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## To Our Stakeholders



Kazuo Kashio,  
President & CEO

In fiscal 2012, the outlook for the Japanese and global economies remained extremely uncertain, mainly attributable to the impact of the Great East Japan Earthquake, the global economic slowdown caused by the European debt crisis, the yen remaining at historically highs, and the effects of flooding in Thailand.

In this environment, consolidated net sales for fiscal 2012 declined 11.7% year-on-year to ¥301.6 billion. By segment, sales stood at ¥215.3 billion in the Consumer segment, down 14.6% year-on-year. Sales in the System Equipment segment stood at ¥43.1 billion, down 7.3% year-on-year. The Others segment recorded sales of ¥43.2 billion, up 0.3% year-on-year.

In the timepiece business, brands such as G-SHOCK and EDIFICE continued to perform well in overseas markets, primarily China and North America, as a result of the strengthening of the global brand strategy, and sales increased. Moreover, Casio expanded the lineup of watches for women in brands such as Baby-G and SHEEN, and sales rose, mainly in overseas markets. In the electronic dictionary business, due to the continued strong sales of the EX-word series, mainly for the student model, Casio continued to hold the overwhelming No. 1 share of the Japanese market.

In income for fiscal 2012, the Consumer segment posted ¥14.6 billion in operating income, and an operating profit margin of 6.8%, as a result of sustained high profitability in the timepiece and electronic dictionary businesses. The System Equipment segment recorded a ¥2.3 billion operating loss due to the stagnation in corporate demand, while the Others segment posted ¥0.2 billion in operating income. As a result, Casio posted ¥9.0 billion in consolidated operating income, allowing for adjustment. Casio recorded ¥6.9 billion in ordinary income and ¥2.5 billion in net income for the fiscal year.

In fiscal 2013, Casio will actively develop global markets for products which make the most of the company's original technology, as it seeks to significantly improve business performance despite the unpredictable, difficult environment. The main strategies for achieving this are as below.

(a) In the timepiece business, Casio will strengthen its global brand strategy and seek to further expand the business and maintain high profitability. It will expand the lineup of watches, run proactive promotional campaigns, and build a high value-added business focusing primarily on six brands: G-SHOCK, Baby-G, EDIFICE, OCEANUS, PROTREK, and SHEEN.

- (b) In the electronic dictionary business, Casio will launch a model for elementary school students and seek to maintain its No. 1 share and high profitability in the Japanese market. Moreover, in efforts to expand, Casio will pursue increased sales in overseas markets such as China.
- (c) Casio will aim to increase overseas sales, including in newly emerging nations, by strengthening its overseas sales structures.
- (d) Casio will seek to research and launch new businesses in wrist device, digital painting (3D), and digital signage.

Even though a continued adverse business environment is expected, we will fortify our earning capacity in core businesses and seek stable and sustained growth through new business expansion.

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Kazuo Kashio, *President & CEO*

