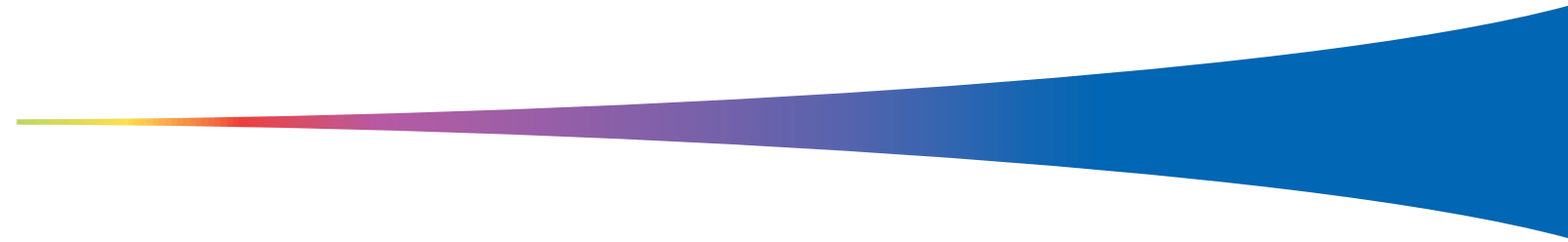


CASIO

CASIO COMPUTER CO., LTD.

<https://world.casio.com>



CASIO COMPUTER CO., LTD.
Annual Report 2018

For the year ended March 31, 2018

At Casio, our corporate creed is Creativity and Contribution. This creed represents our commitment to contributing to society by offering products with innovative functions unlike anything seen before.

Products with new functions contribute to people's lives and help advance society. These products can also bring joy to the lives of many and become the launching point for new culture. The popularity of new products can give birth to new markets and help launch various ancillary industries. Casio strives to contribute to society from a variety of perspectives by offering products and services.

Corporate Creed

Creativity and Contribution

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Notes on Forward-Looking Statements

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

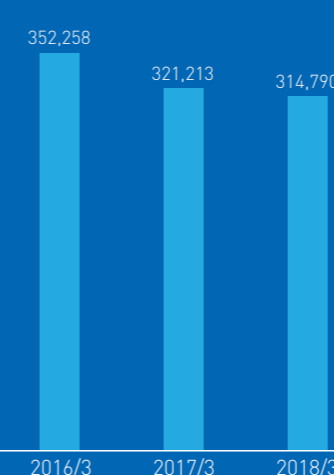
Financial Highlights

Millions of yen

	2016/3	2017/3	2018/3
Net sales	352,258	321,213	314,790
Operating profit	42,169	30,636	29,568
Profit attributable to owners of parent	31,194	18,410	19,563
Cash flows from operating activities	32,710	27,920	34,553
Cash flows from investing activities	8,159	(3,255)	(8,311)
Cash flows from financing activities	(21,673)	(30,933)	(10,589)
Free cash flows	40,869	24,665	26,242
Net assets	202,111	196,332	206,691
Total assets	368,454	351,452	364,398
Operating margin (%)	12.0	9.5	9.4
ROE (%)	15.4	9.2	9.7

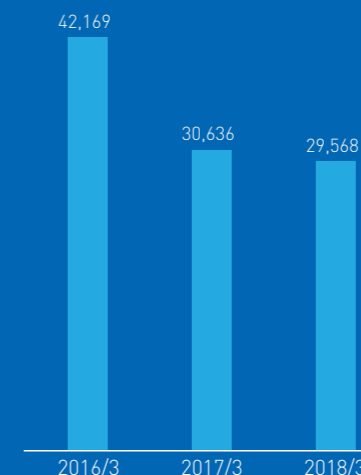
Net Sales

(Millions of yen)



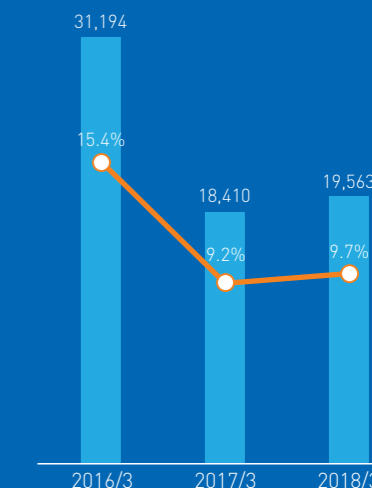
Operating Profit

(Millions of yen)



Profit Attributable to Owners of Parent / ROE

(Millions of yen)



■ Profit attributable to owners of parent
● ROE

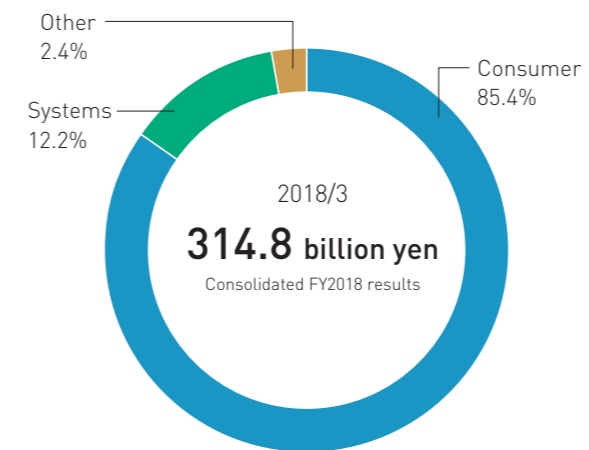
Profile

Casio Computer Co., Ltd. was established in 1957 by the four Kashio brothers as the world's first company dedicated to developing and manufacturing small electronic calculators. For the past 60 years, Casio has dedicated itself to offering the world new value by developing and manufacturing a diverse array of products based on innovative and original concepts.

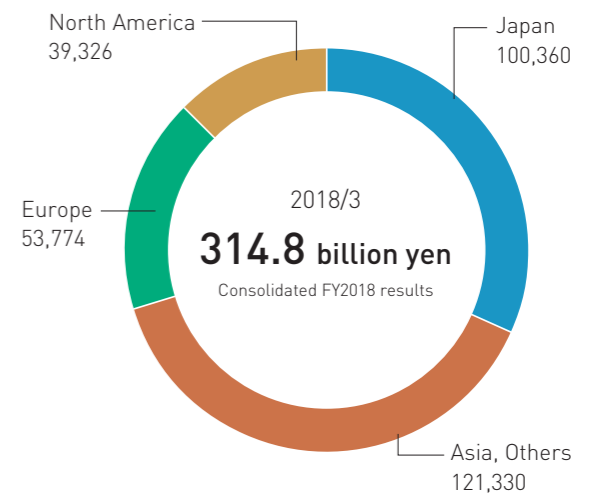
In the education field, products we offer include the EX-Word, the No. 1 selling electronic dictionary for 14 consecutive years, and scientific calculators compatible with languages around the world. In the life field, the timepieces business boasts a global presence driven by the G-SHOCK brand and we offer electronic pianos as well. We also are involved in B-to-B business fields offering electronic cash registers and handheld terminals. Casio has achieved growth by continuing to provide new value through our products.

Casio will strive to rapidly reach a market valuation of 1 trillion yen. We view this not as a goal, but as a milestone on our path towards the future.

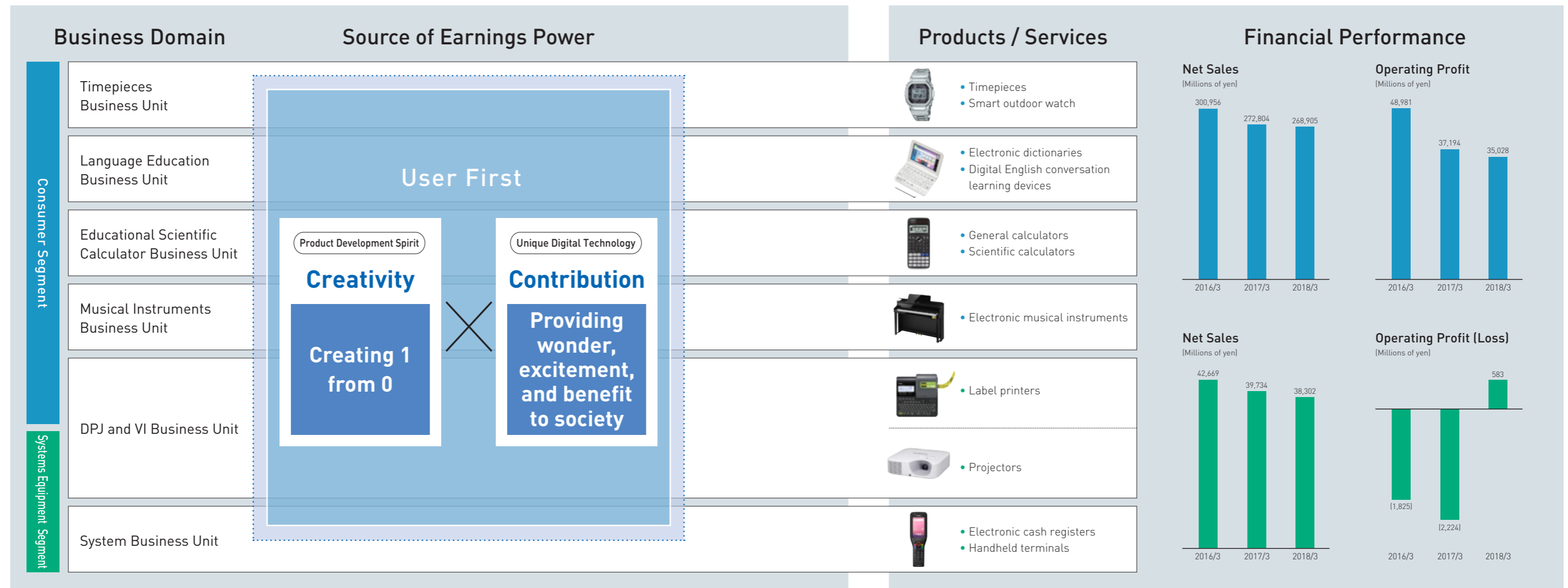
Net Sales Ratio by Segment (Millions of yen)



Net Sales Ratio by Region (Millions of yen)



Business Model





We will achieve sustainable growth by returning to Casio's roots, the spirit of **Creativity and Contribution**.

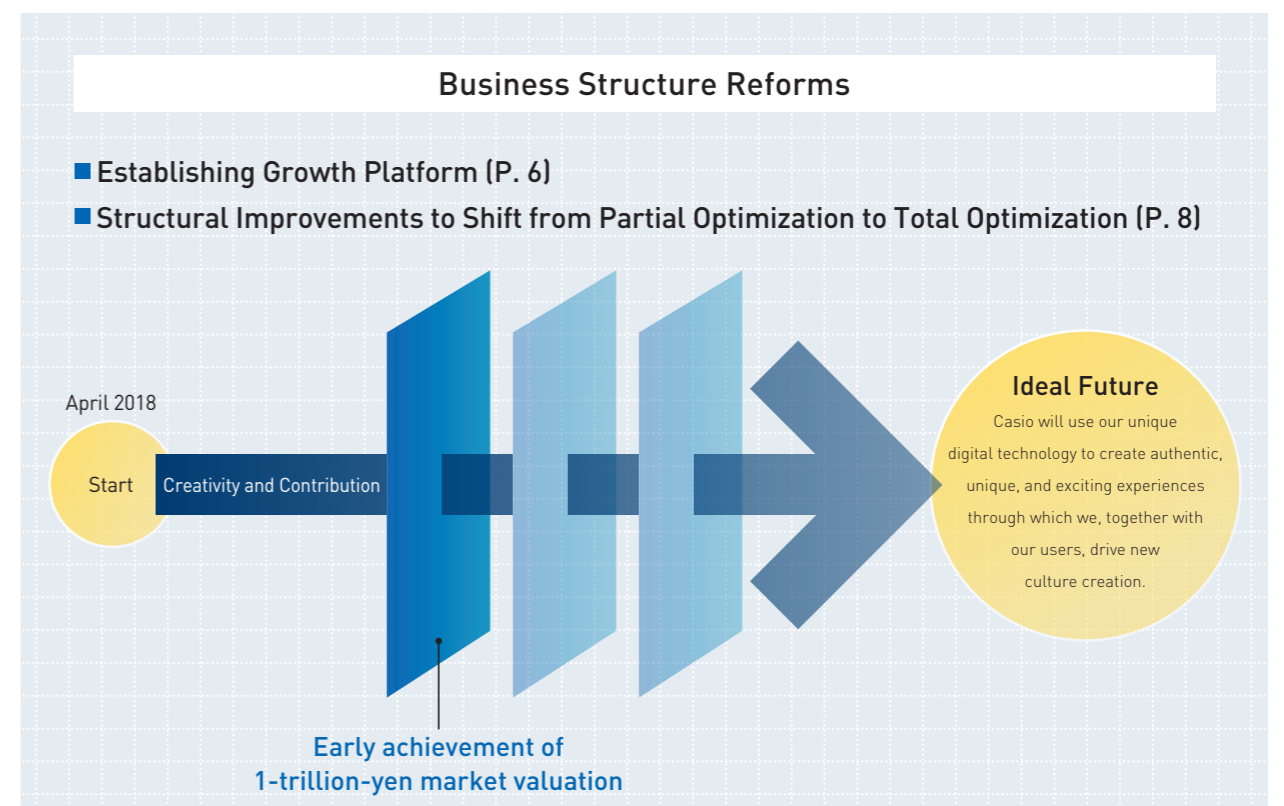
The challenge we must accept today is to return to our founding principles, the spirit of Creativity and Contribution. We must carry on Casio tradition and engage in business structure reforms that enable us to leap ahead. In doing so, we will establish a foundation for stable and continuous growth in revenue and profits.

Carrying on the Casio Tradition and Business Structure Reforms to Leap Ahead

Casio Computer Co., Ltd. has achieved growth by embracing the corporate creed of Creativity and Contribution, through which we have offered the world innovative and original products that help create markets and influence culture. Casio's unique strength is in our ability to create and develop something totally new. Since becoming Casio's fourth president in 2015, my mission has remained unchanged: to make the most of the Casio Spirit inherited from our founders.

This year, Casio newly defined our ideal future as contributing to society by using Casio's unique digital technology to create authentic, unique, and exciting experiences through which we, together with our users, drive new culture creation. With the end of FY2018, during which we celebrated our 60th anniversary, from April 2018 we began implementing business structure reforms that will promote creativity and contribution inspired by our ideal future.

In June 2018, we suffered the loss of Chairman Kazuo Kashio, one of the four Kashio brothers who founded Casio Computer Co., Ltd. As leaders of the next chapter in Casio's long history, we inherit the principles and spirit left to us by our founders. By applying Casio's unique creativity and technology, we will create new markets and continue our existence as a company that benefits society. I believe it is our mission to achieve sustainable growth for Casio. Casio will strive to rapidly reach a market valuation of 1 trillion yen. We view this not as a goal, but as a milestone on our path towards the future.

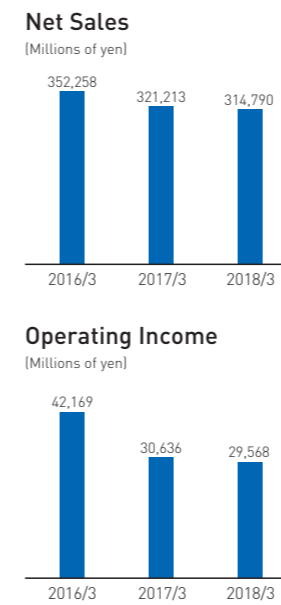


FY2018 Initiatives for Growth Platform Creation

In FY2018, we aimed to (1) maximize profits from core businesses (timepieces, education), (2) eliminate loss structures for problem businesses (digital cameras, musical instruments, projectors), and (3) launch new businesses. Through these initiatives, we established a more stable profit structure and solid platform for corporate value growth.

Among our core businesses, performance was favorable for the timepieces business, known for the popular G-SHOCK product line. GAKUHAN activities conducted by the Educational Business Division worked to eliminate imitation products in emerging economies while also accelerating new market development.

We addressed problem businesses by making the difficult decision to withdraw from the compact digital camera market. The market itself



continues to contract, making any expectation of increased revenues or profits unlikely. We decided to apply our digital camera technology towards creating new business domains as we turn towards the future.

For new businesses, we advanced new initiatives such as engaging in the designer's sample creation market using 2.5D printing technology that enables real texture expressions such as cloth, leather, wood, and stone. We also are fusing technology on various levels to advance new product development.

Net sales were 314.8 billion yen and operating income was 29.6 billion yen, which were below targets (350 billion yen and 34 billion yen, respectively), but these earnings represent improvements in our structure. We are confident that we have established a solid foundation for growth in FY2019 and beyond.

Structural Improvements to Shift from Partial Optimization to Total Optimization

For many years, Casio has treated each business as separate entities working as part of a collective. However, with no sharing of goals or technology between development, manufacturing, sales, and back office departments, overall corporate operations were not functioning efficiently. We addressed this by implementing widespread structural improvements to shift from partial optimization to total optimization.

We established a new Business Strategy Headquarters and consolidated these departments into the Development Headquarters to create a structure that optimizes business by uniting sales and back office functions into a single entity. The Business Strategy Headquarters adopted a business unit (BU) structure to enable centralized business management, through which we will apply a user-first perspective to achieving continuous market expansion and accelerating business growth. For each of the six business units - Timepieces, Language Education, Educational Scientific Calculator, Musical Instruments, DPJ and VI, and System - we redefined medium-term business strategies in order to strategically align technology and markets and maximize business by linking the Development Headquarters and the



Establishing Growth Platform

Goals We Aimed for by FYE March 2018

Through the following initiatives, we will establish a stable and sustainable revenue platform and solidify a growth platform for our corporate value.

