
Casio has sold more than one billion calculators worldwide, and has held the top share of the Japanese market for 10 consecutive years. Our broad product lineup is popular worldwide because our calculators offer convenient functions and superior quality. The lineup includes professional business calculators that serve the needs of experts in fields including accounting and finance and scientific calculators that contribute to mathematics operations.

We are expanding the calculator business and maintaining its high profitability by broadening our lineup of localized products that meet the needs of the markets they serve. For example, we offer digit separator and check calculators in India, calculators with voice functions in China, and scientific calculators with high-resolution LCD displays in Japanese, English, Arabic and other local languages.

#### India



Display with Indian digit separation



#### Calculator with Indian Digit Separation

The international standard is to separate long numbers after every third digit. In India, however, the custom is to separate long numbers with a comma after the third digit, and then after every two digits, starting with the one hundred thousand place. Casio was the first company to introduce a calculator that addresses this regional custom.

#### China

#### Calculator That Speaks Chinese

We sell a calculator in China that announces the number and function keys when pressed. This allows confident calculation when users are not looking at the keypad during input.

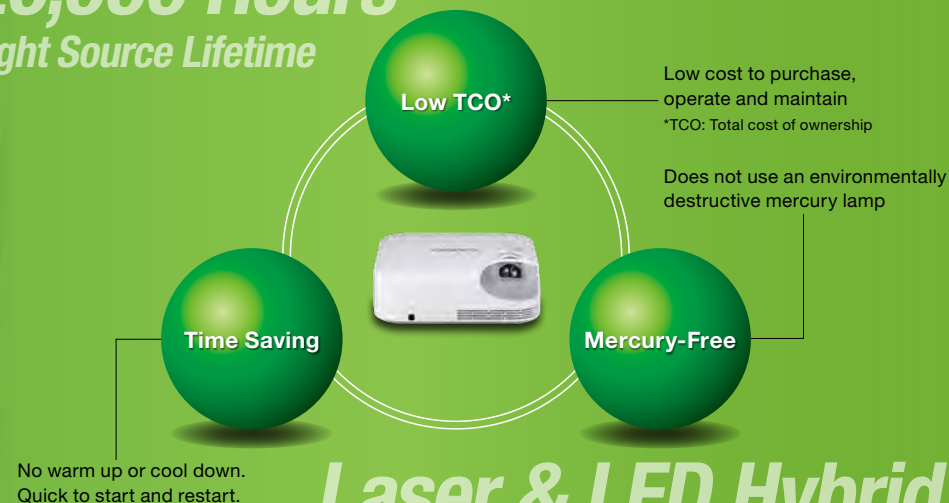


## Special Feature III: Projectors

### Expand the Projector Business with Our Cost-Competitive, Breakthrough Projector



**20,000 Hours**  
Light Source Lifetime



**Laser & LED Hybrid**



Casio quickly developed hybrid laser and LED light sources for high brightness without the use of mercury lamps, and released its first projector with this light source in 2010. We have the top share of the laser hybrid light source market because of this leadership.

In 2015, we launched the XJ-V1 projector, which features outstanding cost performance and the clear benefit of being mercury free. A new configuration for the light source and

projector lens of the XJ-V1 was among the many approaches we used to hold down purchase price to achieve excellent cost competitiveness. This is a breakthrough new product that makes a premium mercury-free projector easily accessible.

The XJ-V1 complements its attractive purchase price with outstanding features that hold down operating costs, including a light source with a lifetime of 20,000 hours and no

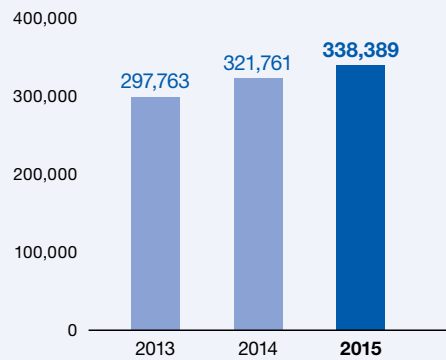
need for lamp changes and electricity consumption that is about 50 percent less than a mercury lamp. It takes as little as five seconds from startup to projection at maximum brightness, thus eliminating the long wait that mercury lamps require to reach full brightness.

We will expand the System Equipment segment and improve its profitability with our cost-competitive, breakthrough projector.

# Financial Highlights

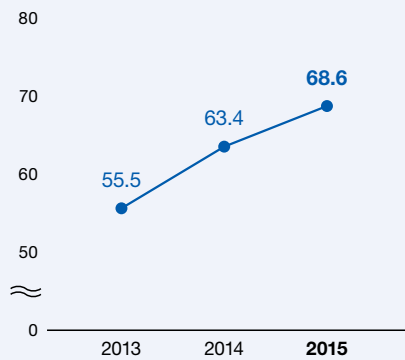
## Net Sales

(Millions of Yen)



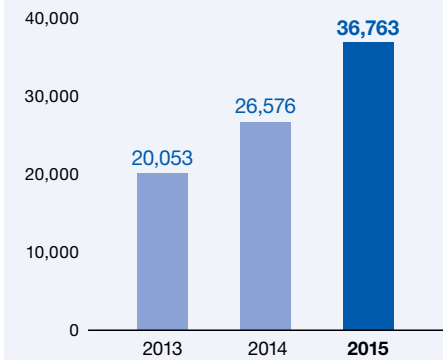
## Overseas Sales Ratio

(%)



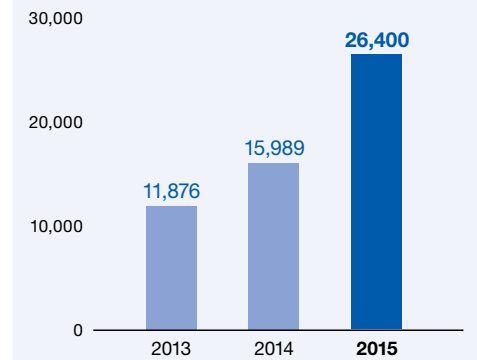
## Operating Income

(Millions of Yen)



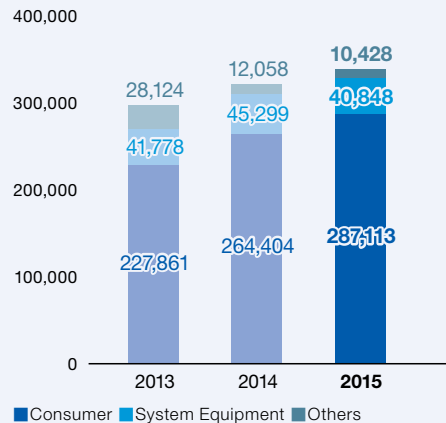
## Net Income

(Millions of Yen)



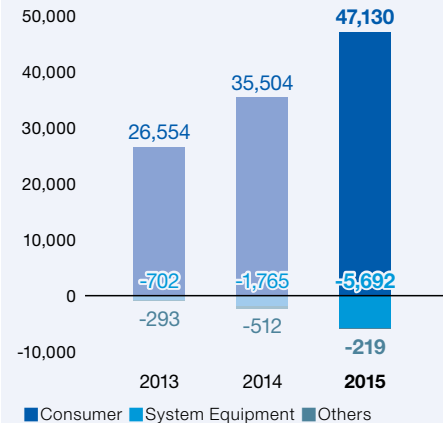
## Net Sales by Segment

(Millions of Yen)



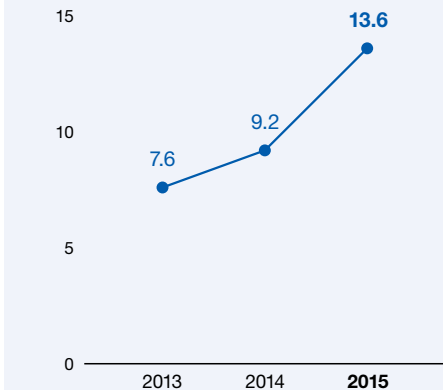
## Operating Income (Loss) by Segment

(Millions of Yen)



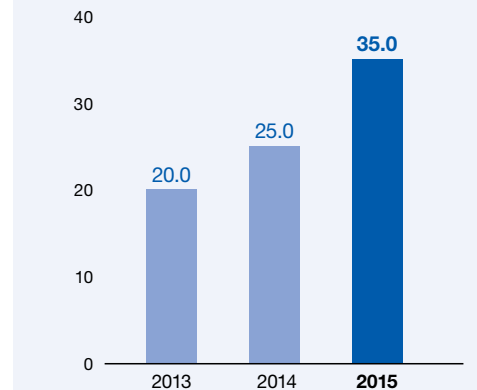
## Return on Equity (ROE)

(%)



## Dividends

(Yen)





## Corporate Governance

### 3. System of rules and other methods to manage the risk of Group losses

- (1) The Group has a system to manage risks that can have a significant impact on management. The system is promoted in a unified way by the relevant departments and the Secretariat under the CSR Committee, based on the Risk Management Rules.
- (2) Fundamental Policies on Product Safety and an implementation system have been established with the understanding that maintaining customer confidence in product safety is an important management issue.

### 4. System to ensure the efficient performance of duties by directors and employees of the Company and Group companies

- (1) Attended by the Company's directors and statutory auditors, meetings of the Board of Directors are held to discuss and decide important management issues facing the Group, at least once a month in principle, and make prompt and reasonable decisions.
- (2) The Company's executive officers, directors, and statutory auditors attend meetings of the Board of Executive Officers to discuss and decide important business execution matters. They ensure Group-wide coordination and smooth implementation of measures.
- (3) Detailed execution procedures are outlined in the Executive Decision Making Authority Rules and the Group Company Decision Making Authority Rules.
- (4) Group companies have created a system for performance of duties based on consolidated management plans, the Group Company Decision Making Authority Rules, and various basic Group policies.

### 5. System to ensure proper Group operations

- (1) To ensure proper operations, the Group has various rules based on the Charter of Creativity for

Casio, Casio Common Commitment, and Casio Code of Conduct.

- (2) The Company has a system for assigning directors or executive officers responsibility for specific Group companies. The relevant directors and executive officers perform Group company management through a system that requires reporting to and approval by the Company, in accordance with the Group Company Decision Making Authority Rules. They also perform monitoring as necessary.
- (3) The Group has built a system to ensure the adequacy and reliability of financial reporting. The Group makes improvements after inspecting internal controls related to business flow and financial reporting, documentation, evaluation.

### 6. System for employees that assist the Company's statutory auditors in the performance of their duties, and the independence of those employees from the directors

- (1) Employees are appointed to assist the statutory auditors in their duties.
- (2) Matters concerning the appointment, transfer, evaluation or discipline of employees who assist the statutory auditors require the prior consent of the Board of Statutory Auditors.

