

Management's Discussion and Analysis

Net Sales

Consolidated net sales for the year ended March 31, 2016 increased 4.1% compared with the previous fiscal year to ¥352,258 million.

	(Millions of Yen)	
	2016	2015
Consumer.....	¥300,956	¥287,113
System Equipment.....	42,669	40,848
Others.....	8,633	10,428
Total.....	¥352,258	¥338,389

Sales by Segment

Consumer segment sales increased 4.8% compared with the previous fiscal year to ¥300,956 million, and accounted for 85.4% of net sales. In the timepiece business, sales of the high-end G-SHOCK and OCEANUS lines, including the GPS hybrid radio-controlled solar-powered watches, remained strong in Japan and overseas due to their introduction into upmarket distribution, driving growth in overall sales. In addition, sales of the EDIFICE model that connects to a smartphone via Bluetooth® remained robust. Sales of projectors also rose, due to an expanded lineup of products with our original semiconductor lamps.

System Equipment segment sales increased 4.5% compared with the previous fiscal year to ¥42,669 million. Others segment sales decreased 17.2% compared with the previous fiscal year to ¥8,633 million.

Results of Operations

Operating income increased 14.7% compared with the previous fiscal year to ¥42,169 million. Consumer segment income increased to ¥48,981 million due to the improved product mix in the timepiece business. The calculator business secured profitability with an expansion in overseas sales of scientific calculators. Digital cameras earned stable profits driven by the steady added-value pricing of the TR series. System Equipment segment loss was ¥1,825 million. Others segment loss was ¥114 million.

Net income increased 18.2% compared with the previous fiscal year to ¥31,194 million. Net income per share increased 19.6% to ¥119.72, setting a record high for the second consecutive fiscal year.

Financial Condition

Total assets as of March 31, 2016 decreased ¥6,202 million from a year earlier to ¥368,454 million, largely because securities decreased. Net assets as of March 31, 2016 decreased ¥2,047 million from a year earlier to ¥202,111 million due to purchase of treasury shares.

Total liabilities as of March 31, 2016 decreased 2.4% from a year earlier to ¥166,343 million. Current liabilities decreased ¥2,738 million to ¥79,568 million. Non-current liabilities decreased ¥1,417 million to ¥86,775 million. As a result, the equity ratio increased 0.4 percentage points compared with the end of the previous fiscal year to 54.9%.

Cash Flow Analysis

Net cash provided by operating activities increased ¥1,955 million year on year to ¥32,710 million. Net cash provided by investing activities amounted to ¥8,159 million, which was a ¥18,827 million increase year on year. Net cash used in financing activities amounted to ¥21,673 million, which was an ¥8,956 million decrease year on year.

As a result, cash and cash equivalents as of March 31, 2016 increased ¥17,320 million from a year earlier to ¥128,057 million. The Casio Group therefore has ample liquidity.

Capital Investment

Capital investment was ¥6,889 million. By segment, capital investment was ¥5,444 million centered on watches and other items in the Consumer segment, ¥1,103 million in the System Equipment segment, and ¥234 million in the Others segment.

Research & Development

R&D expenses were ¥6,609 million. By segment, R&D expenses were ¥3,436 million centered on watches and other items in the Consumer segment, ¥486 million in the System Equipment segment, and ¥6 million in the Others segment.