1 Maximize Profits from Core Businesses

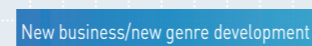


2 Eliminate Loss Structures for Problem Businesses



Challenges Injected new products but market shrank | **Challenges** Latent growth market exists but low profits

3 Launch New Businesses



Challenges Develop new core businesses

Company-wide Initiatives

- Assertive organizational reforms → Business Strategy Headquarters leads company-wide effort
- Reform Sales Headquarters & Development / Production/CS and Administrative Staff

Initiatives by Each Business

Timepieces/GAKUHAN	<ul style="list-style-type: none"> Use strong business model to accelerate business expansion Accelerate growth speed for new markets
Musical instruments/Projectors	<ul style="list-style-type: none"> Improve profitability through structure reforms
Digital cameras	<ul style="list-style-type: none"> Implement fundamental structure reforms and shift strategies
System equipment (PA/SA)	<ul style="list-style-type: none"> Implemented structure reforms during previous fiscal year Full-scale revenue contributions and establish growth trajectory
New business/New genre development	<ul style="list-style-type: none"> Early launch, revenue contributions

Global Marketing Headquarters, the two organizations responsible for implementation.

To ensure an effective structure for business strategies outlined by the Business Strategy Headquarters, we consolidated previous business departments into the Development Headquarters and also created a new Business Development Center whose mission is to create new businesses that will serve as new pillars for the company.

The important thing is that we take advantage of the superior assets (technology, knowhow, and human resources) of the Casio Group. We will bring an end to previous practices that saw the utilization of management resources begin and end within each department. By adopting a broad perspective to the use of management resources, we can establish a roadmap that outlines specific goals for each market and conduct centralized and uniform business practices.

Structural Improvements to Shift from Partial Optimization to Total Optimization

1 Strengthen Business Strategies

We will establish the Business Strategy Headquarters, for which the president serves as chief of the HQ, and have adopted a BU structure that consolidates the product planning functions of the Development Department with the marketing functions of the Sales Department.

For each of the six business units - Timepieces, Language Education, Educational Scientific Calculator, Musical Instruments, DPJ and VI, and System - we will outline medium-term business strategies in order to strategically align technology and markets and maximize business by linking the Development Headquarters and the Sales Headquarters, the two organizations responsible for implementation.

2 Strengthen Development Functions

To make progress in new market development, we will progressively dissolve the R&D Center to establish a Business Development Center and New Development Projects for developing businesses that apply advanced technology from a user perspective.

3 Strengthen Sales Functions

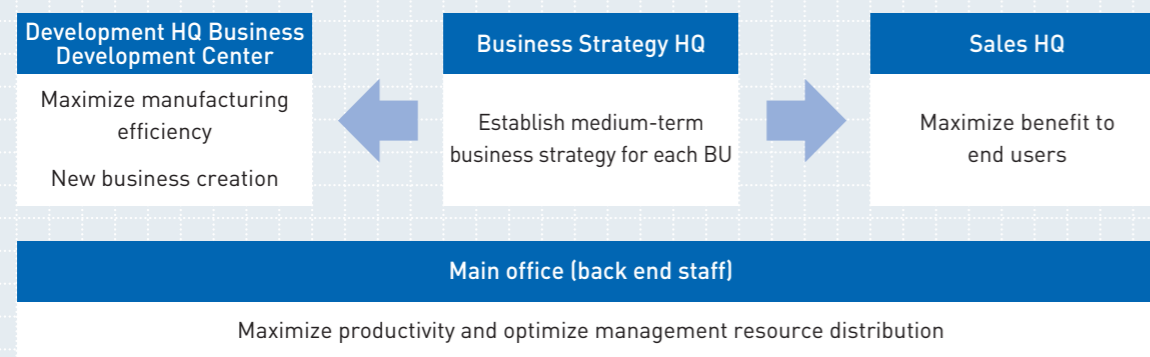
Conduct a fundamental review of our existing sales structure to promote efficient sales activities in line with medium-term business strategies and rebuild into a marketing-focused structure.

We will incorporate some functions of the Corporate Communications Department's PR Section to conduct combined sales and marketing activities. This will enable a user-first approach and efficient initiatives to expand existing markets and develop new markets.

4 Strengthen Back Office Functions

Reform initiatives and restructure organization so that main office staff support business strategy implementation and enable the Business Strategy HQ to serve as a link between Development Headquarters and Global Marketing Headquarters towards achieving medium-term strategies.

Business management that enables maximum efficiency in business strategy implementation



Strategically Linking Technology and Markets

Under this new structure, we are advancing user-first reforms being implemented across the entire company. At Casio, we define user first not as simply catering to customers, but as a singular dedication to constantly evaluating what we can do to be of use to end users. One could say that a company creating products used in everyday life is a company that is closest to customers. We will return to Casio's origins of creating markets with our customers. We will take a user-focused approach to quickly and effectively linking Casio technology to promising markets. To achieve this, we will collaborate with optimal partners and effectively inject management resources.

Also important is that we optimize logistics. With our successful G-SHOCK product line, users specifically seek out our product by name. Instead of leaving sales and marketing up to the store, we connect directly to users. Casio's style of logistics is centered on offering products where it is most convenient for users.

In the musical instruments business, we are advancing structure reforms to promote market creation. We are developing new sound sources capable of expressing the authentic appeal of musical instruments and identifying the markets to which we will offer an optimal line of products to our main targets. We will rebuild our logistics structure and promote supply chain optimization.

On the other hand, the education market is an example of success creating a manufacturing cycle matched to user needs. Casio's electronic dictionaries are must items for new first year high school students in Japan, resulting in new users around the country every year. We also fully understand how these products are being used so we are able to implement product improvements focused on ease of use for the user, enabling advancements in electronic dictionaries that are not possible with paper dictionaries. For example, we are able to link the vocabulary search results display order to the textbooks used at a specific school to provide more advanced learning opportunities. This is something that is unique to the digital experience. We will continue to pursue the necessary product functions to remain the preferred choice for students.

In all business segments, it will prove vital that we identify targets and improve our position in segmented domains. What we do not need is a business model based on one-off sales targeting an unknown number of people. We will capture new users creating new markets representative of the Casio brand. We will identify our main targets and create useful products for those users. We will then grow markets by gaining a greater understanding of users and offering value that exceeds user expectations. Creating this perpetual cycle is the growth strategy that is ideal for the Casio Group.

Identify Ubiquitous Demand to Develop New Markets

Moving forward, we will achieve sustainable growth by identifying and developing latent need (new markets). Casio's mission is to identify ubiquitous demand and apply our unique technology towards the continuous creation of new markets.

The timepieces business has a sufficient foundation for continued growth moving forward. We believe functional watches such as outdoor wristwatches

→P12
Business Summary /
Consumer Segment

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Business Summary /
System Equipment Segment

→P15
Business Summary /
New Businesses

and smartwatches have significant potential as a new timepieces domain. We will challenge ourselves in new markets without confining ourselves to existing logistics structures.

In the system equipment business, we will pursue hardware development that represents our Group strengths. For example, we can make advancements in handheld terminals by making them more wearable and hands free. We will take advantage of technology related to reducing size, weight, thickness, and energy consumption to take an unwavering leading role as a wearable terminal. We also can envision engaging in the health and medical care domain.

For new businesses, we have found new potential in applying the technology and knowhow cultivated through digital camera development in the B-to-B sector. One example of this is the dermoscopy image analysis support system, a type of digital camera for medical use. Using the technology developed through our experience in digital cameras combined with automatic detection technology, we can contribute to imaging analysis use to detect illnesses such as skin cancer. We also are seeing new opportunities for applying camera technology in fields such as network cameras and drive recorders and, in fact, have received inquiries from various industries. Our mission is to offer technology that is chosen by and benefits consumers. At Casio, we believe this is what we are uniquely capable of doing.

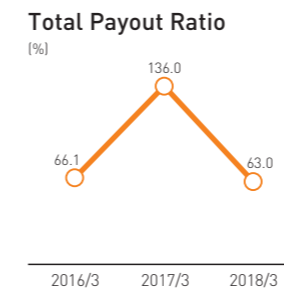
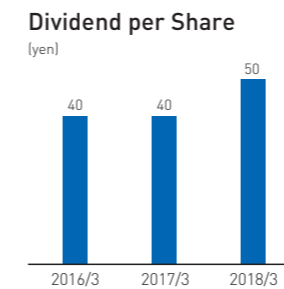
As we plan for the medium-to long-term growth of our company, we believe the sustainable development goals (SDGs) outlined as common goals for international society will provide a new perspective for our company. As we draft a new medium-term management plan, we will incorporate connections between Casio business and the 17 SDG goals. We are currently evaluating which targets Casio can contribute to on a global level.

Building Strong Governance that Separates Management and Execution

In FY2019, Casio separated governance and risk management functions from the General Affairs Department and to create the Sustainability Promotion Department, which will operate along with the existing CSR Promotion Department. Through these changes, we create a structure for working ESG elements into business strategy and merging these elements into management.

Creating a strong governance structure first requires that business execution functions properly. We will create a positive spiral through which all departments, including the various business units in the Business Strategy Department, are held responsible for results and expected to take an aggressive approach towards achieving goals.

In this respect, dividing management and execution functions will be of extreme importance moving forward. We will move away from partial optimization and implement total optimization to promote rapid decision making and establish oversight for decision-making and execution functions. We will proactively incorporate external oversight into management and establish a strong governance system.



Policy on Shareholder Returns

Our basic policy is to maintain stable dividends based on a stable evaluation of factors such as profits, financial status, dividend payout ratio, future business development plans and earnings projections. We issue surplus dividends twice a year as interim dividends and year-end dividends. In recognition of our 60th anniversary, this fiscal year we issued an ordinary dividend of 40 yen per share plus a commemorative bonus of 10 yen for a total dividend of 50 yen per share. As a result, our total payout ratio was 63.0%.

We also will continue to respond flexibly and dynamically to changes in the market environment to make decisions on acquisition of treasury shares.

To Our Stakeholders

At Casio, we believe that communicating with a wide range of stakeholders is very important. Through various mediums, including annual reports, sustainability reports, and our web portal, we introduce our initiatives and convey our business approach. At the same time, greater attention is being paid to how ESG (environment, society, governance) factors impact sustainable corporate growth. Even in Japan it has become common for institutional investors to focus on non-financial information when judging a company's medium-and long-term value. In light of this trend, we are reevaluating the state of our corporate communications at Casio. We will enhance ESG information disclosure and clarify our communication goals as we promote more effective and appropriate information disclosure.

Every aspect of Casio business is linked by the cycle of Creativity and Contribution. We are committed in a united effort to conduct business activities that ensure our position as a company that benefits users. We hope this report will serve as a launching point for meaningful dialogue with all our stakeholders. We also hope to receive frank feedback from our stakeholders.

September 2018

Kazuhiko Kashio

Representative Director and President

Consumer Segment

Millions of yen

	2016/3	2017/3	2018/3
Net sales	300,956	272,804	268,905
Operating income	48,981	37,194	35,028

Net sales for FY2018 for the Consumer segment were 268.9 billion yen (down 1.4% YoY) and segment income was 35.0 billion yen (down 5.8% YoY). Timepieces remained highly profitable on favorable sales of highly profitable products. Calculators secured profitability on favorable sales of scientific calculators overseas. Digital cameras resulted in increased losses on having recorded expenses incidental to our withdrawal from the compact digital camera market.

Timepiece Business

Net sales remained firm on the effect of marketing to promote the 35th anniversary of the G-SHOCK. The mid-priced G-STEEL performed particularly well year-round and drove growth for the entire business.

Education Business

Net sales of scientific calculators for students remained favorable thanks to new market development and initiatives to respond flexibly to changes in student classes and testing. For musical instruments, we established a base for improving profitability by implementing business structure reforms such as strengthening our in-house manufacturing structure, optimizing our product line, and developing new sound sources.

Digital Cameras Business

After careful review of future growth potential amid dramatic market shrinkage for the compact camera market, we decided to withdraw from this business. Coincidental to this decision, we recorded extraordinary losses.



TOPICS

Timepiece Business

SHOCK THE WORLD Marketing for Global Fan Development

We launched SHOCK THE WORLD in New York in 2008 as a campaign to commemorate the 25th anniversary of G-SHOCK and promote the G-SHOCK brand image in cities around the world. This event series is unique for featuring product displays as well as development story presentations and performances by major performers from various fields such as art, fashion, sports, and music to convey the appeal of G-SHOCK and introduce the G-SHOCK world to users. These events serve a vital role in brand marketing and help create new value by promoting bidirectional communication through interaction with fans. Representing a unified effort between media, logistics, and manufacturing, through these activities we share the G-SHOCK perspective with fans around the world. We will achieve innovation in new markets and propose new value in emerging markets.



G-SHOCK 35th Anniversary World Premier in NY SHOCK THE WORLD

2018 marked 10 years since the first SHOCK THE WORLD event, which since then has been held in over 70 cities around the world. We will continue to evolve content and meet the expectations of our fans.

Education Business

Supporting Student Learning Through GAKUHAN

Our initiatives in the education business include providing education support products and systems. Beyond simply providing products, we must also contribute to improving the learning potential of students.

To achieve this, it is vital that we be experts in the educational policies, styles, and content of each country, and conduct activities in partnership with educational institutions. Overseas, GAKUHAN is the name we use to refer to business activities in the educational field. We offer customized products and course proposals based on local curriculum and educational environments, and create strong networks with local education ministries, school affiliates, and teachers to promote business activities.



Conducting a class using scientific calculators

Through curriculum-specific textbook development, teacher training, various workshops, and other initiatives beyond one-off product sales, we are operating with a long-term perspective that promotes smooth use in classrooms and for tests. We also are strengthening partnerships with local related institutions to improve student mathematics skills. These grassroots activities do not produce immediate results but we are making solid progress, particularly in emerging economy markets.

System Equipment Segment

	2016/3	2017/3	2018/3
Net sales	42,669	39,734	38,302
Operating income (loss)	(1,825)	(2,224)	583

Millions of yen

Net sales for FY2018 declined to 38.3 billion yen (down 3.6% YoY) due to our withdrawal from the printer business, among other factors. Segment income was 0.5 billion yen (the previous fiscal year saw operating losses of 2.2 billion yen). We established a stable revenue platform by making significant improvements to previously unprofitable businesses to record an operating profit.



TOPICS

All Elementary and Middle Schools in Kawanishi, Hyogo Adopting Casio Projectors

In December 2017, 24 schools in the city of Kawanishi, Hyogo (16 public elementary schools, seven middle schools, and one special needs school) decided to install a total of 373 of Casio's mercury-free XJ-F100W projectors.

The city of Kawanishi previously installed projectors in some classrooms but they decided to install projectors in all classrooms to promote more effective utilization. Basing model selection on a presumption of long-term use, the school board chose Casio's XJ-100W for the total cost performance achieved through laser and LED hybrid light sources and the low-maintenance achieved by a long-lasting light source boasting 20,000 hours of operation and a dust-proof structure.

Casio will proactively support educational institutions adopting ICT equipment and, through the promotion of our mercury-free projectors, promote environmental load reduction by offering mercury-free, power-saving products.



XJ-F100W

New Businesses

2.5D printing systems quickly showing sales growth and profit contributions as a new core business

• Expanding Global Business Scope

- Major business expansion by offering solutions in printing systems and digital sheets
- Promote further development of digital sheets

Providing 2.5D Print System

Mofrel (DA-1000TD) is a 2.5D print system that supports accurate management decisions during product development by expressing the textures and decorations of various materials such as leather and cloth on dedicated digital sheets*. Since May, this system has been adopted by companies such as Denso, Sincol, and Panasonic Eco Solutions.

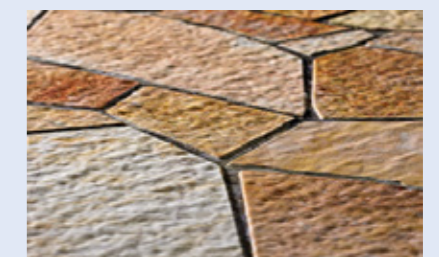
Panasonic Eco Solutions conducts the development, manufacturing, and sales of housing lighting equipment, fixtures, building materials and solar power generation systems, to offer comfortable living environments for people around the world. As a company that pursues customer-oriented design thinking, Panasonic Eco Solutions recognized the 2.5D print system as a speedy solution for applications including giving form to their ideas and expressing material textures and exteriors with uneven surfaces. The company plans to use the 2.5D print system as a tool for sample creation and R&D.

Casio will continue to support design innovation in the product development process in the automotive industry, construction, apparel, and a variety of fields.

* A dedicated sheet for 2.5D print systems consisting of a base layer, a bump layer, an inkjet layer, and a microfilm layer.



DA-1000TD



Output example

Research & Development

The Casio Group embraces the corporate creed of Creativity and Contribution. We engage aggressively in R&D activities with the goal of contributing to society through the development of creative products.

R&D Structure

Our R&D structure is comprised of our in-house Development Department, which is responsible for the fundamental research and elemental technology development that are used to support new businesses and long-term growth, and the development departments of our operating companies and affiliates, which oversee commercial development related to existing businesses. To create new core businesses, we renovated our R&D Center and established a new Business Development Center. This enabled us to concentrate new domains and establish a structure for the effective creation of new products based on the practice of selection and concentration.



Business Development Center (Hamura Technology Center)

TOPICS

Developing Learning Services and Dermoscopy Cameras for Dermatologists

In June 2015, Casio launched D'z IMAGE, a free cloud service for learning dermoscopy. This service teaches users how to conduct efficient dermoscopy examinations* by using imaging analysis functions that expose lesion structures and blood distribution. Since the launch, we have added various functions to enhance service content. Added content includes a diagnosis training function, which poses different questions on a daily basis based on diagnosis image records, and learning content for beginners.

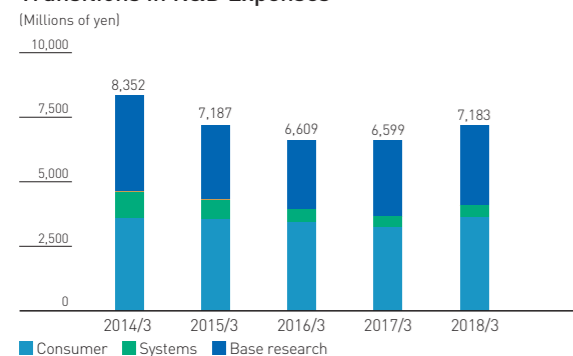
We are working in collaboration with a university hospital to develop a dermoscopy camera for dermatologists based on imaging technology, lighting technology, and image processing technology developed through our digital cameras business. We also are developing image management software that will enable images captured by the camera to be transferred, uploaded, and sorted automatically.