### 7. System for Group directors and employees to report to the Company's statutory auditors, other systems for reporting to the Company's statutory auditors, and systems to ensure that audits by the statutory auditors are performed effectively

- (1) If something is discovered that is likely to cause significant damage to the Group, if a violation of a law or the Articles of Incorporation occurs, or if business is executed illegally, the Company's directors and employees must immediately report it to the statutory auditors.
- (2) If something is discovered that is likely to cause significant damage to the Group, if a violation of a

- law or the Articles of Incorporation occurs, or if business is executed illegally, the directors, auditors and employees of a Group company must immediately report it to the Company's officer with responsibility at the Group company, and the officer with responsibility must immediately report it to the company's statutory auditor.
- (3) If a Group company's directors, auditors and employees determine that a management action or guidance from the Company may violate the law or create a compliance issue, they must report it to the Company's statutory auditor.
- (4) The Group's directors and employees provide the required reports and information in response to requests from the Company's statutory auditor.
- (5) The Company's Internal Audit Department periodically reports the results of Group audits to the Company's statutory auditor.
- (6) The Whistleblower Hotline Secretariat reports the status of whistleblower reports and measures taken to the Company's statutory auditor.
- (7) The Group ensures that people who have made a report to the Company's statutory auditor are not penalized.
- (8) The Company promptly processes any requests it receives for the prepayment or refund of expenses arising from the performance of duties by the Company's statutory auditor.
- (9) The Company's statutory auditors can attend any important internal meeting of the Company.

- (10) Important Group approval documents are reported to the Company's statutory auditors after approval.

## Risk Management

In line with our Basic Risk Management Policy, we have created a system to effectively and efficiently manage risk. The Chairman of the CSR Committee appoints a Chief Risk Management Officer, and the CSR Committee Secretariat and main risk management departments discuss issues including the potential impact on operations and probability of risks and select themes.

The members of the CSR Committee from main risk management departments develop programs during the planning stage for the designated risk management themes. They plan and execute countermeasures to avoid and mitigate risk, implement measures for departments and Group companies that are exposed to risks, and assiduously provide information to ensure risk awareness.

In addition, the CSR Committee Secretariat implements its management system using a PDCA cycle. It deliberates and discusses, promotes action, manages and evaluates progress, and conducts monitoring.

The Internal Audit Department audits the CSR Committee's risk management to confirm that it is operating properly.

## Risk Management System



## Corporate Social Responsibility (CSR) Activities

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

### Approach to Social Contribution

We earnestly engage in a variety of social contribution initiatives to help create a sound, vibrant society. We take good corporate citizenship seriously, and communicate with various stakeholders to identify the most beneficial initiatives. The five priority themes of our social contribution initiatives are outlined in the figure below. Leveraging our unique expertise and resources and the wide range of knowledge and experience possessed by our employees, we fulfill our social responsibilities in our own unique way.

We will continue to support the victims of the Great East Japan Earthquake and will also plan and promote initiatives to resolve international issues.



### We Have Revised Our Environmental Vision and Environmental Declaration to Help Achieve Our Goal of Being a Leading Environmental Company.

The Casio Group clarified the Casio Environmental Vision and Casio's Environmental Declaration in April 2012 to respond to changes in the society to which we belong and further evolve our environmental management.

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

### Casio Environmental Vision 2050

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

### Casio's Environmental Declaration 2020

The Casio Group provides products and services that further contribute to reducing and absorbing CO<sub>2</sub>. In addition to expanding our lineup of products and services that use energy sources that are easy on people and the planet, such as solar, wind, and water-powered energy, we are also utilizing these renewable energy sources in our business activities.

### Realizing a Resource Recycling Society

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

### Realizing a Way of Living in Harmony with Nature

The Casio Group conducts activities to help cultivate a mindset that treasures the earth and protects biodiversity. We are working to harmonize our business activities with the earth's natural cycle.

### A Leading Environmental Company

#### Casio, going from "0" to "1"

We will create products and services and conduct environmental activities that are all based on new ideas and advanced technologies to help realize:

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

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Corporate Social Responsibility (CSR) Activities

## My Dream Rucksack Charity Program

Casio (China) Co., Ltd. has initiated its My Dream Rucksack charity program to support the education of children in impoverished regions of China.

Each child receives a rucksack for use as a school bag and gifts including stationery and learning materials. We also support teaching by donating items according to the needs of individual schools, including Casio digital pianos, calculators, printers, short-throw projectors and digital cameras.

**Phase 1:** Elementary schools in Shuanghe, Suqian, Jiangsu (September 2014)

**Phase 2:** Middle and elementary schools in Shanzhen, Longtu, Ludian, Yunnan (December 2014)

**Phase 3:** Liangting Elementary School, Yanzihenzhen, Jinzhai, Luan, Anhui (May 2015)

Casio China plans to support the growth and education of children through the My Dream Rucksack charity program in keeping with the concept of "Creativity and Contribution."



Children with their new rucksacks



A group of children with their new rucksacks

## Casio Singapore Supports Education

Casio Singapore initiated two social contribution programs in January 2015 that involve scientific calculators to support mathematics education in Singapore.

The first is the Casio Cares Initiative. Students from low-income families (combined household income of less than SGD\$2,500) can have access to the Casio FX-9860GII's graphing calculator until they graduate. Returned calculators are then re-loaned to other students in the following year. Casio Singapore also plans to donate calculators to underprivileged students in neighboring countries in Southeast Asia.

The other initiative is the Buy-Back Programme. Students who purchase the Casio FX-9860GII's graphing calculator can receive SGD\$60.00 cash back when they return their calculator to Casio Singapore upon graduation.



Visit our website to learn more about the Casio Cares program and Casio's contribution to education.

## Casio America Commended for Environmental Conservation Activities

Casio America has been conducting various environmental conservation activities for many years. Activities include collecting and sorting bottles and cans for recycling, collecting paper and cardboard for delivery to recycling centers, using recycled materials for watch packaging and display materials, replacing personal computers that used a large amount of electricity, and providing drinking bottles to employees to reduce the use of paper cups.



Watch packaging and display materials that use recycled materials



The Morris County Municipal Utilities Authority, which promotes environmental conservation, recognized Casio America's efforts with an award for excellent recycling programs within large businesses.

## Yamagata Casio Commended for Winter Eco Style Challenge

On August 7, 2014, Yamagata Casio received an Excellent Work Site Commendation from Yamagata Prefecture for energy conservation activities as part of the Winter Eco Style Challenge. Yamagata Prefecture has been holding the Winter Eco Style Challenge annually since 2008 to increase awareness of energy conservation among households and businesses in the prefecture.

In the most recent Winter Eco Style Challenge, 862 work sites submitted applications from November 1, 2013 to March 31, 2014 detailing their conservation activities. Five sites recognized as outstanding received commendations.

Yamagata Casio was selected for the Excellent Work Site Commendation for activities that included reducing the amount of air used to drive machine tools and automatic machinery and remove dust from components, and for constructing a power monitoring system. Yamagata Casio will continue to proactively reduce energy use.



Air leakage is measured at designated checkpoints

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Management's Discussion and Analysis

### Net Sales

Consolidated net sales for the year ended March 31, 2015 increased 5.2% compared with the previous fiscal year to ¥338,389 million.

	(Millions of Yen)	
	2015	2014
Consumer.....	¥287,113	¥264,404
System Equipment.....	40,848	45,299
Others.....	10,428	12,058
Total.....	¥338,389	¥321,761

### Sales by Segment

Consumer segment sales increased 8.6% compared with the previous fiscal year to ¥287,113 million, and accounted for 84.8% of net sales. In the timepiece business, sales of the high-end G-SHOCK and OCEANUS lines, including the world's first GPS hybrid radio-controlled solar-powered watches, remained strong in Japan and overseas, driving substantial growth in overall sales. In addition, sales of the EDIFICE model that connects to a smartphone via Bluetooth® remained robust. Sales of calculators also rose, due largely to an expanded lineup of products customized for local needs.

System Equipment segment sales decreased 9.8% compared with the previous fiscal year to ¥40,848 million. Others segment sales decreased 13.5% compared with the previous fiscal year to ¥10,428 million.

### Results of Operations

Operating income increased 38.3% compared with the previous fiscal year to ¥36,763 million. Consumer segment income increased to ¥47,130 million because of the improved product mix in the timepiece business, the expanded lineup of original high-end digital cameras, and the launch of high-value-added calculators. System Equipment segment loss was ¥5,692 million. Others segment loss was ¥219 million.

Net income increased 65.1% compared with the previous fiscal year to ¥26,400 million. Net income per share increased 68.3% to a record ¥100.8.

### Financial Condition

Total assets as of March 31, 2015 increased ¥7,692 million from a year earlier to ¥374,656 million, largely because securities increased. Total liabilities as of March 31, 2015 decreased 6.2% from a year earlier to ¥170,498 million. Current liabilities decreased ¥39,804 million to ¥82,306 million. Non-current liabilities increased ¥28,594 million to ¥88,192 million. Net assets as of March 31, 2015 increased ¥18,902 million from a year earlier to ¥204,158 million due mainly to an increase in retained earnings.

As a result, the equity ratio increased 4.0 percentage points to 54.5%.

### Cash Flow Analysis

Net cash provided by operating activities decreased ¥9,352 million year on year to ¥30,755 million. This was mainly due to a decrease in working capital.

Net cash used in investing activities was ¥10,668 million, compared with net cash provided by investing activities of ¥8,044 million for the previous year.

Net cash used in financing activities decreased ¥7,894 million year on year to ¥30,629 million.

As a result, cash and cash equivalents as of March 31, 2015 decreased ¥3,392 million from a year earlier to ¥110,737 million. The Casio Group therefore has ample liquidity.

### Capital Investment

Capital investment was ¥5,926 million. By segment, capital investment was ¥4,513 million in the Consumer segment, ¥1,062 million in the System Equipment segment, and ¥231 million in the Others segment.

### Research & Development

R&D expenses were ¥7,187 million. By segment, R&D expenses were ¥3,545 million in the Consumer segment, ¥748 million in the System Equipment segment, and ¥7 million in the Others segment.



Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Business Risks

The management performance, financial position and share price of Casio Computer Co., Ltd. and its consolidated subsidiaries ("the Casio Group" or "the Group") are subject to the following risks. Statements below concerning the future represent the judgment of the Casio Group as of March 31, 2015.

### (1) Japan's economy and the global economy

The Group's products are sold in Japan and in markets around the world, and demand is therefore subject to the economic trends of each country. Trends in consumer spending particularly affect the Group because we market the majority of our products to consumers.

### (2) Price changes

Competition is intensifying in the Group's industries because many companies are aggressively trying to increase market share in Japan and overseas. A rapid decline in product prices could negatively affect the Group's results.

### (3) New products

The Group could lose all or some of the advantage of being first or among the first to market if the Group is unable to quickly and consistently launch popular new products, or if competitors launch products that are similar to those of the Group, especially if such launches are concurrent with those of the Group.

### (4) Transactions with major customers

Any changes in strategy or product specifications made by major customers, and any cancellation of orders or changes in their schedule could negatively affect the Group's results.

### (5) Outsourcing

The Group outsources a substantial portion of its manufacturing and assembly work to outside service suppliers to improve the Group's production efficiency and the operating income margin, which could pose problems for consistent quality control. Moreover, problems among outside suppliers including violations of laws, regulations, and intellectual property rights of third parties could negatively affect the Group's results and the reputation of its products.

### (6) Technology development and change

Rapidly changing technologies and market needs in the Group's businesses could unexpectedly hasten product obsolescence and cause a sharp drop in sales.