Additionally, we are developing a computer analysis support system for dermatology patients. We are aiming to build a service that uses image analysis technology based on machine learning to indicate potential illness names, which will support dermatologists using dermoscopy examinations to diagnose patients.

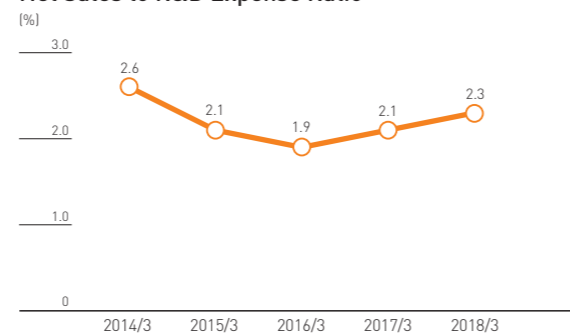
* Examination used to observe skin tumors, moles and other pigment lesions using a special magnifying glass called a dermoscope.



Transitions in R&D Expenses



Net Sales to R&D Expense Ratio



Intellectual Property

Casio conducts planned research and development to approach business from a medium- and long-term perspective and increase our technology management capabilities. We appropriately manage and utilize the results of R&D activities to convert these results to intellectual property that generates profits. We also view intellectual property as a valuable benchmark for assessing our corporate value and have established IP Goals to promote the effective utilization of intellectual property.

IP Goals

Casio works to enhance our IP position based on the following goals.

- Make Casio a leading company for IP.
- Use strong IP position to protect technology and products globally.
- Use strong IP position to ensure innovative technology and product development.

Patent Applications and Securing Rights

We are creating a patent network by filing and registering patents [selection and concentration] in core fields. We also work proactively to secure effective patents through IP quality improvements. Not limited to the USA, we conduct initiatives to file patents and secure rights on a global scale, including in China and other Asian countries.

Utilizing Intellectual Property Rights

We do not simply establish rights for our inventions. We work to secure business freedom (prevent aggressive actions by other companies) and secure profits through licensing to other companies (including cross licensing). We also use IP as a market engagement barrier to prevent competitors from engaging in similar businesses. Through the comprehensive use of IP, we work to ensure we maintain a competitive advantage. In particular, we deal with Casio counterfeit products swiftly and strictly.

Patent Technology Monitor System

To promote stronger business by enhancing our IP position, we assign a chief patent monitoring engineer to each busi-

ness division. Chief patent monitoring engineers are chosen for the advanced understanding of technology and their leadership skills.

Specific activities undertaken by chief patent monitoring engineers include the following.

- Draft patent activity plans and manage goals based on an analysis of self and competitor technology trends and development trends
- Uncover and upgrade inventions
- Evaluate patent applications, determine direction of patent rights activities based on business direction, and evaluate rights maintenance
- Research competitor patents, manage patent avoidance and patent risks
- Create new businesses based on IP

Invention Reward System

Since 1968, Casio has operated a reward system for contributions from employee inventions and creations. By increasing inventor/creator incentives, we establish an environment that motivates employees to challenge themselves in new technology development.

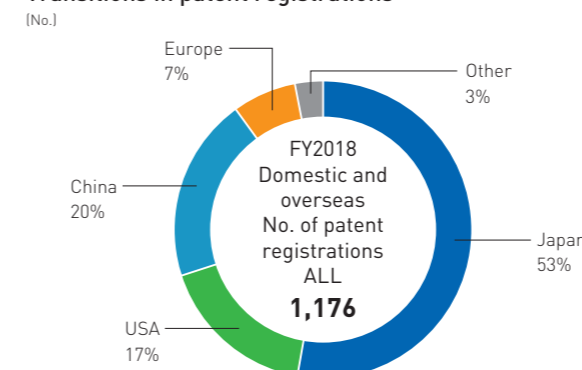
IP Education System

Casio conducts various IP education, including IP seminars to promote employee understanding of and interest in intellectual property. We also distribute information via our website (content on IP website) and use external educational institutions such as the Japan Intellectual Property Association and the Japan Institute for Promoting Invention and Innovation.

Protecting CASIO Brand Rights

Casio has acquired 1,674 trademarks in 187 countries and regions to protect the CASIO brand and ensure smooth global business activities.

Transitions in patent registrations



Corporate Governance

Casio understands how important swift decision-making, the proper performance of duties, and strengthening the management function to improve the soundness and transparency of management are to meeting the expectations of shareholders and other stakeholders, consistently achieving management goals, and continually enhancing corporate value. We have therefore implemented various measures to enhance corporate governance.

Corporate Governance System

Casio is a company with an Audit & Supervisory Board. In addition to the management oversight function of the Board of Directors and Audit & Supervisory Board, Casio is working to further strengthen its corporate governance by expanding the role of outside directors and enhancing the executive officer system.

Board of Directors and Directors

To enable rapid management decisions and maintain an appropriate management structure, the Board of Directors is comprised of seven directors, two of whom are external directors, and the term of a director's appointment is set at one year.

The Company believes that the Board of Directors must consist of members that possess diverse perspectives, experiences, and skills in order to fulfill its management oversight function effectively. The Board of Directors therefore includes outside directors who possess broad insight and extensive experience in addition to internal directors from the company who are highly knowledgeable

about the Company's business.

Experience and performance in corporate management and the balance of expertise in areas such as technical development, sales, finance, and other areas are also taken into consideration. The Board of Directors is responsible for the function of overseeing decision-making and business execution by management. The board discusses and makes decisions on important management matters specified in laws and regulations, the Articles of Incorporation, and the Rules on the Board of Directors. To increase the efficiency and agility in the execution of business, the Board of Directors delegates executive authority to executive officers on matters that do not meet the standards set for referral to the Board of Directors in laws and regulations, the Articles of Incorporation, and the Rules on the Board of Directors.

Outside Directors

Outside directors bring in external perspectives and increase management transparency. The Company also

appoints multiple outside directors to further strengthen the oversight function in regard to the execution of business. They are experts who can provide opinions and advice from a wide variety of perspectives and from the perspective of social contribution and are invited to Board of Directors meetings and other meetings.

The two outside directors comment and state their opinions as necessary to ensure adequate and appropriate decision-making by the Board of Directors. To enable them to function and fulfill their role, the Secretariat for the Board of Directors provides outside directors with advance explanations and other assistance on agenda items for Board of Directors meetings. The Secretariat also arranges opportunities for plant and office tours, information exchange with key divisions, and many other opportunities, as needed, to enable them to understand the circumstances of the Casio Group.

Reason for Appointment as an Outside Director

Hirokazu Ishikawa (Independent Officer)

Mr. Ishikawa has been involved in financial services for many years and has experience in corporate management. Casio has appointed him as an outside director to reflect his extensive experience and broad insights in the management of the Company.

Makoto Kotani (Independent Officer)

Mr. Kotani has academic experience as a university professor and management experience as the president and director of a university. Casio has appointed him as a director to reflect his extensive experience and broad insights in management of the Company.

Reason for Appointment as an Outside Audit & Supervisory Board Member

Kazuhiko Tozawa (Independent Officer)

Mr. Tozawa has expert knowledge and extensive experience gained over many years as a prosecutor and attorney. Casio has appointed him as an outside Audit & Supervisory Board Member to reflect his expertise in Company audits.

Michiko Chiba (Independent Officer)

Ms. Chiba possesses expertise in finance and accounting and extensive auditing experience as a certified public accountant. Casio has appointed her as an outside Audit & Supervisory Board Member to reflect her expertise in Company audits.

Executive Officer System

Executive officers are delegated certain authorities to execute business according to the policies established by and under the supervision of the Board of Directors. Matters important to the execution of business are discussed at executive officer meetings that are attended by the relevant executive officers, directors, and Audit & Supervisory Board Members. This structure enables seamless sharing of information, company-wide coordination, and implementation. The detailed procedures for execution are set out in the rules on business execution and decision-making authority.

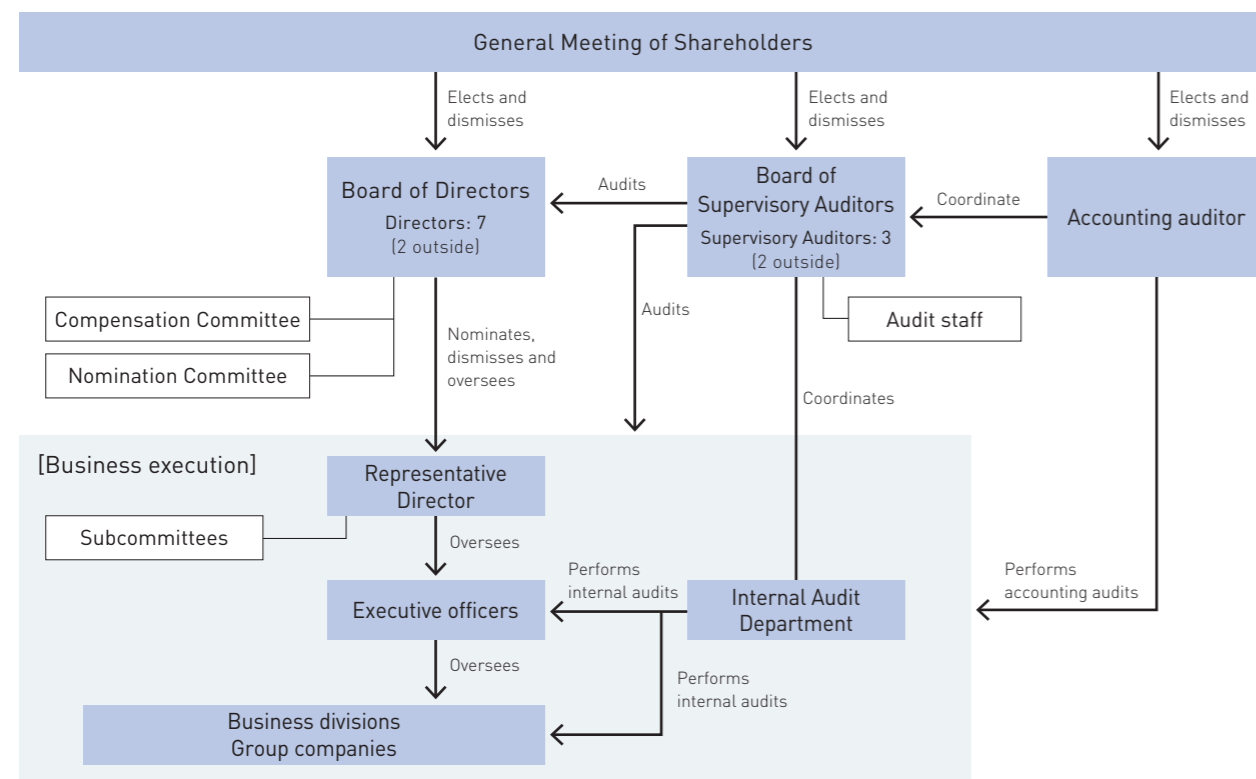
Internal Auditing

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

Nomination Committee and Compensation Committee

The Company has established a Nomination Committee and a Compensation Committee to better ensure the transparency and adequacy of the decision-making process on nomination and compensation of directors and executive officers. The Nomination Committee deliberates on and selects officer candidates, and also formulates plans for successors to the president and other executive management. The Board of Directors has delegated authority to the Compensation Committee for discussing and determining the compensation of directors and executive officers.

Diagram of Corporate Governance System



Audit & Supervisory Board and Audit & Supervisory Board Members

There are currently three Audit & Supervisory Board Members, two of whom are outside Audit & Supervisory Board Members. In order to ensure the soundness and transparency of business management, Audit & Supervisory Board Members attend Board of Directors meetings and other important meetings and committee meetings and voice their opinions, as necessary, to ensure appropriate decision-making. This is done in accordance with audit policies and allocation of responsibilities set out by the Audit & Supervisory Board. Audit & Supervisory Board Members also exercise strict oversight by meeting regularly with the president of the company to ensure a common understanding, soliciting information and reports for resolutions on important matters.

Half or more of Audit & Supervisory Board Members must be outside Audit & Supervisory Board Members. The Audit & Supervisory Board includes members who are knowledgeable in finance and accounting to strengthen the audit function.

Compliance

Casio reinforces compliance to support healthy corporate management.

Compliance Risk Management

At Casio, we have identified 70 laws related to our business operations and conducted assessments to confirm the status of our response to each law. After assigning priority to initiatives based on the possibility of risk occurrence and the potential impact on business, we organized a structure for proposing and implementing individual countermeasures as well as a general management structure. The lead department associated with each risk conducts the organized planning of risk avoidance and reduction measures and the secretariat applies the PDCA cycle to implement comprehensive management. The Internal Audit Department conducts audits of this entire framework. We currently are transitioning to a framework that includes conducting regular checks of new laws and legal revisions to identify major issues as topics to be addressed. Under this framework, the committee secretariat conducts risk audits as necessary to regularly monitor the status of countermeasures implemented thus far and to confirm the appropriateness of implementation. To address the intent of the Companies Act revisions enacted in May 2015, we are shifting our risk management focus on overseas compliance.

Whistleblower Hotline

To ensure compliance that protects human rights, Casio has established a Whistleblower Hotline. In addition to support in Japan, we also are focused on promoting understanding among our global Group employees by creating a framework that supports English and Chinese language. We also have established an external Whistleblower Hotline specifically for consultations from our business partners.

Export Control

Casio designates export management supervisors within our departments involved in export management to ensure strict compliance with export management. We are addressing the enactment of the Compliance Requirements for Exporters by enhancing educational activities for Group companies in Japan in order to respond to relevant legal revisions and reinforce legal compliance. At the same time, we conduct annual self-audits to ensure we are properly maintaining and managing our structure.

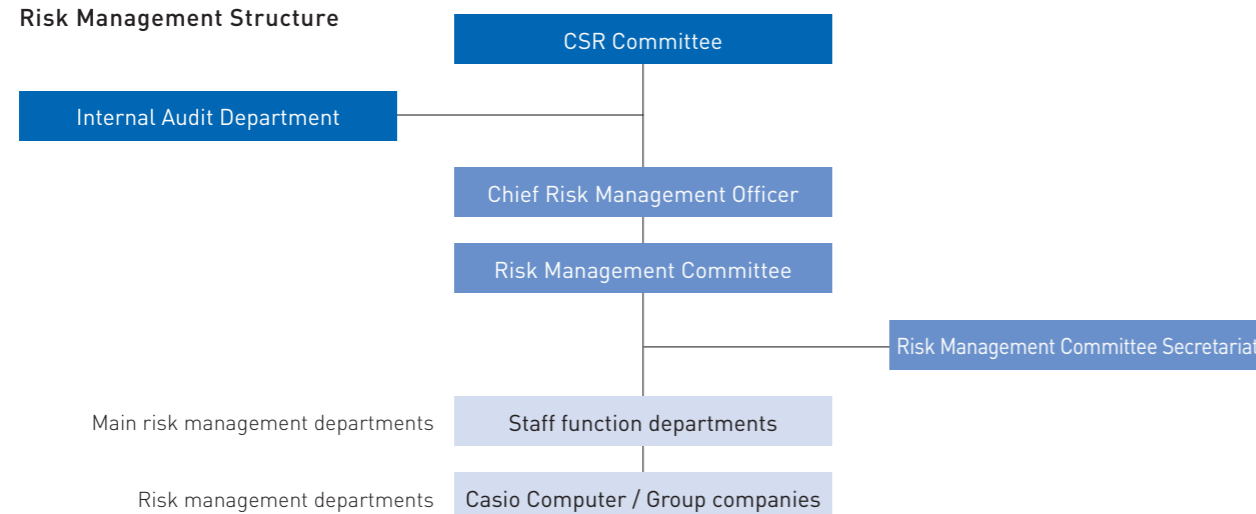
In addition to Japanese laws, we also have established a management structure to address USA re-export regulations to enhance our global export management.

Antitrust Law and the Act against Unjustifiable Premiums and Misleading Representations

Casio Computer is enhancing our compliance structure related to Antitrust Law and the Act against Unjustifiable Premiums and Misleading Representations. We have established an Act against Unjustifiable Premiums and Misleading Representations Compliance Committee, which is comprised of members from all related departments, outlined voluntary management rules, and implemented education and other measures via our company intranet to promote awareness. Casio also provides guidance through a response help desk, shares customer opinions and feedback, and shares case studies from self-audits and improvements implemented in relevant departments.

The Sales Department distributes Sales Compliance Cards to employees and requires that they carry these cards with them at all times as a way to promote understanding and awareness of fair competition and transactions.

Risk Management Structure



Risk Management

Casio appropriately responds to our operating environment to ensure business continuity and improve our corporate value.

Basic Policy

At Casio, we work to ensure business stability and security by responding appropriately to the various risks that impact our operating environment. Under the supervision of the director in charge of risk management, our basic policy is to predict risks, implement preventative measures to minimize potential losses and, if losses are incurred, implement effective follow-up measures to ensure business continuity and improve our corporate value.

Risk Management Structure

1. We have established an appropriate risk management structure through these risk management activities led by relevant departments, which act in accordance with Risk Management Rules, and activities are overseen by the CSR Committee.
2. We have created a Risk Management Manual to ensure our ability to respond to unpredictable incidents. The Risk Management Manual outlines our response as a corporate organization and focuses on securing the safety of directors and employees and their families, and on preserving corporate assets.
3. In accordance with the Fundamental Policies on Product Safety, we draft and implement voluntary action plans related to product safety. We strive to make constant improvements and through quality visualization, quality information sharing, and meetings on quality policy and measures, we conduct quality assurance activities that span across all business departments.
4. We have established a secretariat for supervising all quality activities, managing progress, and conducting evaluations. Furthermore, we have established an Audit Department for monitoring the appropriateness of our risk management activities.

Creating a Structure for the Future

In addition to the abovementioned risk management structure we have built thus far, with the company-wide structural reforms we implemented in June 2018, our newly established Corporate Governance Department is leading the formation of the following three structures.

i. Basic Structure

Redevelop the education, training, and procedural manuals that serve as the foundation of company-wide risk management to prevent losses and minimize the impact on company operations in the event of an incident.

ii. Liaison Structure

We will improve a structure that ensures business continuity and our ability to meet the needs of stakeholders by enabling smooth and rapid status assessments, and by ensuring that information is conveyed rapidly to management and relevant departments.

iii. Response Implementation Structure

We will conceive and create a total structure that ensures stable business continuity by enabling effective initial response and appropriate decision-making in the event of an incident that results in losses.