### (7) Risks associated with international expansion and overseas operations

The majority of the Group's production and sales are outside Japan. Consequently, overseas political and economic developments and revisions of laws and legislation may significantly affect the Group's financial position. In particular, regulatory changes and the enactment of new laws are difficult to predict and could negatively affect the Group's results.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation**Financial Section**

Corporate Data

## Business Risks

### (8) Intellectual property

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

The following is a list of associated risks:

- Competitors might develop the same technologies as the Group's proprietary technologies;
- The Group's patent applications might not be approved;
- The Group's measures to prevent the misuse or violation of its intellectual property rights might be ineffective;
- Intellectual property laws and regulations might not adequately protect the Group's intellectual property;
- The Group's future products and technologies might violate another company's intellectual property rights.

### (9) Defective products and lawsuits

The Group rigorously controls the quality of the products it manufactures and markets, and has not experienced significant complaints or negative publicity since its founding. However, the Group could be exposed to product liability or safety complaints in the future.

### (10) Information management risk

The Group has acquired a large volume of personal and confidential information in the course of its business. Internal rules govern the use of this information, and each Group company enhances the control of this information through employee training programs. However, information leaks might occur that could negatively affect the Group's business, financial position and results.

### (11) Alliances, mergers and strategic investments

The Group may implement alliances, mergers or strategic investments in Japan or overseas to expand its business operations or raise management efficiency. Changes in the management environment, business strategies, or operating environment of counterparties could negatively affect the Group's business, financial position and results.

### (12) Foreign exchange and interest rate risk

Exchange rate fluctuations significantly affect the Group because it operates internationally. Fluctuations in the exchange rates of foreign currencies against the yen could negatively affect the Group's earnings. The Group is also exposed to risks associated with interest rate changes that could affect overall operating costs, procurement costs, and the value of financial assets and liabilities, particularly long-term debt.

### (13) Other risks

The following are other factors that could affect the Group's business and results:

- Cyclical trends in the information technology industry;
- The ability to procure required equipment, raw materials, facilities, and electricity at reasonable prices;
- A decline in the value of securities held by the Group;
- Revisions to laws and regulations regarding the accounting standards for retirement benefits, pension plan revisions, and abrupt changes affecting pension plan asset management;
- Accidents and disasters, including fires and earthquakes;
- Social unrest caused by wars, terrorist attacks, or epidemics.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation**Financial Section**

Corporate Data

## Consolidated Five-Year Summary

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

	Millions of Yen				
	2015	2014	2013	2012	2011
<b>For the year:</b>					
Net sales.....	¥338,389	¥321,761	¥297,763	¥301,660	¥341,678
Cost of sales.....	190,706	189,358	181,479	195,622	227,923
Selling, general and administrative expenses.....	103,733	97,475	88,313	89,559	93,875
Research and development expenses.....	7,187	8,352	7,918	7,414	7,838
Operating income.....	36,763	26,576	20,053	9,065	12,042
Net income.....	26,400	15,989	11,876	2,556	5,682
Comprehensive income.....	38,628	24,072	19,544	594	1,742
Capital investment.....	5,926	5,574	7,637	6,678	6,183
Depreciation on property, plant and equipment.....	5,794	5,717	5,325	6,060	7,674
<b>At year-end:</b>					
Current assets.....	244,614	244,135	249,719	244,022	269,150
Current liabilities.....	82,306	122,110	115,302	91,585	117,886
Working capital.....	162,308	122,025	134,417	152,437	151,264
Net assets.....	204,158	185,256	163,968	149,254	153,232
Total assets.....	374,656	366,964	369,322	366,212	402,456
<b>Amounts per share of common shares (in yen):</b>					
Net income.....	100.08	59.47	44.17	9.51	20.90
Diluted net income.....	98.77	59.45	44.15	8.68	19.10
Cash dividends applicable to the year.....	35.00	25.00	20.00	17.00	17.00
(Interim dividends).....	(12.50)	(10.00)	(—)	(—)	(—)
<b>Performance indicators:</b>					
Return on equity (%).....	13.6	9.2	7.6	1.7	3.6
Return on assets (%).....	7.1	4.3	3.2	0.7	1.4
Equity ratio (%).....	54.5	50.5	44.4	40.7	38.0
Interest coverage (times).....	42.6	22.9	17.4	10.3	15.9
Assets turnover (times).....	0.9	0.9	0.8	0.8	0.8
Inventory turnover (months).....	3.5	3.0	3.6	2.8	2.4
<b>Other:</b>					
Number of employees.....	11,592	10,992	11,276	11,663	11,522

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Consolidated Balance Sheets

March 31, 2015 and 2014 Casio Computer Co., Ltd. and Consolidated Subsidiaries

Assets	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Current assets:</b>			
Cash and deposits (Notes 3 and 5) .....	¥ 82,806	¥ 90,759	\$ 690,050
Securities (Notes 3, 5 and 6) .....	32,144	26,001	267,867
Notes and accounts receivable:			
Trade (Note 5) .....	45,869	50,633	382,242
Allowance for doubtful accounts .....	(520)	(525)	(4,333)
Inventories (Note 4) .....	55,951	48,103	466,258
Deferred tax assets (Note 9) .....	7,621	5,161	63,508
Short-term loans receivable with resale agreement (Note 3) .....	11,760	15,820	98,000
Other .....	8,983	8,183	74,858
<b>Total current assets</b> .....	<b>244,614</b>	<b>244,135</b>	<b>2,038,450</b>
<b>Property, plant and equipment:</b>			
Land .....	36,492	36,924	304,100
Buildings and structures .....	62,637	61,714	521,975
Machinery, equipment and vehicles .....	13,926	12,793	116,050
Tools, furniture and fixtures .....	34,783	33,869	289,858
Leased assets .....	2,902	3,731	24,183
Construction in progress .....	272	1,127	2,267
	151,012	150,158	1,258,433
Accumulated depreciation .....	(88,711)	(86,213)	(739,258)
<b>Net property, plant and equipment</b> .....	<b>62,301</b>	<b>63,945</b>	<b>519,175</b>
<b>Investments and other assets:</b>			
Shares of associates .....	2,460	2,391	20,500
Investment securities (Notes 5 and 6) .....	39,680	27,910	330,667
Net defined benefit asset (Notes 2 and 10) .....	14,138	9,621	117,817
Deferred tax assets (Note 9) .....	2,254	9,520	18,783
Other .....	9,283	9,519	77,358
Allowance for doubtful accounts .....	(74)	(77)	(617)
<b>Total investments and other assets</b> .....	<b>67,741</b>	<b>58,884</b>	<b>564,508</b>
<b>Total assets</b> .....	<b>¥374,656</b>	<b>¥366,964</b>	<b>\$3,122,133</b>

See accompanying notes.

Liabilities and Net Assets	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Current liabilities:</b>			
Short-term loans payable (Note 8) .....	¥ 250	¥ 4,768	\$ 2,083
Current portion of bonds and long-term loans payable (Notes 5 and 8) .....	—	36,365	—
Notes and accounts payable:			
Trade (Note 5) .....	35,135	39,407	292,792
Other (Note 5) .....	23,843	19,727	198,692
Accrued expenses .....	13,500	13,177	112,500
Income taxes payable (Note 9) .....	3,208	2,755	26,733
Other .....	6,370	5,911	53,083
<b>Total current liabilities</b> .....	<b>82,306</b>	<b>122,110</b>	<b>685,883</b>
<b>Non-current liabilities:</b>			
Bonds and long-term loans payable (Notes 5 and 8) .....	77,043	45,000	642,025
Net defined benefit liability (Notes 2 and 10) .....	1,219	860	10,158
Deferred tax liabilities (Note 9) .....	1,543	1,591	12,858
Other .....	8,387	12,147	69,892
<b>Total non-current liabilities</b> .....	<b>88,192</b>	<b>59,598</b>	<b>734,933</b>
<b>Contingent liabilities</b> (Note 14)			
<b>Net assets</b> (Note 11):			
<b>Shareholders' equity</b>			
Capital stock:			
Authorized — 471,693,000 shares			
Issued — 269,020,914 shares in 2015 and 279,020,914 shares in 2014 .....	48,592	48,592	404,934
Capital surplus .....	65,058	65,703	542,150
Retained earnings .....	79,301	70,447	660,842
Treasury shares .....	(9,995)	(8,603)	(83,292)
<b>Total shareholders' equity</b> .....	<b>182,956</b>	<b>176,139</b>	<b>1,524,634</b>
<b>Accumulated other comprehensive income</b>			
Valuation difference on available-for-sale securities .....	11,392	6,335	94,933
Deferred gains or losses on hedges .....	—	(49)	—
Foreign currency translation adjustment .....	2,622	(2,577)	21,850
Remeasurements of defined benefit plans (Notes 2 and 10) .....	7,188	5,292	59,900
<b>Total accumulated other comprehensive income</b> .....	<b>21,202</b>	<b>9,001</b>	<b>176,683</b>
<b>Minority interests</b> .....	<b>—</b>	<b>116</b>	<b>—</b>
<b>Total net assets</b> .....	<b>204,158</b>	<b>185,256</b>	<b>1,701,317</b>
<b>Total liabilities and net assets</b> .....	<b>¥374,656</b>	<b>¥366,964</b>	<b>\$3,122,133</b>

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

# Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Years ended March 31, 2015 and 2014 Casio Computer Co., Ltd. and Consolidated Subsidiaries

Consolidated Statements of Income	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Net sales</b> (Note 13) .....	<b>¥338,389</b>	¥321,761	<b>\$2,819,908</b>
<b>Costs and expenses</b> (Note 13):			
Cost of sales .....	190,706	189,358	1,589,216
Selling, general and administrative expenses .....	103,733	97,475	864,442
Research and development expenses .....	7,187	8,352	59,892
	<b>301,626</b>	295,185	<b>2,513,550</b>
<b>Operating income</b> (Note 13) .....	<b>36,763</b>	26,576	<b>306,358</b>
<b>Other income (expenses):</b>			
Interest and dividend income .....	1,101	1,030	9,175
Interest expenses .....	(888)	(1,208)	(7,400)
Loss on valuation of interest swaps .....	(282)	—	(2,350)
Foreign exchange gains (losses) .....	1,337	(500)	11,142
Loss on retirement of non-current assets .....	(1,411)	(249)	(11,758)
Gain on sales of investment securities (Note 6) .....	120	414	1,000
Loss on valuation of investment securities (Note 6) .....	—	(394)	—
Impairment loss (Notes 13 and 15) .....	(2,322)	(448)	(19,350)
Directors' retirement benefits .....	—	(2,134)	—
Other, net .....	(198)	(130)	(1,650)
	<b>(2,543)</b>	(3,619)	<b>(21,191)</b>
<b>Income before income taxes and minority interests</b> .....	<b>34,220</b>	22,957	<b>285,167</b>
<b>Income taxes</b> (Note 9):			
Current .....	5,347	4,238	44,559
Deferred .....	2,446	2,700	20,383
	<b>7,793</b>	6,938	<b>64,942</b>
<b>Income before minority interests</b> .....	<b>26,427</b>	16,019	<b>220,225</b>
Minority interests in income .....	27	30	225
<b>Net income</b> .....	<b>¥ 26,400</b>	¥ 15,989	<b>\$ 220,000</b>
			U.S. Dollars (Note 1)
<b>Amounts per share of common shares:</b>			Yen
Net income .....	<b>¥100.08</b>	¥59.47	<b>\$0.83</b>
Diluted net income .....	<b>98.77</b>	59.45	<b>0.82</b>
Cash dividends applicable to the year .....	<b>35.00</b>	25.00	<b>0.29</b>

See accompanying notes.

Consolidated Statements of Comprehensive Income	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Income before minority interests</b> .....	<b>¥26,427</b>	¥16,019	<b>\$220,225</b>
<b>Other comprehensive income:</b>			
Valuation difference on available-for-sale securities .....	5,057	2,711	42,142
Deferred gains or losses on hedges .....	49	94	408
Foreign currency translation adjustment .....	5,199	5,248	43,325
Remeasurements of defined benefit plans .....	1,896	—	15,800
Share of other comprehensive income of entities accounted for using equity method .....	(0)	(0)	(0)
<b>Total other comprehensive income</b> .....	<b>12,201</b>	8,053	<b>101,675</b>
<b>Comprehensive income</b> .....	<b>¥38,628</b>	¥24,072	<b>\$321,900</b>
Comprehensive income attributable to:			
Owners of parent .....	¥38,601	¥24,042	\$321,675
Minority interests .....	27	30	225

Reclassification Adjustments and Tax Effects for Other Comprehensive Income	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Valuation difference on available-for-sale securities			
Increase (decrease) during period .....	¥ 7,034	¥ 4,121	\$ 58,617
Reclassification adjustments .....	(40)	90	(333)
Amount before income tax effect .....	6,994	4,211	58,284
Income tax effect .....	(1,937)	(1,500)	(16,142)
<b>Total</b> .....	<b>5,057</b>	2,711	<b>42,142</b>
Deferred gains or losses on hedges			
Reclassification adjustments .....	77	154	641
Amount before income tax effect .....	77	154	641
Income tax effect .....	(28)	(60)	(233)
<b>Total</b> .....	<b>49</b>	94	<b>408</b>
Foreign currency translation adjustment			
Increase (decrease) during period .....	5,199	5,248	43,325
Remeasurements of defined benefit plans			
Increase (decrease) during the period .....	2,747	—	22,891
Reclassification adjustments .....	(367)	—	(3,058)
Amount before income tax effect .....	2,380	—	19,833
Income tax effect .....	(484)	—	(4,033)
<b>Total</b> .....	<b>1,896</b>	—	<b>15,800</b>
Share of other comprehensive income of entities accounted for using equity method			
Increase (decrease) during period .....	(0)	(0)	(0)
<b>Total other comprehensive income</b> .....	<b>¥12,201</b>	¥ 8,053	<b>\$101,675</b>

See accompanying notes.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Consolidated Statements of Changes in Net Assets

Years ended March 31, 2015 and 2014 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen										
	Number of common shares	Capital stock	Capital surplus	Retained earnings	Treasury shares	Valuation difference on available-for- sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Minority interests	Total net assets
<b>Balance at April 1, 2013</b> .....	279,020,914	¥48,592	¥65,703	¥ 62,523	¥ (8,592)	¥ 3,624	¥(143)	¥(7,825)	¥ —	¥ 86	¥163,968
Dividends of surplus .....	—	—	—	(8,065)	—	—	—	—	—	—	(8,065)
Net income .....	—	—	—	15,989	—	—	—	—	—	—	15,989
Purchase of treasury shares .....	—	—	—	—	(11)	—	—	—	—	—	(11)
Disposal of treasury shares .....	—	—	0	—	0	—	—	—	—	—	0
Net changes of items other than shareholders' equity .....	—	—	—	—	—	2,711	94	5,248	5,292	30	13,375
<b>Balance at April 1, 2014</b> .....	279,020,914	¥48,592	¥65,703	¥ 70,447	¥ (8,603)	¥ 6,335	¥ (49)	¥(2,577)	¥5,292	¥ 116	¥185,256
Dividends of surplus .....	—	—	—	(7,298)	—	—	—	—	—	—	(7,298)
Net income .....	—	—	—	26,400	—	—	—	—	—	—	26,400
Purchase of treasury shares .....	—	—	—	—	(12,515)	—	—	—	—	—	(12,515)
Disposal of treasury shares .....	—	—	77	—	153	—	—	—	—	—	230
Retirement of treasury shares.....	(10,000,000)	—	(722)	(10,248)	10,970	—	—	—	—	—	—
Net changes of items other than shareholders' equity .....	—	—	—	—	—	5,057	49	5,199	1,896	(116)	12,085
<b>Balance at March 31, 2015</b> .....	<b>269,020,914</b>	<b>¥48,592</b>	<b>¥65,058</b>	<b>¥ 79,301</b>	<b>¥ (9,995)</b>	<b>¥11,392</b>	<b>¥ —</b>	<b>¥ 2,622</b>	<b>¥7,188</b>	<b>¥ —</b>	<b>¥204,158</b>

	Thousands of U.S. Dollars (Note 1)										
<b>Balance at April 1, 2014</b> .....		\$404,934	\$547,525	\$587,058	\$ (71,692)	\$52,791	\$(408)	\$(21,475)	\$44,100	\$ 967	\$1,543,800
Dividends of surplus .....		—	—	(60,816)	—	—	—	—	—	—	(60,816)
Net income .....		—	—	220,000	—	—	—	—	—	—	220,000
Purchase of treasury shares .....		—	—	—	(104,292)	—	—	—	—	—	(104,292)
Disposal of treasury shares .....		—	642	—	1,275	—	—	—	—	—	1,917
Retirement of treasury shares.....		—	(6,017)	(85,400)	91,417	—	—	—	—	—	—
Net changes of items other than shareholders' equity .....		—	—	—	—	42,142	408	43,325	15,800	(967)	100,708
<b>Balance at March 31, 2015</b> .....		<b>\$404,934</b>	<b>\$542,150</b>	<b>\$660,842</b>	<b>\$ (83,292)</b>	<b>\$94,933</b>	<b>\$ —</b>	<b>\$ 21,850</b>	<b>\$59,900</b>	<b>\$ —</b>	<b>\$1,701,317</b>

See accompanying notes.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Consolidated Statements of Cash Flows

Years ended March 31, 2015 and 2014 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests .....	¥ 34,220	¥ 22,957	\$ 285,167
Depreciation.....	8,827	8,889	73,558
Impairment loss.....	2,322	448	19,350
Loss (gain) on sales and retirement of non-current assets .....	1,406	224	11,717
Loss (gain) on sales of investment securities.....	(120)	(414)	(1,000)
Loss (gain) on valuation of investment securities.....	—	394	—
Increase (decrease) in net defined benefit liability.....	233	(1,947)	1,942
Interest and dividend income.....	(1,101)	(1,030)	(9,175)
Interest expenses.....	888	1,208	7,400
Foreign exchange losses (gains).....	(1,373)	(363)	(11,442)
Share of (profit) loss of entities accounted for using equity method..	(68)	(48)	(567)
Decrease (increase) in notes and accounts receivable-trade.....	5,692	1,616	47,433
Decrease (increase) in inventories.....	(5,691)	9,876	(47,425)
Increase (decrease) in notes and accounts payable-trade .....	(5,598)	1,997	(46,650)
Decrease/increase in consumption taxes receivable/payable.....	77	(292)	642
Other, net.....	(3,841)	936	(32,008)
<b>Subtotal.....</b>	<b>35,873</b>	<b>44,451</b>	<b>298,942</b>
Interest and dividend income received.....	1,274	1,157	10,617
Interest expenses paid .....	(990)	(1,223)	(8,250)
Income taxes paid.....	(5,402)	(4,278)	(45,017)
<b>Net cash provided by (used in) operating activities.....</b>	<b>30,755</b>	<b>40,107</b>	<b>256,292</b>
<b>Cash flows from investing activities</b>			
Payments into time deposits .....	(523)	(16,890)	(4,358)
Proceeds from withdrawal of time deposits .....	15,148	11,531	126,233
Purchase of property, plant and equipment .....	(4,828)	(5,303)	(40,233)
Proceeds from sales of property, plant and equipment.....	73	263	608
Purchase of intangible assets.....	(3,583)	(3,424)	(29,858)
Purchase of investment securities .....	(22,023)	(5,988)	(183,525)
Proceeds from sales and redemption of investment securities.....	5,360	28,393	44,667
Purchase of shares of subsidiaries and associates .....	(200)	—	(1,667)
Other, net.....	(92)	(538)	(767)
<b>Net cash provided by (used in) investing activities.....</b>	<b>(10,668)</b>	<b>8,044</b>	<b>(88,900)</b>

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable .....	(5,310)	368	(44,250)
Proceeds from long-term loans payable.....	37,000	25,000	308,333
Repayments of long-term loans payable .....	(28,951)	(45,000)	(241,258)
Proceeds from issuance of bonds .....	10,012	—	83,433
Redemption of bonds.....	(22,648)	(10,000)	(188,733)
Purchase of treasury shares.....	(12,516)	(13)	(104,300)
Proceeds from sales of treasury shares.....	0	0	0
Repayments of finance lease obligations.....	(918)	(813)	(7,650)
Cash dividends paid.....	(7,298)	(8,065)	(60,817)
<b>Net cash provided by (used in) financing activities.....</b>	<b>(30,629)</b>	<b>(38,523)</b>	<b>(255,242)</b>
<b>Effect of exchange rate change on cash and cash equivalents.....</b>	<b>7,150</b>	<b>7,151</b>	<b>59,583</b>
<b>Net increase (decrease) in cash and cash equivalents.....</b>	<b>(3,392)</b>	<b>16,779</b>	<b>(28,267)</b>
<b>Cash and cash equivalents at beginning of period (Note 3).....</b>	<b>114,129</b>	<b>97,350</b>	<b>951,075</b>
<b>Cash and cash equivalents at end of period (Note 3).....</b>	<b>¥110,737</b>	<b>¥114,129</b>	<b>\$ 922,808</b>

See accompanying notes.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

# Notes to Consolidated Financial Statements

Years ended March 31, 2015 and 2014 Casio Computer Co., Ltd. and Consolidated Subsidiaries

## 1. Basis of Presenting Consolidated Financial Statements

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

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

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2015, which was ¥120 to U.S.\$1. The convenience translation should not be construed as a representation that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

## 2. Significant Accounting Policies

### Consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant subsidiaries (together with the Company, the "Group") which the Company controls through majority voting rights or existence of certain conditions. 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 minority shareholders of the subsidiary are determined using the financial statements of the subsidiary.

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

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

### Cash flow statements

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

### Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated at the current exchange rates at the balance sheet date, and the translation gains and losses are credited or charged to income (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 hedges and meet certain hedging criteria, the Group defers recognition of gains or losses resulting from changes in the fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

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

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

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

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



Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation**Financial Section**

Corporate Data

## Notes to Consolidated Financial Statements

### 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. The building of the head office of the Company, buildings, excluding building fixtures, acquired on or after April 1, 1998, and structures 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 12 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) while the latter consists of software. The assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and the residual value is zero.

### Retirement benefits

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

For employees' severance and retirement benefits, the Company and some of its consolidated subsidiaries in Japan provide a defined benefit plan and have established and are participating in the Casio corporate pension fund, which is a system with multiple business proprietors.