Business Continuity Initiatives

We also are working to enhance our business continuity plan (BCP). A BCP outlines procedures to promote rapid safety confirmation for directors and employees, rapid assessments of damage, rapid business recovery and overall business continuity in the event a future situation, such as a large-scale earthquake directly underneath the Tokyo Metropolitan area, forces a suspension of operations.

This structure is centered on the global supply chain and aims to minimize losses and reassure our business partners and customers. In the event our main office is damaged in a disaster, we will establish a response headquarters to direct limited resources in the continued provision of products and services around the world based on a pre-assigned order of priority for major plants and offices.

Information System Disaster Response

As a countermeasure against the possibility of earthquake damage to our information systems, we have established redundancy between our internal data center and a reinforced external data center that is located in an earthquake-resistant structure and is equipped with an internal power generator. We have finished migrating core workflow servers and other important servers to external data centers to establish an environment that is capable of continuous operation. We also have migrated our email systems to external services.

Approach to CSR

Making life richer and more convenient by creating innovative products—this was the aspiration of Casio’s founders, and it is summed up in the corporate creed, “Creativity and Contribution.” Casio believes that part of its social responsibility is to pass down this corporate creed to all of its employees without fail. Casio is determined to ensure that its businesses, which create something from nothing, or go from “0” to “1,” continue to make a consistent contribution to a more sustainable global society.

Approach to CSR

The Charter of Creativity for Casio outlines the basic principles concerning the attitudes and conduct expected of Casio employees in order for the company to continue realizing its corporate creed. The company’s 60th anniversary last year provided momentum for a review of the Charter of Creativity for Casio. The president feels strongly that the Charter should serve as a compass for each employee when the way forward is unclear, and that its content needs to reflect this purpose. A project team is now working on revising the Charter to ensure that the spirit of the current

charter is maintained while creating something that is more practical and inspiring.

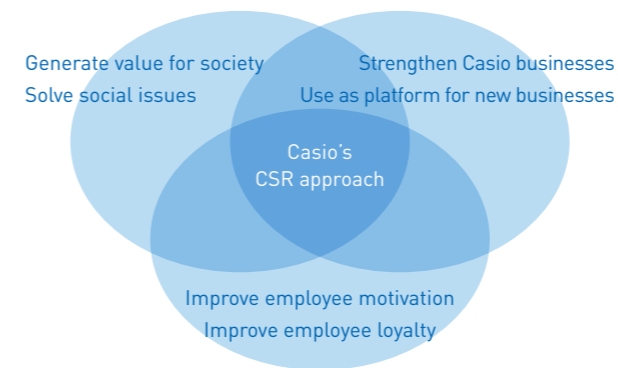
The Casio Group Code of Conduct is also used as a guide for all officers and employees of the Group, ensuring compliance with applicable laws and internal regulations, and appropriate conduct from an ethical point of view. Based on changes in and outside the Casio Group, the Code of Conduct was revised in June 2013 and again in November 2016 to meet new standards in areas where the international community has high expectations and demands, such as human rights, supply chain management, and anti-corruption measures.



Casio’s CSR Approach

Casio’s CSR approach is one where the group works to meet the expectations of society by helping to solve environmental and social issues through business operations, while achieving sustainable growth. Casio must continue to be useful to society, while also maintaining the respect of its employees.

Promoting CSR that Increases Our Corporate Value



Charter of Creativity for Casio and the Casio Common Commitment

In 2003, Casio adopted the Charter of Creativity for Casio and the Casio Common Commitment, a promise from everyone working at Casio. They are designed to ensure that Casio employees will be aware of our corporate creed at all times, and act upon it. These promises cover the three key aspects of CSR—economy, environment, and society—as well as the company’s approach to compliance.

Charter of Creativity for Casio

- First Chapter** We will value creativity, and ensure that our products meet universal needs*.
- Second Chapter** We will strive to be of service to society, providing customers with delight, happiness, and pleasure.
- Third Chapter** We will back up our words and actions with trustworthiness and integrity, and work as professionals.

* To create innovative products that everyone needs but no other company has ever produced. At Casio, this is the mission not only of product development, but also of every other part of our business.

Medium-Term CSR Policy (FY2018 – 2019)

The Sustainable Development Goals (SDGs) were adopted at the United Nations in September 2015, while the Paris Agreement, the result of the 2015 United Nations Climate Change Conference (COP 21), took effect in November of the same year. Given this background, along with the global trend toward investment based on economic, social, and governance (ESG) factors, Casio has formulated the following medium-term CSR policies for the next two years.

- Promoting concrete initiatives associated with the SDGs to solve social and environmental issues based on materiality linked with business management
- Establishing achievement scenarios linked to long-term environmental targets, and continually improving environmental performance through implementation of environmental management systems (EMS)
- Strengthening its business foundation by gathering compliance and ESG information from Casio Group companies and continuing to improve performance levels
- Raising the awareness of all Casio Group employees, and promoting behavioral changes

In line with these medium-term policies, Casio will specifically address the following three issues as the top priority issues. Casio will establish KPIs for each policy and will promote and manage initiatives using plan-do-check-act (PDCA) cycles.

- 1 Initiatives based on SDGs
- 2 Initiatives to achieve medium-and long-term environmental targets
- 3 Initiatives for disclosure of corporate ESG information

SDG-Based Initiatives

The SDGs have made it easier for Casio to establish targets for its contribution to the world, as part of its corporate creed, “Creativity and Contribution.”

Currently, Casio is looking for SDG collaboration opportunities for each of its business areas and is working with experts to determine the relevance of each SDG to its business activities. The SDG opportunities and risks for Casio business activities will be released together with materiality information in the 2019 Casio Sustainability Report.

SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



CSR Committee and CSR Promotion Subcommittee

In fiscal 2018, Casio revised its CSR Committee system. Under the new system, the CSR Committee is chaired by Casio’s president, and its members include all the company

directors, audit & supervisory board members and executive officers. It has become the body that discusses and approves Casio's CSR activities, including the medium-term CSR policy, annual policy, and previous years' performance reports. In addition, the former CSR Committee was re-named the CSR Promotion Subcommittee.

In order to respond to the expectations of society, the CSR Promotion Subcommittee identifies social issues to be addressed, and implements measures to help resolve them. As the core CSR organization, the subcommittee is composed of CSR chiefs and managers from back office departments at Casio Computer Co., Ltd., and all Casio group companies worldwide, and is administrated by a Secretariat. A regular meeting is held every six months, and the subcommittee activities are promoted throughout the year based on the management cycle of the fiscal year.

At the start of the fiscal year, the Secretariat checks progress made on various CSR themes in the previous year. It then creates an overview of conditions for future progress, the expectations of society, and environmental changes. Priority themes for action are determined for each fiscal year, and a specific action plan is formulated. Under the action plan, ongoing themes are continued and new themes are introduced. New themes are established upon ascertaining the current situation and challenges, and also according to requests from CSR-related departments.

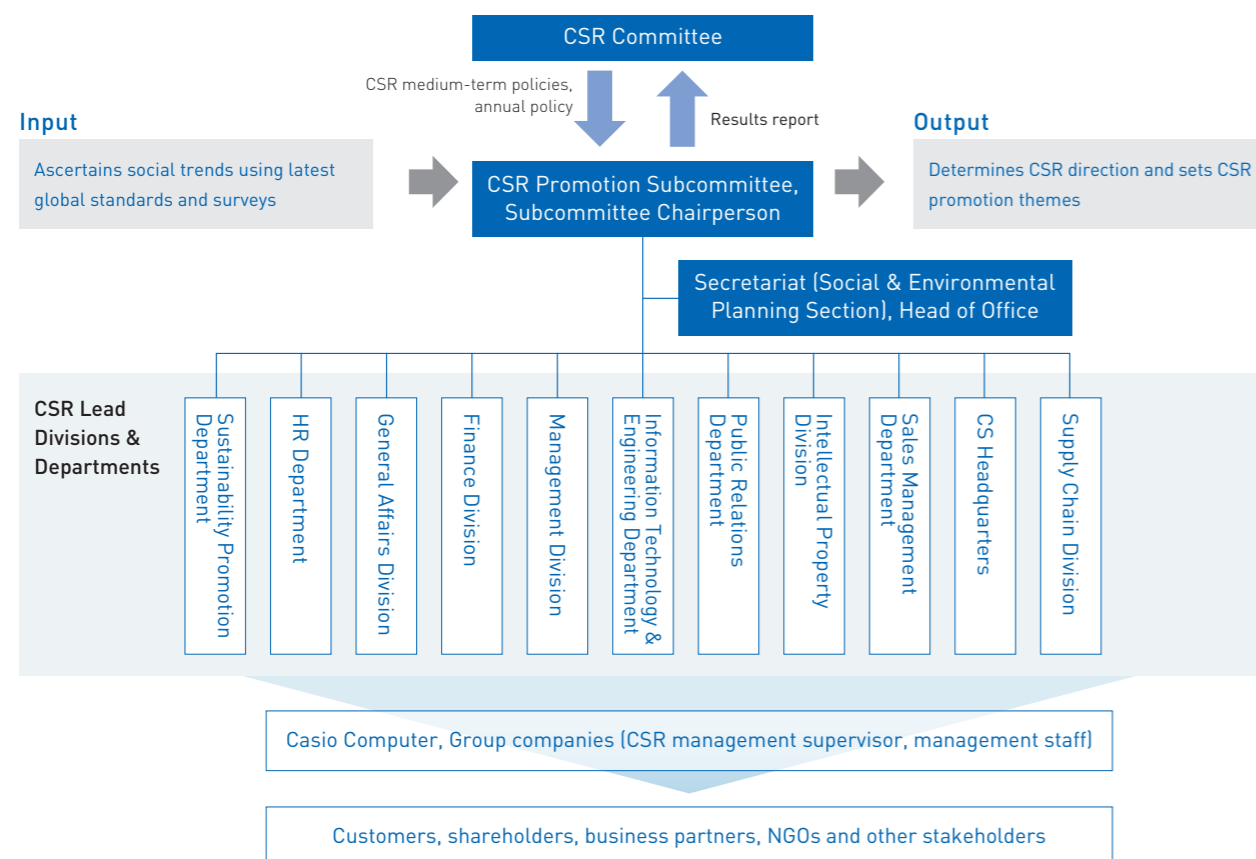
The CSR-related departments promote theme initiatives through programs formulated based on the original objectives and the plan for the year concerned. They also evaluate progress made on the initiatives at the end of the fiscal year, identify issues based on the results and achievements, and use them when planning improvements for the next fiscal year.

Casio Approach to Materiality

As a company with a global reach, it is extremely important for Casio to pursue initiatives that meet the expectations of the international community. The worldwide movement to build more sustainable societies continues to evolve, year by year. Companies today are expected to carry out strategic initiatives as part of their core business activities. Casio is no exception. Even more so, as a company known for "creating something from nothing, or go from 0 to 1," Casio must strategically implement social contribution measures that are integrated with its business activities.

Responding to these trends, Casio has specified the issues with the greatest significance (materiality) to its practice of social responsibility, in accordance with the G4 Sustainability Reporting Guidelines issued by GRI in May 2013. Going forward, the company will take action on each of the specified issues, and will apply the plan-do-check-act (PDCA) cycle to these efforts to ensure the highest level of socially responsible management.

CSR Committee / CSR Promotion Subcommittee structure



Materiality and KPI

Casio and Materiality	Approach	FY2018 Goals and KPI
Realizing a low-carbon society	Casio contributes to the international framework for achieving a low-carbon society by providing products and services that further promote CO ₂ reductions and absorption. We also work to increase the number of products and services using energy that is friendly to people and the environment, such as solar power, wind power, and hydro-power. Additionally, we are incorporating these types of renewable energy into our business activities.	Reduce overall Casio Group FY2018 CO ₂ emissions by 7.95% compared to FY2013 levels Creating a CO ₂ reduction scenario aimed at achieving our medium-and long-term goals
Realization of a resource recycling-based society	As a manufacturing company, Casio strives for the effective use, substitution, and reuse of precious natural resources such as raw materials and water. We believe it vital that we further improve resource productivity and are implementing initiatives towards this cause.	Casio Green Star product composition of 70% and higher Operating site waste product recycling rate of 92% and higher
Coexisting with nature	Casio is keenly aware of the fact that our business is made possible through the blessings of our natural environment. With this in mind, we engage in biodiversity conservation activities to help foster environmental consciousness and strive for harmony between natural cycles and our business activities.	FSC® certified paper utilization rate of 65% and higher for our domestic product catalogs. Creating a scenario for achieving medium-term goals for sustainable paper utilization rates.
CSR procurement promotion	Casio procures various materials from numerous domestic and overseas business partners. Grounded in a focus on long-term, constructive relationships, we will enhance CSR activities along our entire supply chain and enhance initiatives promoting fair transactions.	<ul style="list-style-type: none"> Plant and vendor CSR education Continued educational activities during vendor meetings Held once in China Follow-up through annual audits Continued customer requirement audits at manufacturing plants Records checks at manufacturing plants Continued on-site inspections of vendors
Providing a comfortable work environment and promoting diversity	Casio believes it is vital that we create energetic and motivating work environments that are good for the mental and physical health of our employees. With this in mind, we have established various systems and work to create a work culture that recognizes diverse workstyles. We strive for the realization of a workplace environment and are promoting diversity to ensure all employees, including women, elderly persons, persons with disabilities, and foreign citizens, to greater maximize their potential.	<ul style="list-style-type: none"> Childcare support Childcare leave utilization rate – Maintain at 90% and higher Childcare leave return rate – Maintain at 90% and higher Regular health exam follow-up action rate – 80% and higher Increase health exam notices to employees who fail to take exam Adopt health improvement rewards system that assigns points to healthy employees, employees whose health exam results have improved, and employees under observation who undergo reexaminations, and gives out health-related products based on the employee's points total Stress management Ascertain percentage of employees experiencing mental fatigue (analyze together with stress check) Conduct e-learning for new hires and executives Conduct work skill level-up training (including self-management) for young employees Conduct stress checks Ascertain rate of high stress Arrange visits with industry physician for high-stress employees and other employees requesting consultation Ascertain department-specific health risk ratios Conduct workplace analysis and provide feedback Use stress checks to implement improvements Rate of female employees: 20% and higher females who majored in sciences Implement measures that contribute to increased hiring of female engineers Mandated rate of hiring of persons with disabilities (2.2% and higher (consolidated)) Proactive hiring of persons with disabilities, achieve mandated hiring rates Amid growing diversity in the types of disabilities, implement policies that lead to higher retention rates
Respecting human rights	As a corporation citizen engaged in business on a global scale, Casio is strongly aware of the importance of human rights. We respect the basic human rights of all employees and stakeholders. Furthermore, we continue to build a framework for human rights due diligence in accordance with the Casio Group Basic Policy on Respect for Human Rights.	<ul style="list-style-type: none"> Conduct human rights issues check and provide feedback: All production-related Group companies (100%) Provide dedicated human rights training for CSR leaders: Align with CSR leader transfers, all Casio Group domestic companies (100%) Build complaint processing framework: Framework established and fully operational
Anti-corruption initiatives	Casio recognizes that bribes and corruption are acts that inhibit the development of a sustainable society. We promote the creation of local rules and manuals at all our business sites to further enhance bribery and corruption prevention responses for the entire Casio Group.	<ul style="list-style-type: none"> Corruption risk management on global scale Create, disseminate, utilize, and evaluate manual

Members of the Board, Audit & Supervisory Board Members and Full-Time Executive Officers (as of July 6, 2018)

Members of the Board



President and COO

Kazuhiro Kashio

Apr. 1991 Joined Casio Computer Co., Ltd.
Feb. 2005 Vice President of Casio Inc.
Jul. 2007 Executive Officer, in charge of Corporate Strategy
Jan. 2010 Executive Officer, Senior General Manager of Corporate Management Division
Dec. 2010 Executive Officer, Senior General Manager of Digital Imaging Division
Jun. 2011 Member of the Board, Senior General Manager of Digital Imaging Division
Apr. 2013 Member of the Board, Senior General Manager of Emerging Business Headquarters
Oct. 2013 Member of the Board, Head of Consumer and System Product, Senior General Manager of Emerging Business Headquarters
May 2014 Senior Executive Managing Officer, Senior General Manager of Business Headquarters of Consumer Product and System Solution
Jun. 2015 President and COO



Executive Vice President and Member of the Board, Senior General Manager of Global Marketing Headquarters

Hiroshi Nakamura

Apr. 2000 Joined Casio Computer Co., Ltd.
President of Casio Computer Co., GmbH Deutschland
General Manager of European Sales Administration Department
Apr. 2002 President of Casio Europe GmbH
Jun. 2007 Executive Officer, in charge of European region of Global Marketing Headquarters
Apr. 2009 Executive Officer, Senior General Manager of Global Marketing Headquarters
Jun. 2009 Managing Director and Member of the Board, Senior General Manager of Global Marketing Headquarters
May 2014 Senior Executive Managing Officer, Member of the Board, Senior General Manager, Global Marketing Headquarters
Jan. 2016 Executive Vice President, Member of the Board
Jan. 2018 Executive Vice President, Member of the Board, Senior General Manager of Corporate Management Division
Apr. 2018 Executive Vice President, Member of the Board, Senior General Manager of Global Marketing Headquarters



Senior Executive Managing Officer, Member of the Board, Senior General Manager of Product Development Headquarters, Business Unit Manager of Timepiece Business Unit, Business Strategy Headquarters

Yuichi Masuda

Apr. 1978 Joined Casio Computer Co., Ltd.
Apr. 2000 General Manager, Consumer Business Headquarters, Timepiece Products Division, 1st Product Planning Department
Jul. 2003 Senior General Manager of Timepiece Product Development Headquarters
Jun. 2006 Executive Officer, Senior General Manager of Timepiece Product Development Headquarters
Apr. 2009 Executive Officer, Senior General Manager of Timepiece Product Division
Jun. 2009 Executive Officer, Senior General Manager of Timepiece Product Division
May 2014 Senior Executive Managing Officer, Member of the Board, Senior General Manager of Timepiece Product Division
Apr. 2018 Senior Executive Managing Officer, Member of the Board, Senior General Manager of Product Development Headquarters, Business Unit Manager of Timepiece Business Unit, Business Strategy Headquarters



Executive Officer, Member of the Board, Senior General Manager, Corporate Management Division

Toshiyuki Yamagishi

Apr. 1985 Joined Casio Computer Co., Ltd.
Apr. 2009 General Manager of Business Management Department of Corporate Management Division
Dec. 2010 Executive Officer, Senior General Manager of Corporate Management Division
Jun. 2013 Member of the Board, Senior General Manager of Corporate Management Division
May 2014 Executive Officer and Member of the Board, Senior General Manager, Corporate Management Division
Jan. 2018 Executive Officer, Member of the Board, in charge of Drastic Management Reform
Apr. 2018 Executive Officer, Member of the Board, Senior General Manager, Corporate Management Division



Executive Officer, Member of the Board, Senior General Manager of Finance Division

Shin Takano

Apr. 1984 Joined Casio Computer Co., Ltd.
Nov. 2007 General Manager of Accounting Department
Jun. 2008 Accounting General Manager, Finance Division
Dec. 2009 Executive Officer, Senior General Manager of Finance Division
Jun. 2015 Executive Officer, Member of the Board, Senior General Manager of Finance Division



Outside Directors

Hirokazu Ishikawa

Apr. 1966 Joined The Mitsui Bank, Limited
Jun. 1994 Director of The Sakura Bank, Limited and General Manager, General Planning Department
Jun. 1997 Managing Director of The Sakura Bank, Limited
Apr. 2000 Deputy President of The Sakura Bank, Limited
Apr. 2001 Deputy President of Sumitomo Mitsui Banking Corporation
Jul. 2002 Chairman of Board of Directors of Mitsui Life Insurance Company Limited
Apr. 2009 Advisor of Mitsui Life Insurance Company Limited (retired in March 2014)
Apr. 2010 Professor, Faculty of Economics, Teikyo University (retired March 2013)
Jun. 2011 Member of the Board of Casio Computer Co., Ltd.