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

The Company and some of its consolidated subsidiaries in Japan also provide a defined contribution plan. 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. The liability and expenses for retirement benefit plan subject to some of the consolidated subsidiaries are calculated by a simplified method.

### Income taxes

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

The Company and certain consolidated subsidiaries in Japan apply the consolidated tax payment 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 income before income taxes and minority interests included in the statements of income of each company of the Group. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

### Appropriations of retained earnings

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

### Amounts per share of common shares

Net income 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.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

## Reclassifications

Certain reclassifications have been made in the 2014 consolidated financial statements to conform to the 2015 presentation.

## Changes in accounting policies

The Company and its consolidated subsidiaries in Japan have applied the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan ("ASBJ") Statement No. 26 of May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of March 26, 2015) pursuant to certain provisions in the main clause of Article 35 of the standard and in the main clause of Article 67 of the guidance effective from the beginning of the fiscal year ended March 31, 2015. Under the new standard and guidance, the methods for calculating retirement benefit obligations and service costs are revised. In addition, the method of attributing expected benefits to periods changed from a point basis to a benefit formula, and the method for determining the discount rate changed from a method using a discount rate based on a duration of bonds similar to the average remaining employee service period to a method using a single weighted average discount rate that reflects the estimated payment period of retirement benefits and the estimated amount for each payment period.

The accounting change had no effect in the fiscal year ended March 31, 2015.

## Accounting standard and guidance that are yet to be adopted

"Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013)

"Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013)

"Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013)

"Revised Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2, September 13, 2013)

"Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, September 13, 2013)

"Revised Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4, September 13, 2013)

## (1) Overview

Under the revised accounting standards and guidance, the accounting treatment for changes in a parent's ownership interest in a subsidiary when the parent retains control over the subsidiary in the additional acquisition of shares in the subsidiary and acquisition related costs was revised. In addition, the presentation method of net income was amended, the name "minority interests" was changed to "noncontrolling interests," and the provisional accounting treatment was revised.

## (2) Planned Adoption Dates

The Company plans to adopt these revised accounting standards and guidance from the beginning of the fiscal year ending March 31, 2016. In addition, the provisional accounting treatment will be adopted for business combinations from the beginning of the fiscal year ending March 31, 2016.

## (3) Effect of Adopting these Accounting Standards and Guidance

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

## 3. Cash and Cash Equivalents

## (1) Cash and cash equivalents at March 31, 2015 and 2014:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Cash and deposits .....	¥ 82,806	¥ 90,759	\$690,050
Time deposits over three months .....	(939)	(15,449)	(7,825)
Debt securities within three months to maturity .....	17,110	22,999	142,583
Short-term loans receivable with resale agreement .....	11,760	15,820	98,000
Cash and cash equivalents .....	¥110,737	¥114,129	\$922,808

## (2) Significant non-cash transactions

## 1) Assets and obligations relating to finance lease transactions

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Assets relating to finance lease transactions .....	¥607	¥594	\$5,058
Obligations relating to finance lease transactions .....	650	625	5,417

## 2) Retirement of treasury shares

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Retirement of treasury shares .....	¥10,970	¥—	\$91,417

## 3) Exercise of subscription rights to shares of convertible bond-type bonds with subscription rights to shares

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Gain on disposal of treasury shares due to exercise of subscription rights to shares .....	¥ 77	¥—	\$ 642
Decrease in treasury shares due to exercise of subscription rights to shares .....	153	—	1,275
Decrease in bonds with subscription rights to shares due to exercise of subscription rights to shares .....	¥230	¥—	\$1,917

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

## 4. Inventories

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Finished goods.....	¥41,064	¥35,469	\$342,200
Work in process .....	7,258	5,314	60,483
Raw materials and supplies.....	7,629	7,320	63,575
Total.....	¥55,951	¥48,103	\$466,258

## 5. Fair Value of 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 and accounts payable-other have a due date of within one year.

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

The Group uses derivative transactions of forward foreign currency contracts to hedge currency fluctuation risks arising from assets and liabilities denominated in foreign currencies, as well as interest rate swap contracts to fix the cash flows associated with loans payable. 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 an implementation and reporting system for derivative transactions reflecting proper internal control functions.

## 3) Supplemental information on fair values

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

## (2) Fair values of financial instruments

The following table summarizes book value and fair value of the financial instruments, and the difference between them as of March 31, 2015 and 2014. Items for which fair value is difficult to estimate are not included in the following table (see (Note) 2 on P 28).

For 2015	Millions of Yen		
	Book value	Fair value	Difference
<b>Assets</b>			
[1] Cash and deposits.....	¥ 82,806	¥ 82,806	¥ —
[2] Notes and accounts receivable-trade.....	45,869	45,869	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities .....	9,000	9,000	—
b. Available-for-sale securities .....	62,753	62,753	—
Total assets .....	¥200,428	¥200,428	¥ —
<b>Liabilities</b>			
[1] Notes and accounts payable-trade .....	¥ 35,135	¥ 35,135	¥ —
[2] Accounts payable-other .....	23,843	23,843	—
[3] Bonds with subscription rights to shares.....	10,043	11,974	1,931
[4] Long-term loans payable.....	67,000	67,198	198
Total liabilities.....	¥136,021	¥138,150	¥2,129
Derivative transactions* .....	¥ 152	¥ 152	¥ —

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

For 2015	Thousands of U.S. Dollars (Note 1)		
	Book value	Fair value	Difference
<b>Assets</b>			
[1] Cash and deposits.....	\$ 690,050	\$ 690,050	\$ —
[2] Notes and accounts receivable-trade.....	382,242	382,242	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities .....	75,000	75,000	—
b. Available-for-sale securities .....	522,941	522,941	—
Total assets .....	\$1,670,233	\$1,670,233	\$ —
<b>Liabilities</b>			
[1] Notes and accounts payable-trade .....	\$ 292,792	\$ 292,792	\$ —
[2] Accounts payable-other .....	198,692	198,692	—
[3] Bonds with subscription rights to shares.....	83,692	99,783	16,091
[4] Long-term loans payable.....	558,333	559,983	1,650
Total liabilities .....	\$1,133,509	\$1,151,250	\$17,741
Derivative transactions* .....	\$ 1,267	\$ 1,267	\$ —

For 2014	Millions of Yen		
	Book value	Fair value	Difference
<b>Assets</b>			
[1] Cash and deposits.....	¥ 90,759	¥ 90,759	¥ —
[2] Notes and accounts receivable-trade.....	50,633	50,633	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities .....	10,000	10,000	—
b. Available-for-sale securities .....	43,601	43,601	—
Total assets .....	¥194,993	¥194,993	¥ —
<b>Liabilities</b>			
[1] Notes and accounts payable-trade .....	¥ 39,407	¥ 39,407	¥ —
[2] Accounts payable-other .....	19,727	19,727	—
[3] Bonds with subscription rights to shares.....	250	249	(1)
[4] Long-term loans payable.....	58,749	59,146	397
Total liabilities.....	¥118,133	¥118,529	¥396
Derivative transactions* .....	¥ 282	¥ 282	¥ —

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

**(Note) 1: Method 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 by the correspondent financial institution. Since certificates of deposit and commercial paper are short-term, and the fair value approximates the book value, the book value is used as fair value.

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

*Liabilities*

**[1] Notes and accounts payable-trade, [2] Accounts payable-other**

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

**[3] Bonds with subscription rights to shares**

The fair value of bonds with subscription rights to shares is the price quoted by the correspondent financial institution, or the present value calculated by discounting the principal using a rate that reflects period to maturity and credit risk.

**[4] Long-term loans payable**

The fair value of long-term loans payable with fixed interest rates is the sum of the principal and total interest discounted by the rate that is applied if a new loan is made.

Since long-term loans payable with floating interest rates reflect market interest rates over the short term, and the fair value approximates the book value, the book value is used as fair value. However, those that are subject to special treatment interest rate swaps are measured by taking the sum of the principal and total interest associated with the interest rate 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."

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

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

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
	Book value	Book value	Book value
Unlisted shares.....	¥2,531	¥2,701	\$21,092

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" on P 26-27.

In the fiscal year ended March 31, 2015, there were no unlisted shares declared impairment loss.

In the fiscal year ended March 31, 2014, the Group booked impairment loss of ¥386 million for unlisted shares.

## (Note) 3: Monetary claims and securities and investment securities with repayment due dates after March 31, 2015 and 2014

	Millions of Yen			
	Within one year	Within five years	Within ten years	Over ten years
<b>For 2015</b>				
Cash and deposits .....	¥ 82,806	¥—	¥—	¥—
Notes and accounts receivable-trade .....	45,869	—	—	—
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds.....	—	—	—	—
(2) Corporate bonds.....	—	—	—	—
(3) Others .....	9,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds .....	—	—	—	—
b. Corporate bonds .....	—	—	—	—
c. Others .....	15,000	—	—	—
(2) Others .....	8,110	—	—	—
<b>Total.....</b>	<b>¥160,785</b>	<b>¥—</b>	<b>¥—</b>	<b>¥—</b>

	Thousands of U.S. Dollars (Note 1)			
	Within one year	Within five years	Within ten years	Over ten years
<b>For 2015</b>				
Cash and deposits .....	\$ 690,050	\$—	\$—	\$—
Notes and accounts receivable-trade .....	382,242	—	—	—
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds.....	—	—	—	—
(2) Corporate bonds.....	—	—	—	—
(3) Others .....	75,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds .....	—	—	—	—
b. Corporate bonds .....	—	—	—	—
c. Others .....	125,000	—	—	—
(2) Others .....	67,583	—	—	—
<b>Total.....</b>	<b>\$1,339,875</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>

	Millions of Yen			
	Within one year	Within five years	Within ten years	Over ten years
<b>For 2014</b>				
Cash and deposits .....	¥ 90,759	¥—	¥—	¥—
Notes and accounts receivable-trade .....	50,633	—	—	—
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds.....	—	—	—	—
(2) Corporate bonds.....	—	—	—	—
(3) Others .....	10,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds .....	—	—	—	—
b. Corporate bonds .....	9,000	—	—	—
c. Others .....	3,000	—	—	—
(2) Others .....	4,000	—	—	—
<b>Total.....</b>	<b>¥167,392</b>	<b>¥—</b>	<b>¥—</b>	<b>¥—</b>

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

(Note) 4: Bonds with subscription rights to shares and long-term loans payable with due dates after  
March 31, 2015 and 2014

For 2015	Millions of Yen					
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with subscription rights to shares .....	¥ —	¥ —	¥ —	¥ —	¥10,000	¥—
Long-term loans payable .....	—	23,000	6,000	38,000	—	—
Total .....	¥ —	¥23,000	¥6,000	¥38,000	¥10,000	¥—

For 2015	Thousands of U.S. Dollars (Note 1)					
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with subscription rights to shares .....	\$ —	\$ —	\$ —	\$ —	\$83,333	\$—
Long-term loans payable .....	—	191,667	50,000	316,666	—	—
Total .....	\$ —	\$191,667	\$50,000	\$316,666	\$83,333	\$—

For 2014	Millions of Yen					
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with subscription rights to shares .....	¥ 250	¥ —	¥ —	¥ —	¥ —	¥—
Long-term loans payable .....	28,749	—	23,000	2,000	5,000	—
Total .....	¥28,999	¥ —	¥23,000	¥2,000	¥5,000	¥—

## 6. Securities and Investment Securities

## (1) Held-to-maturity debt securities

	Millions of Yen		
	2015		
	Book value	Fair value	Difference
Securities with fair values exceeding book values .....	¥9,000	¥9,000	¥—
Securities other than the above .....	—	—	—
Total .....	¥9,000	¥9,000	¥—

	Thousands of U.S. Dollars (Note 1)		
	2015		
	Book value	Fair value	Difference
Securities with fair values exceeding book values .....	\$75,000	\$75,000	\$—
Securities other than the above .....	—	—	—
Total .....	\$75,000	\$75,000	\$—

	Millions of Yen		
	2014		
	Book value	Fair value	Difference
Securities with fair values exceeding book values .....	¥10,000	¥10,000	¥—
Securities other than the above .....	—	—	—
Total .....	¥10,000	¥10,000	¥—

## (2) Available-for-sale securities

Securities with book values exceeding acquisition costs:

	Millions of Yen		
	2015		
	Book value	Acquisition cost	Difference
Equity securities .....	¥34,283	¥17,491	¥16,792
Debt securities .....	15,034	15,004	30
Others .....	13,177	13,143	34
Total .....	¥62,494	¥45,638	¥16,856

	Thousands of U.S. Dollars (Note 1)		
	2015		
	Book value	Acquisition cost	Difference
Equity securities .....	\$285,692	\$145,759	\$139,933
Debt securities .....	125,283	125,033	250
Others .....	109,808	109,525	283
Total .....	\$520,783	\$380,317	\$140,466

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

Millions of Yen

	2014		
	Book value	Acquisition cost	Difference
Equity securities .....	¥25,512	¥15,448	¥10,064
Debt securities .....	12,001	11,999	2
Others.....	4,000	4,000	—
Total .....	¥41,513	¥31,447	¥10,066

Securities other than the above:

Millions of Yen

	2015		
	Book value	Acquisition cost	Difference
Equity securities .....	¥259	¥278	¥(19)
Debt securities .....	—	—	—
Others.....	—	—	—
Total .....	¥259	¥278	¥(19)

Thousands of U.S. Dollars (Note 1)

	2015		
	Book value	Acquisition cost	Difference
Equity securities .....	\$2,158	\$2,317	\$(159)
Debt securities .....	—	—	—
Others.....	—	—	—
Total .....	\$2,158	\$2,317	\$(159)

Millions of Yen

	2014		
	Book value	Acquisition cost	Difference
Equity securities .....	¥2,088	¥2,311	¥(223)
Debt securities .....	—	—	—
Others.....	—	—	—
Total .....	¥2,088	¥2,311	¥(223)

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

## (3) Available-for-sale securities sold for the years ended March 31, 2015 and 2014

Not applicable for the year ended March 31, 2015.

Millions of Yen

	2014		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities .....	¥ —	¥ —	¥ —
Debt securities .....	5,000	3	—
Others.....	—	—	—
Total .....	¥5,000	¥ 3	¥ —

## (4) Securities and investment securities impaired

Certain securities are impaired. An impairment loss of ¥8 million, comprising ¥7 million on equity securities of "available-for-sale securities" and ¥1 million on other securities was recorded for the year ended March 31, 2014. No impairment of securities and investment securities was recorded for the year ended March 31, 2015.

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.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

## 7. Derivative Transactions

## Derivative transactions not subject to hedge accounting

## (1) Currency-related derivatives

	Millions of Yen			
	2015			
	Contract amount			Realized gain (loss)
Total	Due after one year	Fair value		
Forward contracts:				
To sell:				
Euros.....	¥3,903	¥—	¥ 297	¥ 297
British pounds .....	693	—	35	35
Chinese yuan.....	9,474	—	(180)	(180)
Total .....	¥ —	¥—	¥ 152	¥ 152

Thousands of U.S. Dollars (Note 1)

	Thousands of U.S. Dollars (Note 1)			
	2015			
	Contract amount			Realized gain (loss)
Total	Due after one year	Fair value		
Forward contracts:				
To sell:				
Euros.....	\$32,525	\$—	\$ 2,475	\$ 2,475
British pounds .....	5,775	—	292	292
Chinese yuan.....	78,950	—	(1,500)	(1,500)
Total .....	\$ —	\$—	\$ 1,267	\$ 1,267

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

Not applicable at March 31, 2014.

## (2) Interest rate-related derivatives

Not applicable at March 31, 2015.

	Millions of Yen			
	2014			
	Contract amount			Realized gain (loss)
Total	Due after one year	Fair value		
Interest rate swaps:				
Receive fix/Pay float .....	¥10,000	¥10,000	¥282	¥57
Total .....	¥10,000	¥10,000	¥282	¥57

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

2. Transactions are transactions other than market transactions.

## Derivative transactions subject to hedge accounting

## (1) Currency-related derivatives

Not applicable at March 31, 2015.

Hedge accounting method	Type	Main hedged item	Millions of Yen		
			2014		
			Contract amount		Fair value
Total	Due after one year				
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell				
	Chinese yuan	Foreign-currency deposits.....	¥13,835	¥—	(Note)
	British pounds	Foreign-currency deposits.....	4,969	—	(Note)
Total.....			¥18,804	¥—	¥—

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



Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

## (2) Interest rate-related derivatives

			Millions of Yen		
			2015		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥3,500	¥3,500	(Note) 2
<b>Total</b>			<b>¥3,500</b>	<b>¥3,500</b>	<b>¥—</b>

			Thousands of U.S. Dollars (Note 1)		
			2015		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	\$29,167	\$29,167	(Note) 2
<b>Total</b>			<b>\$29,167</b>	<b>\$29,167</b>	<b>\$—</b>

			Millions of Yen		
			2014		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥14,750	¥1,000	(Note) 2
<b>Total</b>			<b>¥14,750</b>	<b>¥1,000</b>	<b>¥—</b>

(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 loans payable, which are hedged items, their fair value is included in the fair value of the said long-term loans payable.

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

Short-term loans payable represent bank loans and their average interest rates were 0.2% and 1.0% per annum at March 31, 2015 and 2014, respectively.

(Note): An average interest rate is the weighted average rate on the year-end balance of loans payable.

Bonds and long-term loans payable at March 31, 2015 and 2014:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Euro-yen convertible bond-type bonds with subscription rights to shares due in 2015*	¥ —	¥ 250	\$ —
1.07% unsecured bonds due in 2015	—	15,000	—
1.785% unsecured Eurobonds due in 2015	—	7,366	—
Euro-yen convertible bond-type bonds with subscription rights to shares due in 2019*	10,043	—	83,692
Loans principally from banks due within one year	—	28,749	—
Loans principally from banks due over one year**	67,000	30,000	558,333
<b>Total</b>	<b>77,043</b>	<b>81,365</b>	<b>642,025</b>
Less amount due within one year	—	36,365	—
	<b>¥77,043</b>	<b>¥45,000</b>	<b>\$642,025</b>

\* Details of bonds with subscription rights to shares ("warrants")

	Euro-yen convertible bond-type bonds with subscription rights to shares due in 2015	Euro-yen convertible bond-type bonds with subscription rights to shares due in 2019
Type of shares involved	common shares	common shares
Price of warrants	gratis	gratis
Share issue price (Yen)	¥1,952	¥2,061
Total issue amount (Millions of yen)	¥50,000	¥10,050
Total value of new shares issued upon exercise of warrants	—	—
Warrant-linked	100%	100%
Period of exercise of warrants	July 3, 2008 to March 17, 2015	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 lump-sum.

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

The conversion price of the euro-yen convertible bond-type bonds with subscription rights to shares due in 2019 was adjusted to ¥2,055.7 from ¥2,061 retroactive to April 1, 2015 pursuant to the terms and conditions of the bonds due to the payment of a year-end dividend of ¥22.50 per share and an annual dividend of ¥35.00 per share. The General Meeting of Shareholders held on June 26, 2015 approved the payment of these dividends.

\*\* The average interest rates were 0.4% and 0.5% per annum at March 31, 2015 and 2014, respectively. An average interest rate is the weighted average rate on the year-end balance of loans payable.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

The annual maturities of bonds and long-term loans payable at March 31, 2015:

Year ending March 31	Thousands of U.S. Dollars (Note 1)	
	Millions of Yen	U.S. Dollars
2016	¥ —	\$ —
2017	23,000	191,667
2018	6,000	50,000
2019	38,000	316,667
2020	10,000	83,333

The annual maturities of lease obligations at March 31, 2015:

Year ending March 31	Thousands of U.S. Dollars (Note 1)	
	Millions of Yen	U.S. Dollars
2016	¥838	\$6,983
2017	648	5,400
2018	390	3,250
2019	158	1,317
2020	74	617

The lines of credit with the main financial institutions agreed as of March 31, 2015 and 2014:

Line of credit	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Line of credit	¥57,196	¥57,300	\$476,633
Unused	57,196	57,300	476,633

## 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, 2015 and 2014.

	2015	2014
Statutory tax rate	35.6%	38.0%
Increase (reduction) in tax resulting from:		
Difference in statutory tax rate (including overseas subsidiaries)	(6.5)	(7.7)
Valuation allowance	(11.7)	(9.5)
Retained earnings of overseas subsidiaries	3.4	9.4
Decrease of deferred tax assets at year end due to changes of Japan tax rate ...	4.6	2.1
Other	(2.6)	(2.1)
Actual income tax rate	22.8%	30.2%

(2) Significant components of deferred tax assets and liabilities as of March 31, 2015 and 2014:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Deferred tax assets:			
Net operating loss carryforwards	¥ 17,233	¥23,974	\$143,608
Inventories	1,913	1,955	15,942
Accrued expenses (bonuses to employees)	1,827	1,904	15,225
Property, plant and equipment	1,624	1,263	13,533
Retirement benefits and the related expenses	713	2,705	5,942
Other	5,722	6,245	47,683
Gross deferred tax assets	29,032	38,046	241,933
Valuation allowance	(10,398)	(17,548)	(86,650)
Total deferred tax assets	18,634	20,498	155,283
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(5,451)	(3,587)	(45,425)
Retained earnings of overseas subsidiaries	(3,325)	(2,157)	(27,708)
Unrealized holding gain	(1,366)	(1,506)	(11,383)
Reserve for advanced depreciation of non-current assets	(80)	(92)	(667)
Other	(80)	(66)	(667)
Total deferred tax liabilities	(10,302)	(7,408)	(85,850)
Net deferred tax assets	¥ 8,332	¥13,090	\$ 69,433

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

(3) Adjustments of amount of deferred tax assets and liabilities due to change in the corporate tax rate

The "Act for Partial Revision of the Income Tax Act and Others" (Act No. 9 of 2015) and the "Act for Partial Revision of the Local Tax Act and Others" (Act No. 2 of 2015) were officially enacted on March 31, 2015 and the income tax rate has been reduced from the fiscal year beginning April 1, 2015. Under these revised acts, the effective tax rate used for calculating deferred tax assets and deferred tax liabilities has been reduced from 35.6% to 33.1% for the temporary differences expected to reverse in the fiscal year beginning April 1, 2015, and to 32.3% for those expected to reverse from the fiscal year beginning April 1, 2016.