Outside Directors

Makoto Kotani

Oct. 1977 Professor, Faculty of Electrical Engineering, School of Engineering, Tokyo Denki University (through March 2008)
Apr. 1982 Chairman, Faculty of Electrical Engineering, School of Engineering, Tokyo Denki University (through March 1986)
Apr. 1987 Dean of Students, Tokyo Denki University (through March 1991)
Apr. 1991 Chairman, 2nd Faculty of Engineering, Tokyo Denki University (through March 1995)
Apr. 1995 Chairman, 1st Faculty of Engineering, Tokyo Denki University (through March 1998)
Apr. 1995 Member of the Board of Trustees of Tokyo Denki University (through March 2002)
Apr. 1998 President of Tokyo Denki University (through March 2002)
Jun. 2005 Outside Audit & Supervisory Board Member of Riken Keiki Co., Ltd.
Mar. 2007 Member of the Board of Trustees of Tokyo Denki University (through March 2013)
Apr. 2008 Professor Emeritus of Tokyo Denki University (to the present)
Jun. 2013 Outside Director, Member of the Board of Casio Computer Co., Ltd.

Audit & Supervisory Board Members



Audit & Supervisory Board Member (full-time)

Tomoyuki Uchiyama

Apr. 1980 Joined Casio Computer Co., Ltd.
Sep. 2000 Vice President, Casio Corporation of America
Apr. 2002 Vice President, Casio Inc.
Sep. 2013 Finance Division
Oct. 2013 Finance Division and Director at Yamagata Casio, Co., Ltd.



Outside Audit & Supervisory Board Member (part-time)

Kazuhiko Tozawa

Apr. 1978 Chief Inspector, Tokyo District Public Prosecutors Office
Apr. 1998 Section Chief, Public Security Intelligence Agency
Apr. 2000 Director of General Affairs, Nagoya District Public Prosecutors Office
Apr. 2002 Prosecutor, Tokyo High Public Prosecutors Office
Sep. 2008 Prosecutor, Supreme Public Prosecutors Office
Nov. 2008 Member of Information Disclosure & Personal Information Protection Review Board, Cabinet Office
Apr. 2013 Deputy Chairman, Information Disclosure & Personal Information Protection Review Board, Cabinet Office
Apr. 2014 Registered as attorney, joined Toranomon Law and Economic Office (current)
Jun. 2015 Outside Audit & Supervisory Board Member (part-time), Casio Computer Co., Ltd.



Outside Audit & Supervisory Board Member (part-time)

Michiko Chiba

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

Full-Time Executive Managing Officers

Senior Executive Managing Officer	Chairman/CEO, Casio America, Inc.	Shigenori Itoh
Senior Executive Officer	Senior General Manager of CS Headquarters	Tetsuo Kashio
Senior Executive Officer	Deputy Senior Managing Director, Domestic Sales and Marketing Division, Global Marketing Headquarters	Takashi Kashio
Senior Executive Officer	Deputy General Manager, Sales Headquarters and Senior General Manager, Overseas Sales Division of Global Marketing Headquarters	Kazuyuki Yamashita
Executive Officer	General Manager, Sustainability Promotion Department	Makoto Kobayashi
Executive Officer	New Product Development Project	Nobuyuki Mochinaga
Executive Officer	New Product Development Project	Jin Nakayama
Executive Officer	Senior General Manager, Production Headquarters	Atsushi Yazawa
Executive Officer	Business Unit Manager, System Business Unit, Business Strategy Headquarters and Senior General Manager, System Product Development Unit, Product Development Headquarters	Koji Moriya
Executive Officer	BU Manager and Dictionaries/English Conversations Business Leader, Business Strategy Headquarters and General Manager, Domestic Sales and Marketing Division, Global Marketing Headquarters	Masayuki Uehara
Executive Officer	General Manager, General Affairs Department	Nobuyuki Inada
Executive Officer	General Manager of Business & Technology Development Center	Toshiyuki Iguchi
Executive Officer	General Manager of 2.5D Printing Technology Division	Hideaki Terada
Executive Officer	Business Unit Manager, Educational Computer Business Unit, Business Strategy Headquarters	Shinji Ota
Executive Officer	Public Relations & Investor Relations	Seiji Tamura
Executive Officer	General Manager, HR Department	Tetsuro Izumi

Consolidated Eleven-Year Summary

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

	2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	Millions of Yen 2018/3
Status of gains and losses											
Net sales	623,050	518,036	427,925	341,678	301,660	297,763	321,761	338,389	352,258	321,213	314,790
Cost of sales	453,255	387,701	330,417	227,923	195,622	181,479	189,358	190,706	199,251	187,755	179,215
Selling, general and administrative expenses	117,292	113,688	113,124	93,875	89,559	88,313	97,475	103,733	104,229	96,223	98,824
Research and development expenses	14,750	12,631	13,693	7,838	7,414	7,918	8,352	7,187	6,609	6,599	7,183
Operating profit (loss)	37,753	4,016	(29,309)	12,042	9,065	20,053	26,576	36,763	42,169	30,636	29,568
Profit (loss) before income taxes	23,888	(29,048)	(29,558)	10,333	715	18,942	22,957	34,220	40,664	23,455	24,612
Profit (loss) attributable to owners of parent	12,188	(23,149)	(20,968)	5,682	2,556	11,876	15,989	26,400	31,194	18,410	19,563
Status of cash flows											
Cash flows from operating activities	71,749	23,461	5,834	13,713	10,793	9,478	40,107	30,755	32,710	27,920	34,553
Cash flows from investing activities	(36,102)	(44,708)	(14,997)	(25,529)	3,107	(13,377)	8,044	(10,668)	8,159	(3,255)	(8,311)
Cash flows from financing activities	(42,485)	38,807	18,155	22,984	(30,729)	(4,695)	(38,523)	(30,629)	(21,673)	(30,933)	(10,589)
Free cash flows	35,647	(21,247)	(9,163)	(11,816)	13,900	(3,899)	48,151	20,087	40,869	24,665	26,242
Financial position											
Net assets	231,213	184,981	168,857	153,232	149,254	163,968	185,256	204,158	202,111	196,332	206,691
Total assets	451,835	444,653	429,983	402,456	366,212	369,322	366,964	374,656	368,454	351,452	364,398
Per-share information (yen)											
Basic earnings per share	44.17	(83.62)	(75.58)	20.90	9.51	44.17	59.47	100.08	119.72	72.67	79.42
Cash dividends per share	33.00	23.00	15.00	17.00	17.00	20.00	25.00	35.00	40.00	40.00	50.00
Financial data											
Operating margin (%)	6.1	0.8	(6.8)	3.5	3.0	6.7	8.3	10.9	12.0	9.5	9.4
Return on equity (%)	5.5	(11.4)	(12.2)	3.6	1.7	7.6	9.2	13.6	15.4	9.2	9.7
Return on assets (%)	2.5	(5.2)	(4.8)	1.4	0.7	3.2	4.3	7.1	8.4	5.1	5.5
Assets turnover (times)	1.3	1.2	1.0	0.8	0.8	0.8	0.9	0.9	1.0	0.9	0.9
Inventory turnover (months)	1.5	1.6	1.8	2.4	2.8	3.6	3.0	3.5	3.5	3.3	3.3
Capital investment	13,515	16,157	10,068	6,183	6,678	7,637	5,574	5,926	6,889	5,496	7,741
Depreciation on property, plant and equipment	18,148	14,839	12,657	7,674	6,060	5,325	5,717	5,794	6,505	6,357	5,819

Operating Results

The global economy during the current consolidated fiscal year was firm overall. Japan, the United States, and Europe saw mild recovery trends on improved corporate earnings and employment environments while China and emerging markets showed signs of recovery.

Amid such an environment, the Casio Group (Casio Computer Co., Ltd. and consolidated subsidiaries) aimed for sustainable business growth by applying successful business models to drive continued improvement in highly profitable businesses such as the timepiece business and the education business, which centers on scientific calculators and electronic dictionaries. In addition to advancing initiatives related to fundamental reforms in problem segments such as digital cameras, musical instruments, and projectors, we also proactively advanced efforts to create new genres and new businesses that will become new revenue pillars and contribute to profits.

As a result of these efforts, net sales for the current consolidated fiscal year were 314.7 billion yen (down 2.0% YoY) and operating profit was 29.5 billion yen (down 3.5% YoY). Despite lower revenues and earnings for the full year, we were able to establish a starting point for the promotion of fundamental business structure reforms. This was made possible by withdrawing from the compact camera market, which has seen dramatic market contraction, and by implementing organizational reforms including the establishment of an organizational structure that will enable us to reevaluate business strategies and increase profits.

We also recorded improvements in ordinary profit, which increased by 9.5% YoY to 28.7 billion yen, profit attributable to owners of parent, which increased by 6.3% YoY to 19.5 billion yen, and earnings per share, which increased by 9.3% YoY to 79.42 yen.

Since our founding, the Casio Group has embraced the corporate philosophy of Creativity for Contribution. With the creative ingenuity to go from "0" to "1" and our advanced technology, we believe it our corporate mission to contribute to society, thereby achieving corporate growth and increasing our corporate value. We will continue to uphold a user-first perspective and unite as a Group to achieve business structure reforms and establish a stable, sustainable profit platform so that we may continue creating new products that contribute to global society.

Segment-specific Summary

■ Consumer

Timepiece Business

Net sales remained firm on the effect of marketing to promote the 35th anniversary of the G-SHOCK. The mid-priced G-STEEL performed particularly well year-round and drove growth for the entire business.

Education Business

Net sales of scientific calculators for students remained favorable thanks to new market development and initiatives to respond flexibly to changes in student classes and testing. For musical instruments, we established a base for improving profitability by implementing business structure reforms such as strengthening our in-house manufacturing structure, optimizing our product line, and developing new sound sources.

Digital Camera Business

After careful review of future growth potential amid dramatic market contraction for the compact camera market, we decided to withdraw from this business. Coincidental to this decision, we recorded extraordinary losses.

As a result, segment net sales were 268.9 billion yen (down 1.4% YoY). In terms of profit and losses, we recorded operating profit of 35.0 billion yen (down 5.8% YoY). Timepieces remained highly profitable on favorable sales of highly profitable products. Calculators secured profitability on favorable sales of scientific calculators overseas. Digital cameras resulted in increased losses on having recorded expenses incidental to our withdrawal from the compact digital camera market.

■ System

During the previous fiscal year, withdrawing from the low profitability printer business resulted in a dramatic improvement in profitability and helped us return to recording an operating profit.

Segment net sales were 38.3 billion yen (down 3.6% YoY). In terms of profit and losses, we established a stable revenue platform and recorded operating profit of 0.5 billion yen (the previous fiscal year saw operating losses of 2.2 billion yen).

■ Others

This segment reflects mold manufacturing and other unique businesses of Group companies. Net sales were 7.5 billion yen (down 12.6% YoY). In terms of profit and losses, operating profit was 0.5 billion yen (up 70.1% YoY).

Financial Position

■ Assets

Total assets as of the end of the consolidated fiscal year were 364.3 billion yen, up 12.9 billion yen year on year. Current assets increased by 10.3 billion yen year on year to 243.8 billion yen, largely due to increased cash and deposits. Non-current assets increased by 2.5 billion yen year on year to 120.5 billion yen, largely due to the acquisition of buildings and structures, and increased investment securities.

■ Assets by Segment

Consumer

Segment assets increased by 2.4 billion yen year on year to 192.5 billion yen, largely due to capital expenditures such as a dedicated timepiece factory for Casio Yamagata.

System

Segment assets decreased by 3.4 billion yen year on year to 37.3 billion yen, largely due to the impact of business structure reforms implemented during the previous fiscal year.

Others

Segment assets decreased by 1.9 billion yen year on year to 18.0 billion yen.

■ Liabilities

Total liabilities as of the end of the consolidated fiscal year were 157.7 billion yen, up 2.5 billion yen year on year. Current liabilities increased by 18.2 billion yen year on year to 93.7 billion yen, largely due to increases in income taxes payable and accrued expenses, and the transfer of amounts from long-term loans payable to the current portion of long-term loans payable. Non-current liabilities decreased by 15.6 billion yen year on year to 63.9 billion yen, largely due to the transfer of amounts from long-term loans payable to the current portion of long-term loans payable.

■ Net Assets

Net assets as of the end of the consolidated fiscal year were 206.6 billion yen, up by 10.3 billion yen year on year, largely due to an increase in retained earnings.

The Casio Group aims to significantly expand income while maintaining a secure financial position to promote medium- to long-term growth and sustainable ROE improvement. We will continue improving our corporate value by conducting business activities with due consideration to the cost of capital, and by working to optimize capital efficiency and generate free cash flow. As a result, ROE was 9.7%, up by 0.5 percentage points year on year.

Cash Flows

■ Cash Flows from Operating Activities

Cash flows from operating activities increased by 6.6 billion yen year on year to 34.5 billion yen. Major factors included profit before income taxes of 24.6 billion yen (previous FY was 23.4 billion yen), depreciation expenses of 9.3 billion yen (previous FY was 9.7 billion yen), decrease in operating capital (notes and accounts receivable-trade, inventory assets, notes and accounts payable-trade) of 5.2 billion yen (previous FY decrease was 1.8 billion yen), and 3.5 billion yen in income taxes paid (previous FY amount was 6.9 billion yen).

■ Cash Flows from Investing Activities

Cash flows from investing activities resulted in expenditures of 8.3 billion yen, up by 5.0 billion yen year on year. Major factors included expenditures of 10.4 billion yen for the acquisition of non-current assets (previous FY was 8.9 billion yen), proceeds of 0.6 billion yen from the sale of tangible non-current assets (previous FY was 3.5 billion yen), and net proceeds of 1.5 billion yen from the acquisition, sale, and redemption of marketable securities (previous FY net proceeds were 1.7 billion yen).

As a result, free cash flows increased by 1.5 billion yen year on year to 26.2 billion yen.

■ Cash Flows from Financing Activities

Cash flows from financing activities resulted in expenditures of 10.5 billion yen, a 20.3 billion decrease in expenditures compared to the previous fiscal year when we recorded 14.9 billion yen for the purchase of treasury shares. Major factors include cash dividends paid of 9.8 billion yen (previous FY was 10.8 billion yen).

As a result of the above, cash and cash equivalents at end of period were 134.5 billion yen, up 15.7 billion yen year on year. This represents sufficient capital liquidity.

Our Group's most significant capital demands are related to manufacturing expenses, including materials procurement for product manufacturing, operating capital related to SG&A and other operating expenses, and capital for capital expenditures. Furthermore, significant operating expenses include personnel expenses, R&D expenses, advertising and marketing expenses, and sales promotion expenses.

There is nothing significant to report concerning capital procurement for the current consolidated fiscal year.

Research & Development Activities

The Casio Group embraces the corporate philosophy of Creativity for Contribution. We engage aggressively in R&D activities with the goal of contributing to society through the development of creative products.

Our R&D structure is comprised of our in-house R&D Department, which is responsible for fundamental research and elemental technology development that are used to support new businesses and long-term growth, and the development departments of our operating companies and affiliates, which oversee commercial development related to existing businesses.

During the current consolidated fiscal year, R&D expenses were 7,183 million yen. As a per-segment breakdown, this includes 3,639 million yen for the consumer segment, 445 million yen for the systems segment, and 3,099 million yen for fundamental research not attributable to any specific segment.

Business Risks

Of the matters related to the Casio Group's financial position and operating performance, matters with the potential to have a serious impact on investor decisions include the following.

Furthermore, forward-looking matters indicated in this document are judgments made by this Group as of the end of the current consolidated fiscal year.

(1) Status of Japanese and global economies

Casio Group products are sold in Japan and countries around the world, and product demand is influenced by the economic conditions of each country. As the majority of Casio Group products are geared towards consumer markets, the personal spending trends of each country have a significant impact on Group business.

(2) Price fluctuations

Industries associated with the Casio Group continue to see severe competition for domestic and foreign market share among numerous companies. There is a possibility that dramatic price fluctuations in a short period of time could have a negative impact on Group performance.

(3) New products

In a situation where the Casio Group is unable to sell new popular products quickly and with regularity, or in a case where a competitor launches a product similar to a Casio Group new product based on similar timing to a Casio Group product launch, there is a possibility that the Casio Group may see a decline in the market superiority that comes with being a market pioneer or an industry-leading organization.