As a result, the amount of net deferred tax assets decreased by ¥680 million (\$5,667 thousand) and income taxes-deferred increased by ¥1,588 million (\$13,233 thousand), valuation difference on available-for-sale securities increased by ¥555 million (\$4,625 thousand) and remeasurements of defined benefit plans increased by ¥353 million (\$2,942 thousand) as of and for the year ended March 31, 2015.

## 10. Retirement Benefits

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

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

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Projected benefit obligation at beginning of period .....	¥48,825	¥48,929	\$406,875
Service cost .....	1,582	1,640	13,184
Interest cost .....	949	938	7,908
Actuarial differences accrued .....	4,305	(1,058)	35,875
Benefits paid .....	(1,954)	(1,981)	(16,283)
Others .....	499	357	4,158
Projected benefit obligation at end of period .....	¥54,206	¥48,825	\$451,717

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

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Pension plan assets at beginning of period .....	¥57,728	¥52,546	\$481,067
Expected return on pension plan assets .....	1,896	1,711	15,800
Actuarial differences accrued .....	7,099	3,515	59,158
Contributions paid by the employer .....	1,449	1,671	12,075
Benefits paid .....	(2,073)	(1,980)	(17,275)
Others .....	577	265	4,808
Pension plan assets at end of period .....	¥66,676	¥57,728	\$555,633

3) Movement in net defined benefit liability for plans applied the simplified method

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Net defined benefit liability at beginning of period .....	¥ 142	¥ 129	\$ 1,183
Retirement benefit expenses .....	(394)	231	(3,284)
Benefits paid .....	(6)	(31)	(50)
Contributions paid by the employer .....	(181)	(205)	(1,508)
Others .....	(10)	18	(83)
Net defined benefit liability at end of period .....	¥ (449)	¥ 142	\$ (3,742)

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)
	2015	2014	2015
Funded projected benefit obligation .....	¥ 58,321	¥ 53,029	\$ 486,008
Pension plan assets .....	(71,429)	(61,945)	(595,242)
	(13,108)	(8,916)	(109,234)
Unfunded projected benefit obligation .....	189	155	1,575
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets .....	(12,919)	(8,761)	(107,659)
Net defined benefit liability .....	1,219	860	10,158
Net defined benefit asset .....	(14,138)	(9,621)	(117,817)
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets .....	¥(12,919)	¥(8,761)	\$ (107,659)

(Note): Including plans applied the simplified method.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

## 5) Retirement benefit expenses

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Service cost .....	¥ 1,582	¥ 1,640	\$ 13,183
Interest cost .....	949	938	7,908
Expected return on pension plan assets .....	(1,896)	(1,711)	(15,800)
Amortization of actuarial differences .....	1,500	1,915	12,500
Amortization of prior service costs .....	(1,867)	(1,884)	(15,558)
Others .....	(394)	231	(3,283)
Retirement benefit expenses .....	¥ (126)	¥ 1,129	\$ (1,050)

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

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Actuarial differences .....	¥ 4,247	¥—	\$ 35,391
Prior service costs .....	(1,867)	—	(15,558)
Total .....	¥ 2,380	¥—	\$ 19,833

## 7) Accumulated remeasurements for retirement benefit (before income tax effects)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Unrecognized actuarial differences .....	¥ 2,858	¥ 7,105	\$ 23,817
Unrecognized prior service costs .....	(13,445)	(15,312)	(112,042)
Total .....	¥(10,587)	¥ (8,207)	\$ (88,225)

## 8) Pension plan assets

## (i) Pension plan assets comprise:

	2015	2014
Equity securities .....	58%	55%
Debt securities .....	15%	13%
General account .....	19%	22%
Others .....	8%	10%
Total .....	100%	100%

(Note): The employee retirement benefit trust set up for corporate pension plans represents 15% of total pension assets as of March 31, 2015 and 2014.

## (ii) Long-term expected rate of return

Current and target asset allocations, 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 follow:

	2015	2014
Discount rate .....	mainly 0.8%	mainly 1.7%
Long-term expected rate of return .....	mainly 3.0%	mainly 3.0%

## (2) Defined contribution plan

At March 31, 2015 and 2014, the required contributions to the defined contribution plans of the Company and its consolidated subsidiaries were ¥1,054 million (\$8,783 thousand) and ¥1,004 million, respectively.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

## 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 is 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, 2015 and 2014:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Future lease payments:			
Due within one year .....	¥14	¥14	\$117
Due over one year .....	55	69	458
Total .....	¥69	¥83	\$575

Total lease expenses, total assumed depreciation cost and total assumed interest cost as lessee for the years ended March 31, 2015 and 2014:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Total lease expenses .....	¥18	¥24	\$150
Total assumed depreciation cost .....	13	18	108
Total assumed interest cost .....	3	4	25

Assumed data as to acquisition cost, accumulated depreciation and net book value of the leased assets under the finance lease contracts as lessee as of March 31, 2015 and 2014:

	Millions of Yen		
	2015		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles .....	¥192	¥136	¥56
Total .....	¥192	¥136	¥56

	Thousands of U.S. Dollars (Note 1)		
	2015		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles .....	\$1,600	\$1,133	\$467
Total .....	\$1,600	\$1,133	\$467

	Millions of Yen		
	2014		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles .....	¥192	¥123	¥69
Total .....	¥192	¥123	¥69

(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 values is zero.

2. In calculating the assumed interest cost, the difference between the total lease amount and the assumed acquisition cost is taken as the assumed interest cost. The method of distribution over each period depends on the interest method.

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

## (2) Finance leases

See Note 2 on P.24.

## (3) Operating leases

The outstanding future noncancellable lease payments as of March 31, 2015 and 2014:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Future lease payments:			
Due within one year .....	¥ 244	¥202	\$ 2,033
Due over one year .....	1,079	554	8,992
Total .....	¥1,323	¥756	\$11,025

## 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 designates three areas of segment reporting, which are the "Consumer," "System Equipment," and "Others" segments, based on the type of products and services, and the market and consumer categories.

The categories of the main products and services belonging to each reportable segment:

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

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

The accounting method for the reportable segments is largely in line with the descriptions in Notes 1-2 on P.23-25. Intersegment profits are based on the market price.

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

For 2015	Reportable segments				Adjustments*	Millions of Yen
	Consumer	System Equipment	Others	Total		Amounts on consolidated financial statements**
Net sales:						
External customers .....	¥287,113	¥40,848	¥10,428	¥338,389	¥ —	¥338,389
Intersegment .....	4	36	8,181	8,221	(8,221)	—
Total .....	287,117	40,884	18,609	346,610	(8,221)	338,389
Segment income (loss) .....	47,130	(5,692)	(219)	41,219	(4,456)	36,763
Segment assets .....	199,604	47,342	23,677	270,623	104,033	374,656
Others						
Depreciation .....	5,688	2,445	517	8,650	177	8,827
Amortization of goodwill .....	—	12	—	12	—	12
Investment to entities accounted for using equity method .....	—	—	2,460	2,460	—	2,460
Increase in property, plant and equipment and intangible assets .....	6,093	3,047	268	9,408	259	9,667

For 2015	Reportable segments				Adjustments*	Thousands of U.S. Dollars (Note 1)
	Consumer	System Equipment	Others	Total		Amounts on consolidated financial statements**
Net sales:						
External customers .....	\$2,392,608	\$340,400	\$ 86,900	\$2,819,908	\$ —	\$2,819,908
Intersegment .....	33	300	68,175	68,508	(68,508)	—
Total .....	2,392,641	340,700	155,075	2,888,416	(68,508)	2,819,908
Segment income (loss) .....	392,750	(47,434)	(1,825)	343,491	(37,133)	306,358
Segment assets .....	1,663,366	394,517	197,308	2,255,191	866,942	3,122,133
Others						
Depreciation .....	47,400	20,375	4,308	72,083	1,475	73,558
Amortization of goodwill .....	—	100	—	100	—	100
Investment to entities accounted for using equity method .....	—	—	20,500	20,500	—	20,500
Increase in property, plant and equipment and intangible assets .....	50,775	25,392	2,233	78,400	2,158	80,558

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

For 2014	Reportable segments				Adjustments*	Amounts on consolidated financial statements**	Millions of Yen
	Consumer	System Equipment	Others	Total			
Net sales:							
External customers.....	¥264,404	¥45,299	¥12,058	¥321,761	¥ —	¥321,761	
Intersegment.....	3	63	4,445	4,511	(4,511)	—	
Total.....	264,407	45,362	16,503	326,272	(4,511)	321,761	
Segment income (loss).....	35,504	(1,765)	(512)	33,227	(6,651)	26,576	
Segment assets.....	175,012	47,818	29,199	252,029	114,935	366,964	
Others							
Depreciation.....	5,265	2,419	643	8,327	562	8,889	
Amortization of goodwill.....	115	24	—	139	—	139	
Investment to entities accounted for using equity method.....	—	—	2,391	2,391	—	2,391	
Increase in property, plant and equipment and intangible assets.....	5,728	2,481	236	8,445	590	9,035	

\* Adjustments are as shown below:

- Downward Adjustments to segment income (loss) for the years ended March 31, 2015 and 2014 are ¥4,456 million (\$37,133 thousand) and ¥6,651 million, respectively. These amounts include corporate expenses that are not allocated to any reportable segments of ¥4,456 million (\$37,133 thousand) and ¥6,651 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.
- Adjustments to segment assets for the years ended March 31, 2015 and 2014 are ¥104,033 million (\$866,942 thousand) and ¥114,935 million, respectively. These amounts include corporate assets that are not allocated to any reportable segments of ¥104,489 million (\$870,742 thousand) and ¥115,133 million, respectively.
- Adjustments to depreciation for the years ended March 31, 2015 and 2014 are ¥177 million (\$1,475 thousand) and ¥562 million, respectively. These amounts consist of depreciation of assets related to administrative divisions that are not attributable to any reportable segments.
- Adjustments to the increase in property, plant and equipment and intangible assets for the years ended March 31, 2015 and 2014 are ¥259 million (\$2,158 thousand) and ¥590 million, respectively. These amounts consist of capital expenditures in administrative divisions that are not attributable to any reportable segments.