(4) Transactions with major clients

A change in the strategies or product specifications of a major Casio Group client, order cancellations, or schedule changes could have a negative impact on Group performance.

(5) Outsourcing

To improve production efficiency and profit margin, the Casio Group outsources certain manufacturing and assembly processes to external suppliers. As such, there is the possibility that thorough quality management may become difficult. Furthermore, problems such as violations of relevant laws or third-party intellectual property rights infringement by said suppliers could have a negative impact on Group consolidated performance and the reputation of our products.

(6) Technology development and changes in technology

Rapid or dramatic changes in the technology or market needs of the business fields in which we operate could lead to Casio Group product obsolescence that is faster than expected and cause a dramatic decline in sales.

(7) Risks related to international activities and overseas market engagement

The majority of Casio Group production and product sales takes place outside of Japan. As such, the financial position, earnings, and future outlook for the Casio Group are, to a significant degree, impacted by overseas political, economic, and legal environments. In particular, it is difficult to project unexpected regulatory changes or application of laws, and thus there is a possibility of a negative impact on Group performance.

(8) Intellectual property

In general, the Casio Group uses proprietary technology developed in-house, and we protect our technology through a combination of patents, trademarks, and other intellectual property rights. However, our Group does face the following types of risks.

- Proprietary development of similar technology by a competitor
- Rejection of a pending patent application filed by the Casio Group
- Measures taken to prevent the misuse/infringement of Casio Group intellectual property are not sufficiently effective
- Laws and regulations related to intellectual property are insufficient for protecting Casio Group intellectual property
- Future Casio Group product or technology is deemed to be an infringement of a third party's intellectual property

(9) Product defects/litigation problems

As a manufacturer and distributor of consumer products, the Casio Group conducts strict product quality management. At no point since our founding has the Casio Group been subject to a serious claim or bad reputation. However, this is no guarantee that Casio Group products will not be the subject of a product liability or safety-related claim at some point in the future.

(10) Information management risks

The Casio Group retains vast amounts of personal information and confidential information related to our business activities and development. We reinforce enhanced

information management by outlining internal regulations and through employee education but this is no guarantee against an information leak. A leak of such information could have a negative impact on Casio Group business, financial position, and performance.

(11) Partnerships, joint ventures, strategic investments

The Casio Group engages in partnerships, joint ventures, and strategic investments in Japan and various countries around the world for the purpose of promoting and developing business and to increase operational efficiency. There is the possibility that changes in the operating conditions, management policies, or business environment of a transaction partner could have a negative impact on Casio Group business, financial position, and performance.

(12) Foreign currency risks and interest risks

The Casio Group conducts business all over the world and, as such, we are subject to the influences of currency rate fluctuations. Casio Group income could be negatively impacted by fluctuations in currency rates between the Japanese yen and other currencies. The Casio Group is also subject to interest fluctuation risks. These risks have the potential to impact overall operating expenses, procurement costs, and financial assets and liabilities (particularly long-term loans).

(13) Other risks

In addition to the above, the following factors could possibly have a future impact on Group business and performance.

- Cyclicity of the IT industry
- The ability to procure instruments, raw materials, equipment, electricity, etc., when necessary at adequate costs
- Decline in value of marketable securities retained by the Casio Group
- Revisions to laws or systems, or a dramatic change in operating environment relevant to defined benefit accounting
- Fire, earthquake, or other natural disaster, operational accident, etc.
- Social unrest due to war, terrorism, infectious disease, etc.

Consolidated Balance Sheets

March 31, 2018 and 2017 Casio Computer Co., Ltd. and Consolidated Subsidiaries

Assets	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Current assets:			
Cash and deposits (Notes 3 and 5)	¥ 66,441	¥ 55,197	\$ 626,802
Securities (Notes 3, 5 and 6)	48,500	43,920	457,547
Notes and accounts receivable-trade (Note 5)	45,171	47,725	426,142
Allowance for doubtful accounts	(488)	(548)	(4,604)
Inventories (Note 4)	49,681	52,258	468,689
Deferred tax assets (Note 9)	6,293	6,155	59,368
Short-term loans receivable with resale agreement (Notes 3 and 5)	20,000	20,000	188,679
Other	8,202	8,740	77,377
Total current assets	243,800	233,447	2,300,000
Property, plant and equipment:			
Land	33,543	34,090	316,443
Buildings and structures	60,558	58,239	571,302
Machinery, equipment and vehicles	15,046	14,218	141,943
Tools, furniture and fixtures	34,027	35,285	321,010
Leased assets (Note 12)	2,365	3,022	22,311
Construction in progress	246	308	2,321
	145,785	145,162	1,375,330
Accumulated depreciation	(87,753)	(88,371)	(827,858)
Net property, plant and equipment	58,032	56,791	547,472
Investments and other assets:			
Shares of associates (Note 13)	2,706	2,701	25,528
Investment securities (Notes 5 and 6)	34,323	32,452	323,802
Net defined benefit asset (Note 10)	13,000	13,122	122,642
Deferred tax assets (Note 9)	2,816	3,227	26,566
Other	9,790	9,779	92,358
Allowance for doubtful accounts	(69)	(67)	(651)
Total investments and other assets	62,566	61,214	590,245
Total assets (Note 13)	¥364,398	¥351,452	\$3,437,717

See accompanying notes.

Liabilities and Net Assets	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Current liabilities:			
Short-term loans payable (Note 8)	¥ 205	¥ 155	\$ 1,934
Current portion of long-term loans payable (Notes 5 and 8)	16,500	2,000	155,660
Notes and accounts payable-trade (Note 5)	30,752	31,751	290,113
Accounts payable-other (Note 5)	19,444	19,079	183,434
Accrued expenses	13,310	12,357	125,566
Income taxes payable (Notes 5 and 9)	3,810	2,593	35,943
Provision for business structure improvement	1,356	631	12,793
Other	8,360	6,929	78,868
Total current liabilities	93,737	75,495	884,311
Non-current liabilities:			
Bonds and long-term loans payable (Notes 5 and 8)	56,513	71,023	533,141
Net defined benefit liability (Note 10)	322	491	3,038
Deferred tax liabilities (Note 9)	1,544	1,628	14,566
Provision for business structure improvement	1,239	784	11,689
Other	4,352	5,699	41,057
Total non-current liabilities	63,970	79,625	603,491
Total liabilities	157,707	155,120	1,487,802
Contingent liabilities (Note 14)			
Net assets (Note 11):			
Shareholders' equity:			
Capital stock:			
Authorized —471,693,000 shares			
Issued —259,020,914 shares	48,592	48,592	458,415
Capital surplus	65,058	65,058	613,755
Retained earnings	101,938	92,228	961,679
Treasury shares	(19,949)	(19,942)	(188,198)
Total shareholders' equity	195,639	185,936	1,845,651
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	10,885	9,138	102,689
Foreign currency translation adjustment	(3,326)	(3,573)	(31,378)
Remeasurements of defined benefit plans (Note 10)	3,493	4,831	32,953
Total accumulated other comprehensive income	11,052	10,396	104,264
Total net assets	206,691	196,332	1,949,915
Total liabilities and net assets	¥364,398	¥351,452	\$3,437,717

Consolidated Statements of Income

Years ended March 31, 2018 and 2017 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Net sales (Note 13)	¥314,790	¥321,213	\$2,969,717
Costs and expenses (Note 13):			
Cost of sales	179,215	187,755	1,690,708
Selling, general and administrative expenses	98,824	96,223	932,302
Research and development expenses	7,183	6,599	67,764
	285,222	290,577	2,690,774
Operating profit (Note 13)	29,568	30,636	278,943
Other income (expenses):			
Interest and dividend income	1,058	920	9,981
Interest expenses	(284)	(407)	(2,679)
Foreign exchange losses	(1,171)	(4,869)	(11,047)
Gain on sales of non-current assets	90	909	849
Loss on retirement of non-current assets	(55)	(114)	(519)
Gain (loss) on sales of investment securities (Note 6)	519	426	4,896
Business structure improvement expenses (Notes 13, 15 and 16)	(4,668)	(4,469)	(44,037)
Impairment loss (Notes 13 and 15)	-	(19)	-
Settlement package	(254)	-	(2,396)
Other, net	(191)	442	(1,802)
	(4,956)	(7,181)	(46,754)
Profit before income taxes	24,612	23,455	232,189
Income taxes (Note 9):			
Current	5,174	4,450	48,811
Deferred	(125)	595	(1,179)
	5,049	5,045	47,632
Profit	19,563	18,410	184,557
Profit attributable to owners of parent	¥ 19,563	¥ 18,410	\$ 184,557

	Yen		U.S. Dollars (Note 1)
	2018	2017	2018
Amounts per share of common shares:			
Basic earnings	¥79.42	¥72.67	\$0.75
Diluted earnings	77.86	71.28	0.73
Cash dividends applicable to the year	50.00	40.00	0.47

See accompanying notes.

Consolidated Statements of Comprehensive Income

Years ended March 31, 2018 and 2017 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Profit	¥19,563	¥18,410	\$184,557
Other comprehensive income:			
Valuation difference on available-for-sale securities	1,747	1,357	16,481
Foreign currency translation adjustment	247	(1,729)	2,330
Remeasurements of defined benefit plans	(1,338)	2,057	(12,623)
Share of other comprehensive income of entities accounted for using equity method	0	(0)	0
Total other comprehensive income	656	1,685	6,188
Comprehensive income	20,219	20,095	190,745
Comprehensive income attributable to:			
Owners of parent	20,219	20,095	190,745
Non-controlling interests	-	-	-

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Reclassification Adjustments and Tax Effects for Other Comprehensive Income			
Valuation difference on available-for-sale securities:			
Increase (decrease) during period	¥3,037	¥2,308	\$28,651
Reclassification adjustments	(519)	(353)	(4,896)
Amount before income tax effect	2,518	1,955	23,755
Income tax effect	(771)	(598)	(7,274)
Total	1,747	1,357	16,481
Foreign currency translation adjustment:			
Increase (decrease) during period	247	(1,729)	2,330
Remeasurements of defined benefit plans:			
Increase (decrease) during the period	(998)	3,393	(9,415)
Reclassification adjustments	(912)	(385)	(8,604)
Amount before income tax effect	(1,910)	3,008	(18,019)
Income tax effect	572	(951)	5,396
Total	(1,338)	2,057	(12,623)
Share of other comprehensive income of entities accounted for using equity method:			
Increase (decrease) during period	0	(0)	0
Total other comprehensive income	¥ 656	¥1,685	\$ 6,188

See accompanying notes.

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2018 and 2017 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	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total net assets
Balance at April 1, 2016	269,020,914	¥48,592	¥65,058	¥100,041	¥(20,291)	¥ 7,781	¥(1,844)	¥2,774	¥202,111
Dividends of surplus	-	-	-	(10,894)	-	-	-	-	(10,894)
Profit attributable to owners of parent	-	-	-	18,410	-	-	-	-	18,410
Purchase of treasury shares	-	-	-	-	(14,980)	-	-	-	(14,980)
Disposal of treasury shares	-	-	0	-	0	-	-	-	0
Retirement of treasury shares	(10,000,000)	-	(0)	(15,329)	15,329	-	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-	1,357	(1,729)	2,057	1,685
Balance at April 1, 2017	259,020,914	¥48,592	¥65,058	¥ 92,228	¥(19,942)	¥ 9,138	¥(3,573)	¥4,831	¥196,332
Dividends of surplus	-	-	-	(9,853)	-	-	-	-	(9,853)
Profit attributable to owners of parent	-	-	-	19,563	-	-	-	-	19,563
Purchase of treasury shares	-	-	-	-	(7)	-	-	-	(7)
Disposal of treasury shares	-	-	0	-	0	-	-	-	0
Retirement of treasury shares	-	-	-	-	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-	1,747	247	(1,338)	656
Balance at March 31, 2018	259,020,914	¥48,592	¥65,058	¥101,938	¥(19,949)	¥10,885	¥(3,326)	¥3,493	¥206,691

	Thousands of U.S. Dollars (Note 1)								
	Number of common shares	Capital stock	Capital surplus	Retained earnings	Treasury shares	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total net assets
Balance at April 1, 2017		\$458,415	\$613,755	\$870,075	\$(188,132)	\$ 86,208	\$(33,708)	\$45,576	\$1,852,189
Dividends of surplus		-	-	(92,953)	-	-	-	-	(92,953)
Profit attributable to owners of parent		-	-	184,557	-	-	-	-	184,557
Purchase of treasury shares		-	-	-	(66)	-	-	-	(66)
Disposal of treasury shares		-	0	-	0	-	-	-	0
Retirement of treasury shares		-	-	-	-	-	-	-	-
Net changes of items other than shareholders' equity		-	-	-	-	16,481	2,330	(12,623)	6,188
Balance at March 31, 2018		\$458,415	\$613,755	\$961,679	\$(188,198)	\$102,689	\$(31,378)	\$32,953	\$1,949,915

(Note): The retirement of treasury shares above is subject to the approval of the board of directors' meeting.

See accompanying notes.

Consolidated Statements of Cash Flows

Years ended March 31, 2018 and 2017 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Cash flows from operating activities			
Profit before income taxes	¥ 24,612	¥ 23,455	\$ 232,189
Depreciation	9,394	9,741	88,623
Impairment loss	-	19	-
Loss (gain) on sales and retirement of non-current assets	(35)	(795)	(330)
Loss (gain) on sales of investment securities	(519)	(426)	(4,896)
Increase (decrease) in net defined benefit liability	(173)	(828)	(1,632)
Interest and dividend income	(1,058)	(920)	(9,981)
Interest expenses	284	407	2,679
Foreign exchange losses (gains)	62	1,309	585
Share of (profit) loss of entities accounted for using equity method	(9)	(15)	(85)
Loss (gain) on transfer of business	-	(500)	-
Decrease (increase) in notes and accounts receivable-trade	2,866	164	27,038
Decrease (increase) in inventories	3,113	4,157	29,368
Increase (decrease) in notes and accounts payable-trade	(734)	(2,456)	(6,925)
Decrease/increase in consumption taxes receivable/payable	(331)	1,156	(3,123)
Other, net	(84)	(82)	(793)
Subtotal	37,388	34,386	352,717
Interest and dividend income received	1,042	897	9,830
Interest expenses paid	(285)	(412)	(2,688)
Income taxes paid	(3,592)	(6,951)	(33,887)
Net cash provided by (used in) operating activities	34,553	27,920	325,972
Cash flows from investing activities			
Payments into time deposits	(1,436)	(1,438)	(13,547)
Proceeds from withdrawal of time deposits	1,423	1,439	13,424
Purchase of property, plant and equipment	(6,297)	(4,815)	(59,406)
Proceeds from sales of property, plant and equipment	624	3,564	5,887
Purchase of intangible assets	(4,182)	(4,148)	(39,453)
Purchase of investment securities	(12)	(23)	(113)
Proceeds from sales and redemption of investment securities	1,569	1,816	14,802
Purchase of shares of subsidiaries and associates	-	(180)	-
Proceeds from transfer of business	-	500	-
Other, net	(0)	30	(0)
Net cash provided by (used in) investing activities	(8,311)	(3,255)	(78,406)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	50	(105)	472
Proceeds from long-term loans payable	2,000	21,500	18,868
Repayments of long-term loans payable	(2,000)	(25,500)	(18,868)
Purchase of treasury shares	(8)	(14,980)	(75)
Proceeds from sales of treasury shares	0	0	0
Repayments of finance lease obligations	(778)	(954)	(7,340)
Cash dividends paid	(9,853)	(10,894)	(92,953)
Net cash provided by (used in) financing activities	(10,589)	(30,933)	(99,896)
Effect of exchange rate change on cash and cash equivalents	146	(3,034)	1,377
Net increase (decrease) in cash and cash equivalents	15,799	(9,302)	149,047
Cash and cash equivalents at beginning of period (Note 3)	118,755	128,057	1,120,330
Cash and cash equivalents at end of period (Note 3)	¥134,554	¥118,755	\$1,269,377

See accompanying notes.

Notes to Consolidated Financial Statements

Years ended March 31, 2018 and 2017 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, 2018, which was ¥106 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 non-controlling interests of the subsidiary are determined using the financial statements of the subsidiary.

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

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

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

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

Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount sufficient to cover probable losses on the collection of receivables.

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

Inventories

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

Property, plant and equipment, except leased assets

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

Software, except leased assets

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

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

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

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

Leased assets

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

Leased assets are divided into the two principal categories of property, plant and equipment and intangible assets included in Other under Investments and other assets. The former consists primarily of facilities (machinery and equipment, tools, furniture and fixtures) 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 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 a part of its consolidated subsidiaries in Japan also provide a defined contribution plan. On April 1, 2012, the Company and certain consolidated subsidiaries transferred part of the defined benefit plan to the defined contribution plan. In addition, the Company has established an employee retirement benefit trust.

The liabilities and expenses for retirement benefits are determined based on the amounts actuarially calculated using certain assumptions. The liability and expenses for the 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 profit before income taxes included in the statements of income of each company of the Group. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

Appropriations of retained earnings

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

Amounts per share of common shares

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

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

Reclassifications

Certain reclassifications have been made in the 2017 consolidated financial statements to conform to the 2018 presentation.

Accounting standards and guidance issued but not yet adopted

The following new standard and guidance have been issued but are not effective for the fiscal year ended March 31, 2018 and have not been adopted early.

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 30, 2018)

"Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 30, 2018)

(1) Overview

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

Step 1: Identify contract(s) with customers.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

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

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

(2) Effective date

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

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

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

3. Cash and Cash Equivalents

(1) Cash and cash equivalents at March 31, 2018 and 2017

	2018	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Cash and deposits	¥ 66,441	¥ 55,197	\$ 626,802
Time deposits over three months	(387)	(362)	(3,651)
Debt securities within three months to maturity	48,500	43,920	457,547
Short-term loans receivable with resale agreement	20,000	20,000	188,679
Cash and cash equivalents	¥ 134,554	¥118,755	\$1,269,377

(2) Significant non-cash transactions

1) Assets and obligations relating to finance lease transactions

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Assets relating to finance lease transactions	¥436	¥723	\$4,113
Obligations relating to finance lease transactions	473	779	4,462

2) Retirement of treasury shares

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Retirement of treasury shares	¥-	¥15,329	\$-

4. Inventories

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Finished goods	¥36,450	¥38,352	\$343,868
Work in process	5,582	5,606	52,660
Raw materials and supplies	7,649	8,300	72,161
Total	¥49,681	¥52,258	\$468,689

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.

Short-term loans receivable with resale agreement are highly secure short-term loans to financial institutions ranking above a certain level, and are of no substantial credit risk.

Operating payables comprising notes and accounts payable-trade, accounts payable-other and income taxes payable have a due date of within one year.

Operating payables, loans payable, and bonds with share acquisition rights 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 debts and credits 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 the case where there is no market price, by making a reasonable estimation. Because the preconditions applied include a floating element, estimation of fair value may vary. The contract amounts, as presented in Note 7 "Derivative Transactions," do not reflect market risk.

(2) Fair values of financial instruments

The following table summarizes book value and fair value of the financial instruments, and the difference between them as of March 31, 2018 and 2017. Items for which fair value is difficult to estimate are not included in the following table (see [Note] 2 on P. 61).

For 2018	Millions of Yen		
	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 66,441	¥ 66,441	¥ -
[2] Notes and accounts receivable-trade	45,171	45,171	-
[3] Securities and investment securities			
a. Held-to-maturity debt securities	26,000	26,000	-
b. Available-for-sale securities	56,767	56,767	-
[4] Short-term loans receivable with resale agreement	20,000	20,000	-
Total assets	¥214,379	¥214,379	¥ -
Liabilities			
[1] Notes and accounts payable-trade	¥ 30,752	¥ 30,752	¥ -
[2] Accounts payable-other	19,444	19,444	-
[3] Income taxes payable	3,810	3,810	-
[4] Bonds with share acquisition rights	10,013	10,199	186
[5] Long-term loans payable	63,000	63,051	51
Total liabilities	¥127,019	¥127,256	¥237
Derivative transactions *	¥ (113)	¥ (113)	¥ -

For 2018	Thousands of U.S. Dollars (Note 1)		
	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	\$ 626,802	\$ 626,802	\$ -
[2] Notes and accounts receivable-trade	426,142	426,142	-
[3] Securities and investment securities			
a. Held-to-maturity debt securities	245,283	245,283	-
b. Available-for-sale securities	535,538	535,538	-
[4] Short-term loans receivable with resale agreement	188,679	188,679	-
Total assets	\$2,022,444	\$2,022,444	\$ -
Liabilities			
[1] Notes and accounts payable-trade	\$ 290,113	\$ 290,113	\$ -
[2] Accounts payable-other	183,434	183,434	-
[3] Income taxes payable	35,943	35,943	-
[4] Bonds with share acquisition rights	94,462	96,217	1,755
[5] Long-term loans payable	594,339	594,821	482
Total liabilities	\$1,198,291	\$1,200,528	\$2,237
Derivative transactions *	\$ (1,066)	\$ (1,066)	\$ -

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

For 2017	Millions of Yen		
	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 55,197	¥ 55,197	¥ -
[2] Notes and accounts receivable-trade	47,725	47,725	-
[3] Securities and investment securities			
a. Held-to-maturity debt securities	23,920	23,920	-
b. Available-for-sale securities	52,396	52,396	-
[4] Short-term loans receivable with resale agreement	20,000	20,000	-
Total assets	¥199,238	¥199,238	¥ -
Liabilities			
[1] Notes and accounts payable-trade	¥ 31,751	¥ 31,751	¥ -
[2] Accounts payable-other	19,079	19,079	-
[3] Income taxes payable	2,593	2,593	-
[4] Bonds with share acquisition rights	10,023	10,420	397
[5] Long-term loans payable	63,000	63,013	13
Total liabilities	¥126,446	¥126,856	¥410
Derivative transactions *	¥ 182	¥ 182	¥ -

* 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, [4] Short-term loans receivable with resale agreement

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 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 purpose.

Liabilities

[1] Notes and accounts payable-trade, [2] Accounts payable-other, [3] Income taxes payable

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

[4] Bonds with share acquisition rights

The fair value of bonds with share acquisition rights is the price quoted by the correspondent financial institution.

[5] Long-term loans payable

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

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

Long-term loans payable include current portion of long-term loans payable.

Derivative transactions

See Note 7 "Derivative Transactions."

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

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
	Book value	Book value	Book value
Unlisted shares	¥2,762	¥2,757	\$26,056

The market price of the above shares is not available, therefore the fair value is difficult to estimate. Hence, they are not included in "[3] Securities and investment securities" on P. 45-46.

In the fiscal years ended March 31, 2018 and 2017, there were no unlisted shares declared as an impairment loss.

(Note) 3: Monetary claims and securities and investment securities with repayment due dates after March 31, 2018

and 2017:

For 2018	Millions of Yen			
	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 66,441	¥-	¥-	¥-
Notes and accounts receivable-trade	45,171	-	-	-
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	-	-	-	-
(2) Corporate bonds	-	-	-	-
(3) Others	26,000	-	-	-
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	-	-	-	-
b. Corporate bonds	10,000	-	-	-
c. Other	-	-	-	-
(2) Other	12,500	-	-	-
Short-term loans receivable with resale agreement	20,000	-	-	-
Total	¥180,112	¥-	¥-	¥-

For 2018	Thousands of U.S. dollars (Note 1)			
	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	\$ 626,802	\$-	\$-	\$-
Notes and accounts receivable-trade	426,142	-	-	-
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	-	-	-	-
(2) Corporate bonds	-	-	-	-
(3) Others	245,283	-	-	-
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	-	-	-	-
b. Corporate bonds	94,340	-	-	-
c. Other	-	-	-	-
(2) Other	117,924	-	-	-
Short-term loans receivable with resale agreement	188,679	-	-	-
Total	\$1,699,170	\$-	\$-	\$-

For 2017	Millions of Yen			
	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 55,197	¥-	¥-	¥-
Notes and accounts receivable-trade	47,725	-	-	-
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	-	-	-	-
(2) Corporate bonds	-	-	-	-
(3) Other	23,920	-	-	-
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	-	-	-	-
b. Corporate bonds	10,000	-	-	-
c. Other	-	-	-	-
(2) Other	10,000	-	-	-
Short-term loans receivable with resale agreement	20,000	-	-	-
Total	¥166,842	¥-	¥-	¥-

(Note) 4: Bonds with share acquisition rights and long-term loans payable with due dates after March 31, 2018 and 2017

For 2018	Millions of Yen					
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with share acquisition rights	¥ -	¥10,000	¥ -	¥-	¥-	¥ -
Long-term loans payable	16,500	-	25,000	-	-	21,500
Total	¥16,500	¥10,000	¥25,000	¥-	¥-	¥21,500

For 2018	Thousands of Dollars (Note 1)					
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with share acquisition rights	\$ -	\$94,340	\$ -	\$-	\$-	\$ -
Long-term loans payable	155,660	-	235,849	-	-	202,830
Total	\$155,660	\$94,340	\$235,849	\$-	\$-	\$202,830

For 2017	Millions of Yen					
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with share acquisition rights	¥ -	¥ -	¥10,000	¥ -	¥-	¥ -
Long-term loans payable	2,000	16,500	-	23,000	-	21,500
Total	¥2,000	¥16,500	¥10,000	¥23,000	¥-	¥21,500

6. Securities and Investment Securities

(1) Held-to-maturity debt securities

	Millions of Yen		
	2018		
	Book value	Fair value	Difference
Securities with fair values exceeding book values	¥26,000	¥26,000	¥-
Securities other than the above	-	-	-
Total	¥26,000	¥26,000	¥-

	Thousands of U.S. Dollars (Note 1)		
	2018		
	Book value	Fair value	Difference
Securities with fair values exceeding book values	\$245,283	\$245,283	\$-
Securities other than the above	-	-	-
Total	\$245,283	\$245,283	\$-

	Millions of Yen		
	2017		
	Book value	Fair value	Difference
Securities with fair values exceeding book values	¥23,920	¥23,920	¥-
Securities other than the above	-	-	-
Total	¥23,920	¥23,920	¥-

(2) Available-for-sale securities

Securities with book values exceeding acquisition costs:

	Millions of Yen		
	2018		
	Book value	Acquisition cost	Difference
Equity securities	¥29,260	¥13,558	¥15,702
Debt securities	10,000	10,000	-
Other	12,500	12,500	-
Total	¥51,760	¥36,058	¥15,702

	Thousands of U.S. Dollars (Note 1)		
	2018		
	Book value	Acquisition cost	Difference
Equity securities	\$276,038	\$127,906	\$148,132
Debt securities	94,340	94,340	-
Other	117,924	117,924	-
Total	\$488,302	\$340,170	\$148,132

	Millions of Yen		
	2017		
	Book value	Acquisition cost	Difference
Equity securities	¥26,842	¥13,653	¥13,189
Debt securities	10,000	10,000	-
Other	10,000	10,000	-
Total	¥46,842	¥33,653	¥13,189

Securities other than the above:

	Millions of Yen		
	2018		
	Book value	Acquisition cost	Difference
Equity securities	¥ -	¥ -	¥ -
Debt securities	-	-	-
Other	5,007	5,020	(13)
Total	¥5,007	¥5,020	¥(13)

	Thousands of U.S. Dollars (Note 1)		
	2018		
	Book value	Acquisition cost	Difference
Equity securities	\$ -	\$ -	\$ -
Debt securities	-	-	-
Other	47,236	47,358	(122)
Total	\$47,236	\$47,358	\$(122)

	Millions of Yen		
	2017		
	Book value	Acquisition cost	Difference
Equity securities	¥ 538	¥ 545	¥ (7)
Debt securities	-	-	-
Other	5,016	5,027	(11)
Total	¥5,554	¥5,572	¥(18)

[Notes]: 1. Acquisition cost is presented based on book values after posting of impairment loss.

2. The market price of unlisted shares is not available, therefore the fair value is difficult to estimate. Hence, the amounts of unlisted shares, which are ¥2,762 million (\$26,057 thousand) and ¥2,757 million on the consolidated balance sheets as of March 31, 2018 and 2017, respectively, are not included in available-for-sale securities above.

(3) Available-for-sale securities sold for the years ended March 31, 2018 and 2017

	Millions of Yen		
	2018		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥1,173	¥519	¥-
Debt securities	-	-	-
Other	-	-	-
Total	¥1,173	¥519	¥-

	Thousands of U.S. Dollars (Note 1)		
	2018		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities	\$11,066	\$4,896	\$-
Debt securities	-	-	-
Other	-	-	-
Total	\$11,066	\$4,896	\$-

	Millions of Yen		
	2017		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥1,800	¥426	¥-
Debt securities	-	-	-
Other	-	-	-
Total	¥1,800	¥426	¥-

(4) Securities and investment securities impaired

No impairment of securities and investment securities was recorded for the years ended March 31, 2018 and 2017.

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

7. Derivative Transactions

Derivative transactions not subject to hedge accounting

(1) Currency-related derivatives

	Millions of Yen			
	2018			
	Contract amount		Fair value	Realized gain (loss)
Total	Due after one year			
Forward contracts:				
To sell:				
Euros	¥2,383	¥-	¥(113)	¥(113)
Chinese yuan	-	-	-	-
Total	¥2,383	¥-	¥(113)	¥(113)

	Thousands of U.S. Dollars (Note 1)			
	2018			
	Contract amount		Fair value	Realized gain (loss)
Total	Due after one year			
Forward contracts:				
To sell:				
Euros	\$22,481	\$-	\$(1,066)	\$(1,066)
Chinese yuan	-	-	-	-
Total	\$22,481	\$-	\$(1,066)	\$(1,066)

	Millions of Yen			
	2017			
	Contract amount		Fair value	Realized gain (loss)
Total	Due after one year			
Forward contracts:				
To sell:				
Euros	¥16,222	¥-	¥133	¥133
Chinese yuan	3,590	-	49	49
Total	¥19,812	¥-	¥182	¥182

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

(2) Interest rate-related derivatives

Not applicable at March 31, 2018 and 2017.

Derivative transactions subject to hedge accounting

(1) Currency-related derivatives

Not applicable at March 31, 2018 and 2017.

(2) Interest rate-related derivatives

Hedge accounting method	Type	Main hedged item	Millions of Yen		
			2018		Fair value
			Contract amount		
Total	Due after one year				
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥2,000	¥2,000	(Note) 2
Total			¥2,000	¥2,000	¥-

Hedge accounting method	Type	Main hedged item	Thousands of U.S. Dollars (Note 1)		
			2018		Fair value
			Contract amount		
Total	Due after one year				
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	\$18,868	\$18,868	(Note) 2
Total			\$18,868	\$18,868	\$-

Hedge accounting method	Type	Main hedged item	Millions of Yen		
			2017		Fair value
			Contract amount		
Total	Due after one year				
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥2,000	¥2,000	(Note) 2
Total			¥2,000	¥2,000	¥-

(Notes): 1. Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.
2. Since interest rate swaps that are subject to special treatment are accounted for with long-term 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 Obligation

Short-term loans payable, bonds and long-term loans payable and lease obligation at March 31, 2018 and 2017:

	Average interest rates (%)**	Millions of Yen		Thousands of U.S. Dollars (Note 1)
		2018	2017	2018
Euro-yen convertible bond-type bonds with share acquisition rights due in 2019*	-	¥10,013	¥10,023	\$ 94,462
Short-term loans payable	0.0	205	155	1,934
Long-term loans payable due within one year	0.6	16,500	2,000	155,660
Lease obligations due within one year	3.2	594	733	5,604
Long-term loans payable due over one year	0.2	46,500	61,000	438,679
Lease obligations due over one year	3.2	1,115	1,291	10,519
Other	-	-	-	-
Total	-	¥74,927	¥75,202	\$706,858

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

Type of shares involved	common shares
Price of warrants	gratis
Share issue price	¥2,051.8 (\$19.36)
Total issue amount	¥10,050 million (\$94,811 thousand)
Total value of new shares issued upon exercise of warrants	-
Warrant-linked	100%
Period of exercise of warrants	August 6, 2014 to July 9, 2019

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

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

The conversion price of the euro-yen convertible bond-type bonds with share acquisition rights due in 2019 was adjusted to ¥2,051.8 (\$19.36) from ¥2,055.7 retroactive to April 1, 2016 pursuant to the terms and conditions of the bonds due to the payment of a year-end dividend of ¥22.5 per share and an annual dividend of ¥40.00 per share. The General Meeting of Shareholders held on June 29, 2016 approved the payment of these dividends.

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

The annual maturities of bonds and long-term loans payable within five years:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2019	¥16,500	\$155,660
2020	10,000	94,340
2021	25,000	235,849
2022	-	-
2023	-	-

The annual maturities of lease obligations within five years:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2019	¥594	\$5,604
2020	460	4,340
2021	325	3,066
2022	162	1,528
2023	63	594

The lines of credit with the main financial institutions agreed as of March 31, 2018 and 2017:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Line of credit	¥56,900	¥57,000	\$536,792
Unused	56,900	57,000	536,792

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, 2018 and 2017.

	2018	2017
Statutory tax rate	30.9%	30.9%
Increase (reduction) in tax resulting from:		
Difference in statutory tax rate (including overseas subsidiaries)	(3.0)	(3.4)
Valuation allowance	(10.4)	(2.9)
Retained earnings of overseas subsidiaries	(1.4)	(3.3)
Foreign tax	1.4	2.6
Other	3.0	(2.4)
Actual income tax rate	20.5%	21.5%

(2) Significant components of deferred tax assets and liabilities as of March 31, 2018 and 2017:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)	
	2018	2017	2018
Deferred tax assets:			
Net operating loss carryforwards	¥ 8,965	¥ 11,111	\$ 84,575
Inventories	1,932	1,689	18,226
Accrued expenses (bonuses to employees)	1,544	1,566	14,566
Property, plant and equipment	1,012	1,168	9,547
Other	4,928	5,182	46,491
Gross deferred tax assets	18,381	20,716	173,405
Valuation allowance	(2,932)	(5,482)	(27,660)
Total deferred tax assets	15,449	15,234	145,745
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(4,808)	(4,039)	(45,358)
Retained earnings of overseas subsidiaries	(1,665)	(2,013)	(15,708)
Unrealized holding gain	(1,287)	(1,287)	(12,141)
Other	(124)	(141)	(1,170)
Total deferred tax liabilities	(7,884)	(7,480)	(74,377)
Net deferred tax assets	¥ 7,565	¥ 7,754	\$ 71,368

10. Retirement Benefits

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

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

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Projected benefit obligation at beginning of period	¥52,395	¥53,239	\$494,293
Service cost	1,595	1,704	15,047
Interest cost	562	571	5,302
Actuarial differences accrued	(359)	(563)	(3,387)
Benefits paid	(2,499)	(2,535)	(23,575)
Decrease due to the change from the principle method to the simplified method	(1,412)	-	(13,321)
Other	(244)	(21)	(2,302)
Projected benefit obligation at end of period	¥50,038	¥52,395	\$472,057

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

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Pension plan assets at beginning of period	¥64,489	¥60,843	\$608,387
Expected return on pension plan assets	2,097	2,016	19,783
Actuarial differences accrued	(1,393)	2,768	(13,142)
Contributions paid by the employer	1,145	1,191	10,802
Benefits paid	(2,310)	(2,322)	(21,792)
Decrease due to the change from the principle method to the simplified method	(1,511)	-	(14,255)
Other	(246)	(7)	(2,321)
Pension plan assets at end of period	¥62,271	¥64,489	\$587,462

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

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Net defined benefit liability at beginning of period	¥(537)	¥(171)	\$(5,066)
Retirement benefit expenses	392	(199)	3,698
Benefits paid	(13)	(10)	(123)
Contributions paid by the employer	(195)	(150)	(1,839)
Increase due to the change from the principle method to the simplified method	(99)	-	(934)
Other	7	(7)	66
Net defined benefit liability at end of period	¥(445)	¥(537)	\$(4,198)

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)
	2018	2017	2018
Funded projected benefit obligation	¥ 55,416	¥ 56,433	\$ 522,792
Pension plan assets	(68,409)	(69,299)	(645,368)
Unfunded projected benefit obligation	(12,993)	(12,866)	(122,576)
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	315	235	2,972
Net defined benefit liability	(12,678)	(12,631)	(119,604)
Net defined benefit asset	322	491	3,038
Net defined benefit asset	(13,000)	(13,122)	(122,642)
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	¥(12,678)	¥(12,631)	\$(119,604)

(Note): Including plans applying the simplified method.