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

## (4) Information about geographic areas

For 2015	Japan	North America	Europe	Asia	Others	Total	Millions of Yen
Net sales.....	¥106,191	¥43,584	¥51,443	¥96,502	¥40,669	¥338,389	

For 2015	Japan	North America	Europe	Asia	Others	Total	Thousands of U.S. Dollars (Note 1)
Net sales.....	\$884,925	\$363,200	\$428,692	\$804,183	\$338,908	\$2,819,908	

For 2014	Japan	North America	Europe	Asia	Others	Total	Millions of Yen
Net sales.....	¥117,906	¥38,110	¥50,191	¥81,494	¥34,060	¥321,761	

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

For 2015	Japan	North America	Europe	Asia	Others	Total	Millions of Yen
Property, plant and equipment.....	¥52,900	¥1,138	¥481	¥7,697	¥85	¥62,301	

For 2015	Japan	North America	Europe	Asia	Others	Total	Thousands of U.S. Dollars (Note 1)
Property, plant and equipment.....	\$440,834	\$9,483	\$4,008	\$64,142	\$708	\$519,175	

For 2014	Japan	North America	Europe	Asia	Others	Total	Millions of Yen
Property, plant and equipment.....	¥54,730	¥966	¥435	¥7,725	¥89	¥63,945	

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

For 2015	Consumer	System Equipment	Others	Elimination or unallocated amount	Total	Millions of Yen
Impairment loss.....	¥—	¥1,485	¥1	¥836	¥2,322	

For 2015	Consumer	System Equipment	Others	Elimination or unallocated amount	Total	Thousands of U.S. Dollars (Note 1)
Impairment loss.....	\$—	\$12,375	\$8	\$6,967	\$19,350	

For 2014	Consumer	System Equipment	Others	Elimination or unallocated amount	Total	Millions of Yen
Impairment loss.....	¥29	¥414	¥1	¥4	¥448	

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Notes to Consolidated Financial Statements

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

Millions of Yen

For 2015	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year ..	¥—	¥ 56	¥—	¥—	¥56

Thousands of U.S. Dollars (Note 1)

For 2015	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year ..	\$—	\$467	\$—	\$—	\$467

Millions of Yen

For 2014	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year ..	¥—	¥12	¥—	¥—	¥12

(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, 2015 and 2014, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥1,926 million (\$16,050 thousand) and ¥2,062 million, respectively.

## 15. Impairment Loss

## For 2015

The Group posts impairment loss.

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, leased assets, etc.	Iruma City, Saitama Pref. and others
Idle assets	Land, buildings and structures	Kawaguchi City, Saitama Pref. Ome 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, and idle assets are managed on an individual basis.

The Group has applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amount of ¥2,322 million (\$19,350 thousand) is recognized as "impairment loss."

The breakdown of the losses is: ¥424 million (\$3,533 thousand) for buildings and structures, ¥313 million (\$2,608 thousand) for tools, furniture and fixtures, ¥450 million (\$3,750 thousand) for land, ¥949 million (\$7,909 thousand) for leased assets and ¥186 million (\$1,550 thousand) for others.

Recoverable amount is measured using reasonable estimates of net selling price that involve information including real estate appraisal value for land, buildings and structures, and estimated disposal value for all other assets.

## For 2014

The Group posts impairment loss.

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, software, leased assets, etc.	Hachioji City, Tokyo, and others
Idle assets	Land and buildings	Minami Alps City, Yamanashi Pref. 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, and idle assets are managed on an individual basis.

The Group has applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amount of ¥448 million is recognized as "impairment loss."

The breakdown of the losses is: ¥104 million for tools, furniture and fixtures, ¥33 million for land, ¥102 million for leased assets, ¥185 million for software and, ¥24 million for others.

Recoverable amounts are estimated using net selling prices which are reasonably estimated. Recoverable amounts for land are calculated based on roadside land prices, etc., and those for assets other than land are based on estimated disposal values.

## 16. Subsequent Events

## Appropriation of retained earnings

At the annual shareholders' meeting held on June 26, 2015, the Company's shareholders approved the payment of a cash dividend of ¥ 22.50 (\$0.19) per share aggregating ¥5,880 million (\$49,000 thousand) to registered shareholders as of March 31, 2015.



Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of CASIO COMPUTER Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2015 and 2014, and the consolidated statements of income, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of CASIO COMPUTER Co., Ltd. and its consolidated subsidiaries as at March 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

### Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2015 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Principal Subsidiaries

(As of March 31, 2015)

### Overseas Subsidiaries

#### Europe

##### Casio Europe GmbH

F.R. Germany  
Sales of Casio products

##### Casio Electronics Co., Ltd.

U.K.  
Sales of Casio products

##### Casio France S.A.

France  
Sales of Casio products

##### Casio Benelux B.V.

The Netherlands  
Sales of Casio products

##### Casio Scandinavia AS

Norway  
Sales of Casio products

##### Casio Espana, S.L.

Spain  
Sales of Casio products

##### Limited Liability Company Casio

Russia  
Sales of Casio products

##### Casio Italia S.r.l.

Italy  
Sales of Casio products

#### Asia

##### Casio Computer (Hong Kong) Ltd.

Hong Kong  
Production of electronic  
calculators

##### Casio Taiwan Co., Ltd.

Taiwan  
Sales of Casio products

##### Casio Singapore Pte., Ltd.

Singapore  
Sales of Casio products

##### Casio India Co., Pvt. Ltd.

India  
Sales of Casio products

##### Casio Electronic Technology (Zhongshan) Co., Ltd.

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

##### Casio Electronics (Shenzhen) Co., Ltd.

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

##### Casio (Guangzhou) Co., Ltd.

The People's Republic of China  
Sales of electronic timepieces

##### Casio (Thailand) Co., Ltd.

Thailand  
Production of electronic  
timepieces

##### Casio (China) Co., Ltd.

The People's Republic of China  
Sales of Casio products

##### Casio Malaysia, Sdn. Bhd.

Malaysia  
Sales of Casio products

#### Americas

##### Casio America, Inc.

U.S.A.  
Sales of Casio products

##### Casio Canada Ltd.

Canada  
Sales of Casio products

##### Casio Holdings, Inc.

U.S.A.  
Holding company

##### Casio Brasil Comercio de Produtos Eletronicos Ltda.

Brazil  
Sales of Casio products

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

Mexico  
Sales of Casio products

#### Middle East

##### Casio Middle East FZE

U.A.E.  
Sales of Casio products

#### Domestic Subsidiaries

##### Yamagata Casio Co., Ltd.

Production of digital cameras,  
electronic timepieces and system  
equipment

##### Casio Electronic Manufacturing Co., Ltd.

Development and production of  
page printers

##### Casio Techno Co., Ltd.

Customer service for Casio  
products

##### Casio Information Systems Co., Ltd.

Sales of system equipment

##### CXD NEXT Co., Ltd.

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

##### Casio Human Systems Co., Ltd.

Sales of software for system  
equipment

(Total: 42 consolidated subsidiaries and 2  
equity-method affiliates)

## Directors and Statutory Auditors

(As of June 26, 2015)

### Chairman and CEO

Kazuo Kashio

### President and COO

Kazuhiro Kashio

### Senior Executive Managing Officers, Members of the Board

Akinori Takagi  
Hiroshi Nakamura  
Yuichi Masuda

### Executive Officers, Members of the Board

Toshiyuki Yamagishi  
Makoto Kobayashi  
Shin Takano

### Directors, Members of the Board

Hirokazu Ishikawa (Outside)  
Makoto Kotani (Outside)

### Statutory Auditors

Tadashi Takasu  
Hironori Daitoku (Outside)  
Kazuhiko Tozawa (Outside)

### Executive Officers

Atsushi Yazawa  
Nobuyuki Mochinaga  
Koji Moriya  
Tetsuo Kashio  
Toshiharu Okimuro  
Takashi Kashio  
Jin Nakayama  
Masayuki Uehara  
Shigenori Itoh  
Nobuyuki Inada  
Toshiyuki Iguchi  
Hideaki Terada  
Shinji Ota  
Hitoshi Ando

Profile

To Our Stakeholders

Casio's Strength

Special Features

Financial Highlights

Management  
Foundation

Financial Section

Corporate Data

## Corporate Data

(As of March 31, 2015)

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

### Domestic Offices

#### Head Office

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

#### IR Department

Tel: (03) 5334-4803

### R&D Centers

#### Hamura Research & Development Center

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

#### Hachioji Research & Development Center

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

### Overseas Offices

#### Casio America, Inc.

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

#### Casio Europe GmbH

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

## Investor Information

(As of March 31, 2015)

### Stock Exchange Listings

Tokyo

### Transfer Agent

Sumitomo Mitsui Trust Bank, Limited

### Number of Shares

Authorized: 471,693,000 shares  
Issued: 269,020,914 shares

### Number of Shareholders

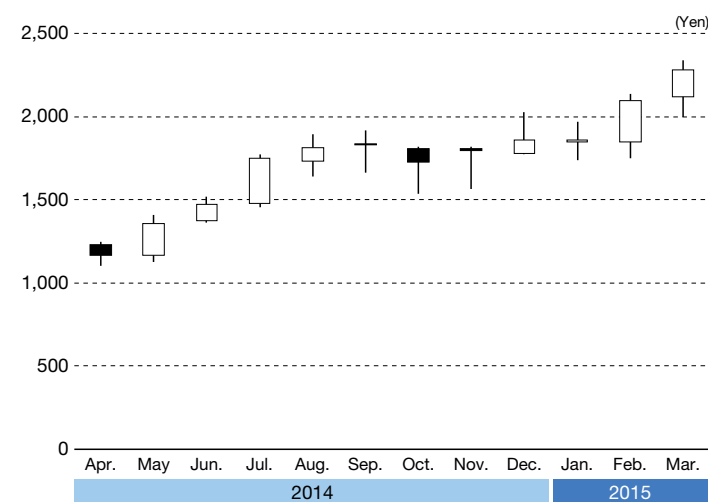
37,540

### Principal Shareholders

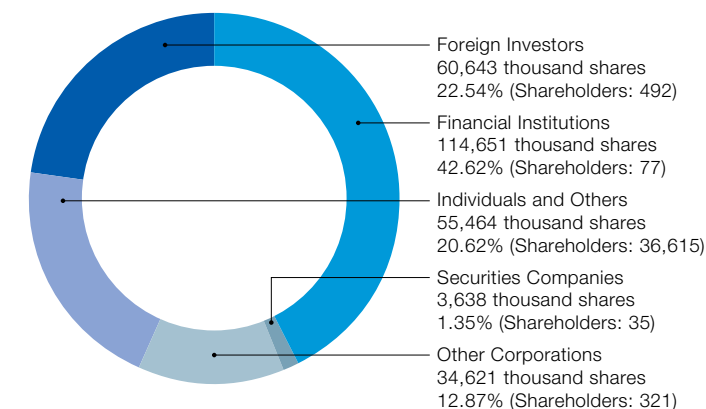
	Shareholdings (Thousands of shares)	Outstanding shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	21,544	8.24
Japan Trustee Services Bank, Ltd. (Trust Account)	15,392	5.89
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Trust Bank, Limited ReTrust Portion/Sumitomo Mitsui Banking Corp. Pension Trust Account)	13,365	5.11
Nippon Life Insurance Company	12,985	4.97
Casio Bros. Corp.	10,000	3.83
Sumitomo Mitsui Banking Corp.	6,821	2.61
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	4,611	1.76
JP MORGAN CHASE BANK 385078	4,425	1.69
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,097	1.57
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	3,842	1.47

Notes: 1. Outstanding shares are calculated after deduction of treasury shares (7,682,689).  
2. Sumitomo Mitsui Trust Bank, Limited reserves the right to exercise the voting rights for 6,365 thousand of the shares held by Japan Trustee Services Bank, Ltd. (shares re-trusted by Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Trust Bank, Limited Retirement Benefits Account)

### Share Price



### Breakdown of Shareholders



# CASIO COMPUTER CO., LTD.

6-2, Hon-machi 1-chome, Shibuya-ku, Tokyo 151-8543, Japan  
<http://world.casio.com/>