5) Retirement benefit expenses

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Service cost	¥1,595	¥1,704	\$15,047
Interest cost	562	571	5,302
Expected return on pension plan assets	(2,097)	(2,016)	(19,783)
Amortization of actuarial differences	2,236	1,461	21,094
Amortization of prior service costs	(3,148)	(1,846)	(29,698)
Other	653	608	6,161
Retirement benefit expenses	¥ (199)	¥ 482	\$ (1,877)

(Note): Premium retirement benefit expenses paid one time are included in Other.

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

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Actuarial differences	¥ 1,238	¥ 4,854	\$ 11,679
Prior service costs	(3,148)	(1,846)	(29,698)
Total	¥(1,910)	¥ 3,008	\$(18,019)

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

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Unrecognized actuarial differences	¥ 1,543	¥ 2,781	\$ 14,557
Unrecognized prior service costs	(6,594)	(9,742)	(62,208)
Total	¥(5,051)	¥(6,961)	\$(47,651)

8) Pension plan assets

(i) Pension plan assets comprise:

	2018	2017
Equity securities	17%	15%
Debt securities	2%	2%
General account	23%	23%
Cash and deposits	53%	55%
Other	5%	5%
Total	100%	100%

(Note): The employee retirement benefit trust set up for corporate pension plans represents 16% and 15% of total pension assets, as of March 31, 2018 and 2017, respectively.

(ii) Long-term expected rate of return

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

9) Actuarial assumptions

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

	2018	2017
Discount rate	mainly 0.8%	mainly 0.8%
Long-term expected rate of return	mainly 3.0%	mainly 3.0%

(2) Defined Contribution Plan

At March 31, 2018 and 2017, the required contributions to the defined contribution plans of the Company and its consolidated subsidiaries were ¥993 million (\$9,368 thousand) and ¥954 million, respectively.

11. Net Assets

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

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

Legal capital surplus and legal retained earnings may not be distributed as dividends. However, all legal capital surplus and all legal retained earnings may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

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

12. Lease Transactions

(1) Finance lease transactions which do not transfer the ownership of the leased property to the lessee, and that were concluded prior to the year that began on April 1, 2008 for which the new accounting standards were applied

The assumed outstanding future lease payments as of March 31, 2018 and 2017:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Future lease payments:			
Due within one year	¥12	¥13	\$113
Due over one year	8	20	76
Total	¥20	¥33	\$189

Total lease expenses, total assumed depreciation cost and total assumed interest cost as lessee for the years ended March 31, 2018 and 2017:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Total lease expenses	¥14	¥14	\$132
Total assumed depreciation cost	10	10	94
Total assumed interest cost	1	2	9

Assumed acquisition cost, accumulated depreciation and net book value of the leased assets under the finance lease contracts as lessee as of March 31, 2018 and 2017:

	Millions of Yen		
	2018		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥155	¥139	¥16
Total	¥155	¥139	¥16

	Thousands of U.S. Dollars (Note 1)		
	2018		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	\$1,462	\$1,311	\$151
Total	\$1,462	\$1,311	\$151

	Millions of Yen		
	2017		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥155	¥129	¥26
Total	¥155	¥129	¥26

(Notes) 1. In calculating assumed depreciation cost, the leased assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and residual value is zero.

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

(2) Finance leases

See Note 2 on P. 42

(3) Operating leases

Outstanding future noncancelable lease payments as of March 31, 2018 and 2017:

	Millions of Yen		Thousands of U.S.Dollars (Note 1)
	2018	2017	2018
Future lease payments:			
Due within one year	¥169	¥174	\$1,594
Due over one year	557	723	5,255
Total	¥726	¥897	\$6,849

13. Segment Information

(1) Overview of reportable segments

The Group's reportable segments consist of the Group's constituent units for which separate financial information is available and which are subject to periodic examination in order for the board of directors to determine the allocation of management resources and evaluate financial results.

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

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

Consumer	Watches, Clocks, Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, Digital cameras, etc.
System Equipment	Handheld terminals, Electronic cash registers, Office computers, 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. 40-43. Intersegment profits are based on the market price.

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

For 2018	Reportable segments				Adjustments*	Millions of Yen
	Consumer	System Equipment	Others	Total		Amounts on consolidated financial statements**
Net sales:						
External customers	¥268,905	¥38,302	¥ 7,583	¥314,790	¥ -	¥314,790
Intersegment	1	20	6,733	6,754	(6,754)	-
Total	268,906	38,322	14,316	321,544	(6,754)	314,790
Segment profit	35,028	583	570	36,181	(6,613)	29,568
Segment assets	192,596	37,320	18,008	247,924	116,474	364,398
Other:						
Depreciation	7,209	1,563	378	9,150	244	9,394
Amortization of goodwill	81	11	-	92	-	92
Investment to entities accounted for using equity method	-	-	2,706	2,706	-	2,706
Increase in property, plant and equipment and intangible assets	9,438	1,817	328	11,583	392	11,975

Thousands of U.S. Dollars (Note 1)

For 2018	Reportable segments				Adjustments*	Amounts on consolidated financial statements**
	Consumer	System Equipment	Others	Total		
Net sales:						
External customers	\$2,536,840	\$361,339	\$ 71,538	\$2,969,717	\$ -	\$2,969,717
Intersegment	9	189	63,519	63,717	(63,717)	-
Total	2,536,849	361,528	135,057	3,033,434	(63,717)	2,969,717
Segment profit	330,453	5,500	5,377	341,330	(62,387)	278,943
Segment assets	1,816,943	352,076	169,887	2,338,906	1,098,811	3,437,717
Other:						
Depreciation	68,010	14,745	3,566	86,321	2,302	88,623
Amortization of goodwill	764	104	-	868	-	868
Investment to entities accounted for using equity method	-	-	25,528	25,528	-	25,528
Increase in property, plant and equipment and intangible assets	89,038	17,142	3,094	109,274	3,698	112,972

For 2017	Reportable segments				Adjustments*	Millions of Yen
	Consumer	System Equipment	Others	Total		Amounts on consolidated financial statements**
Net sales:						
External customers	¥272,804	¥39,734	¥ 8,675	¥321,213	¥ -	¥321,213
Intersegment	1	29	6,888	6,918	(6,918)	-
Total	272,805	39,763	15,563	328,131	(6,918)	321,213
Segment profit (loss)	37,194	(2,224)	335	35,305	(4,669)	30,636
Segment assets	190,178	40,744	19,985	250,907	100,545	351,452
Other:						
Depreciation	7,044	1,957	421	9,422	319	9,741
Amortization of goodwill	28	11	-	39	-	39
Investment to entities accounted for using equity method	-	-	2,701	2,701	-	2,701
Increase in property, plant and equipment and intangible assets	7,561	2,208	174	9,943	177	10,120

* Adjustments are as shown below:

- (1) Downward adjustments to segment profit (loss) for the years ended March 31, 2018 and 2017 are ¥6,613 million (\$62,387 thousand) and ¥4,669 million, respectively. These amounts include corporate expenses that are not allocated to any reportable segments of ¥6,613 million (\$62,387 thousand) and ¥4,669 million, respectively. Corporate expenses principally consist of administrative expenses of the parent company and R&D expenses for fundamental research, which are not attributable to any reportable segments.
- (2) Adjustments to segment assets for the years ended March 31, 2018 and 2017 are ¥116,474 million (\$1,098,811 thousand) and ¥100,545 million, respectively. These amounts include corporate assets that are not allocated to any reportable segments of ¥116,550 million (\$1,099,528 thousand) and ¥101,134 million, respectively.
- (3) Adjustments to depreciation for the years ended March 31, 2018 and 2017 are ¥244 million (\$2,302 thousand) and ¥319 million, respectively. These amounts consist of depreciation of assets related to administrative divisions that are not attributable to any reportable segments.
- (4) Adjustments to the increase in property, plant and equipment and intangible assets for the years ended March 31, 2018 and 2017 are ¥392 million (\$3,698 thousand) and ¥177 million, respectively. These amounts consist of capital expenditures in administrative divisions that are not attributable to any reportable segments.

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

(4) Information about geographic areas

Millions of Yen						
For 2018	Japan	North America	Europe	Asia	Others	Total
Net sales	¥100,360	¥39,326	¥53,774	¥87,124	¥34,206	¥314,790

Thousands of U.S. Dollars (Note 1)						
For 2018	Japan	North America	Europe	Asia	Others	Total
Net sales	\$946,792	\$371,000	\$507,302	\$821,925	\$322,698	\$2,969,717

Millions of Yen						
For 2017	Japan	North America	Europe	Asia	Others	Total
Net sales	¥107,067	¥41,049	¥48,989	¥87,348	¥36,760	¥321,213

(Notes): 1. Sales are classified by country or region where customers are located.
2. Net sales of North America include ¥33,638 million (\$317,340 thousand) in 2018 and ¥36,001 million in 2017 in the US, while those of Asia include ¥35,369 million (\$333,670 thousand) in 2018 and ¥31,775 million in 2017 in China.

Millions of Yen						
For 2018	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	¥49,670	¥1,072	¥466	¥6,722	¥102	¥58,032

Thousands of U.S. Dollars (Note 1)						
For 2018	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	\$468,585	\$10,113	\$4,396	\$63,415	\$963	\$547,472

Millions of Yen						
For 2017	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	¥48,845	¥1,030	¥443	¥6,382	¥91	¥56,791

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

Millions of Yen					
For 2018	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment loss	¥485	¥-	¥-	¥-	¥485

Thousands of U.S. Dollars (Note 1)					
For 2018	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment loss	\$4,575	\$-	\$-	\$-	\$4,575

(Note): The above impairment loss is included in the amount indicated as "Business structure improvement expenses".

Millions of Yen					
For 2017	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment loss	¥-	¥1,003	¥-	¥19	¥1,022

(Note): The above impairment loss includes the impairment loss amount indicated as "Business structure improvement expenses."

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

Millions of Yen					
For 2018	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	¥251	¥23	¥-	¥-	¥274

Thousands of U.S. Dollars (Note 1)					
For 2018	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	\$2,368	\$217	\$-	\$-	\$2,585

Millions of Yen					
For 2017	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	¥376	¥34	¥-	¥-	¥410

(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, 2018 and 2017, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥422 million (\$3,981 thousand) and ¥730 million, respectively.

15. Impairment Loss

For 2018

The Group recognized impairment loss.

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, software, etc.	Higashine City, Yamagata 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.

The Group has applied impairment accounting to business assets whose values are deemed to have significantly declined due to a deteriorating business environment. Book value of these assets has been reduced to recoverable amounts and the reduced amounts of ¥485 million (\$4,575 thousand) are recognized as "Business structure improvement expenses."

The breakdown of the losses is: ¥237 million (\$2,236 thousand) for tools, furniture and fixtures, ¥173 million (\$1,632 thousand) for software, and ¥75 million (\$707 thousand) for others.

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

For 2017

The Group recognized impairment loss.

Use	Type of assets	Location
Business assets	Machinery, equipment and vehicles, tools, furniture and fixtures, leased assets, software, etc.	Iruma City, Saitama Pref. and others
Idle assets	Land	Fussa City, Tokyo

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, while idle assets are managed on an individual basis.

The Group has applied impairment accounting to business assets and idle assets whose values are deemed to have significantly declined due to a deteriorating business environment and review of optimal use in the future, respectively. Book value of these assets has been reduced to recoverable amounts and the reduced amount of ¥1,022 million is recognized as "Business structure improvement expenses" and "Impairment loss."

The breakdown of the losses is: ¥153 million for machinery, equipment and vehicles, ¥144 million for tools, furniture and fixtures, ¥19 million for land, ¥157 million for leased assets, ¥545 million for software, and ¥4 million for others.

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

16. Business structure improvement expenses

For 2018

These expenses include loss on abandonment of assets, impairment loss of non-current assets and other related expenses related to Digital Camera business structural reforms.

For 2017

These expenses include loss on abandonment of assets, impairment loss of non-current assets, retirement-related expenses and other related expenses related to System Equipment business structural reforms.

17. Subsequent Events

Appropriation of retained earnings

At the annual shareholders' meeting held on June 28, 2018, the Company's shareholders approved the payment of a cash dividend of ¥30.00 (\$0.28) per share aggregating ¥7,390 million (\$69,717 thousand) to registered shareholders as of March 31, 2018.

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, 2018 and 2017, 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 misstatement, 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, 2018 and 2017, 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, 2018 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

September 28, 2018
Tokyo, Japan

Company Data

Company Name:	Casio Computer Co., Ltd.	President and CEO:	Kazuhiro Kashio
Main Office Address:	6-2, Hon-machi 1-chome, Shibuya-ku, Tokyo 151-8543, Japan	Paid in Capital:	48,592 million yen
Established:	June 1, 1957	Employees:	12,298 (consolidated*)

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

Business Offices

Hachioji R&D Center	Hachioji, Tokyo
Hamura R&D Center	Hamura, Tokyo

Domestic Subsidiaries

Casio Information Systems Co., Ltd.	Chiyoda, Tokyo
Casio Business Services Co., Ltd.	Hamura, Tokyo
Casio Communication Brains Inc.	Shibuya, Tokyo
Casio Estate Co., Ltd.	Shibuya, Tokyo
Casio Marketing Advance Co., Ltd.	Chiyoda, Tokyo
CXD Next Co., Ltd.	Shibuya, Tokyo
Casio Human Systems Co., Ltd.	Shibuya, Tokyo
ripple inc.	Shibuya, Tokyo

Overseas Subsidiaries

Casio America, Inc.	New Jersey, U.S.A.
Casio Canada Ltd.	Ontario, Canada
Casio Holdings, Inc.	New Jersey, U.S.A.
Casio Mexico Marketing, S. de R.L.de C.V.	Mexico City, Mexico
Casio Europe GmbH	Norderstedt, Germany
Casio Electronics Co. Ltd.	London, England
Casio France S.A.	Massy, France
Casio Espana, S.L.	Barcelona, Spain
Casio Benelux B.V.	Amstelveen, Netherlands
Casio Scandinavia AS	Bergen, Norway
Limited Liability Company Casio	Moscow, Russia
Casio Italia S.r.l.	Milano, Italy
Casio Computer (Hong Kong) Ltd.	Kowloon, Hong Kong
Casio Electronics (Shenzhen) Co., Ltd.	Shenzhen, Guangdong Province, China
Casio Technologies Limited Company Guangzhou	Guangzhou, Guangdong Province, China
Casio Software Limited Company Shanghai	Shanghai, China
Casio (China) Co., Ltd.	Shanghai, China
Casio (Guangzhou) Co., Ltd.	Guangzhou, Guangdong Province, China
Casio Electron Technology (Zhongshan) Co., Ltd.	Zhongshan, Guangdong Province, China
Casio Timepiece (Dongguan) Co., Ltd.	Dongguan, Guangdong Province, China
Casio Electronics (Shaoguan) Co., Ltd.	Shaoguan, Guangdong Province, China
Casio Singapore Pte., Ltd.	Singapore
Casio (Thailand) Co., Ltd.	Nakhonratchasima, Thailand
Casio India Co., Pvt. Ltd.	New Delhi, India
Casio Taiwan Co., Ltd.	Taipei, Taiwan
Casio Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia
Casio Marketing (Thailand) Co., Ltd.	Bangkok, Thailand
Casio Brasil Comercio de Produtos Eletronicos Ltda.	Sao Paulo, Brasil
Casio Latin America S.A.	Montevideo, Uruguay
Casio Middle East FZE	Dubai, United Arab Emirates
Other	5 companies

Stock Information: As of March 31, 2018

Stock Exchange Listings	Tokyo
Number of Shares Authorized	471,693,000 shares
Number of Shares Issued	259,020,914 shares
Number of Shareholders	44,094 shareholders

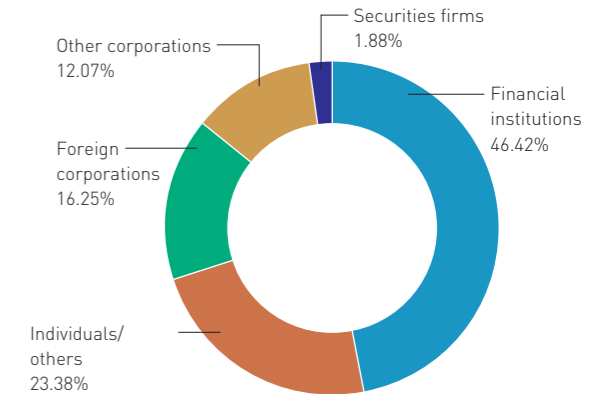
Status of Major Shareholders

Shareholders	Shares held (1,000 shares)	Ownership ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	26,272	10.67
Japan Trustee Services Bank, Ltd. (trust account)	17,838	7.24
Nippon Life Insurance Company	12,985	5.27
Casio Bros Corp.	10,000	4.06
Japan Trustee Services Bank, Ltd. (SMBC Trust Bank Co., Ltd. / SMBC retirement benefit trust account)	7,000	2.84
SMBC Trust Bank Ltd. (SMBC retirement benefit trust account)	6,365	2.58
Sumitomo Mitsui Banking Corporation	5,937	2.41
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,097	1.66
STATE STREET BANK WEST CLIENT - TREATY 505234	3,560	1.45
Trust & Custody Services Bank, Ltd. (securities investment trust account)	3,503	1.42

(Notes)

- Casio retains 12,697,260 shares in treasury equity, which is excluded from the above list of major shareholders. Furthermore, this number of shares represents the number of shares indicated in the shareholder registry. The actual number of retained shares is 12,696,260.
- Ownership ratio is calculated excluding the treasury shares (12,697,260 shares).
- Sumitomo Mitsui Banking Corporation holds the right to direct the exercising of voting rights for the 6,365,000 shares held by SMBC Trust Bank Ltd. (SMBC retirement benefit trust account).
- On April 1, 2018, The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its business name to MUFG Bank, Ltd.

Breakdown of Ownership



Transitions in Stock Price

