Management's Discussion and Analysis

Operating Results

Consolidated net sales for the years ended March 31, 2013 and 2012:

	Millions of Yen	
	2013	2012
Consumer	**¥227,861**	¥215,327
System Equipment	**41,778**	43,103
Others	**28,124**	43,230
Total	**¥297,763**	¥301,660

Consolidated net sales for the year ended March 31, 2013 were ¥297,763 million, a decrease of 1.3% from the previous year. Consolidated operating income came to ¥20,053 million, an increase of 121.2% compared to the previous year, and ¥11,876 million was posted in net income, which was an increase of 364.6%.

In the Consumer segment, sales were ¥227,861 million, an increase of 5.8% from the previous year. In the timepiece business, brands such as G-SHOCK and PRO TREK continued to perform well, primarily in overseas markets such as North America and Asia, driven by a stronger global brand strategy, and timepiece sales increased overall. Casio also launched G-SHOCK watches capable of connecting to smartphones with Bluetooth® and developed a new market. Casio also expanded the line-up of watches for women in brands such as Baby-G and SHEEN, and they continued to sell well. In the electronic dictionary business, sales of the EX-word series remained strong, mainly for the student model, and Casio continued to hold the overwhelming No.1 share of the Japanese market. In income, the Consumer segment posted ¥26,554 million in operating income, an increase of 81.3% compared to the previous year and an operating profit margin of 11.7%, as a result of sustained high profitability in the timepiece and electronic dictionary businesses.

In the System Equipment segment, sales were ¥41,778 million, a decrease of 3.1% from the previous year and operating loss back to ¥702 million as a result of improvement of profitability (an operating loss of ¥2,350 million in the previous year).

In the Others segment, sales were ¥28,124 million, a decrease of 34.9% from the previous year and an operating loss was ¥293 million (an operating profit of ¥299 million in the previous year).

Financial Condition

Total assets at the end of March 2013 rose ¥3,110 million year-on-year to ¥369,322 million. Current assets increased by ¥5,697 million to ¥249,719 million, partly as a result of increases in securities. Noncurrent assets declined by ¥2,587 million to ¥119,603 million, largely as a result of a decrease in deferred tax assets.

Total liabilities decreased by ¥11,604 million year-on-year to ¥205,354 million. Current liabilities rose ¥23,717 million to ¥115,302 million and noncurrent liabilities declined by ¥35,321 million to ¥90,052 million, due primarily to transfer of the noncurrent portion of bonds and long-term loans payable to the current portion of bonds and long-term loans payable.

Net assets at year-end rose ¥14,714 million to ¥163,968 million due mainly to an increase of retained earnings.

Cash Flow Analysis

Cash and cash equivalents at year-end came to ¥97,350 million, a decrease of ¥3,360 million.

Net cash provided by operating activities amounted to ¥9,478 million, a decrease of ¥1,315 million from the previous year, even though the income before income taxes increased. This was mainly due to a decrease in provision for retirement benefits and increase in working capital.

Net cash used in investing activities amounted to ¥13,377 million, an increase of ¥16,484 million from a net cash inflow of ¥3,107 in the previous year. This was partly attributable to increase in net cash outflow of purchase, sales and redemption of investment securities.

Net cash used in financing activities amounted to ¥4,695 million, a decrease of ¥26,034 million from the previous year, when net cash inflow of proceeds and repayment of short-term and long-term loans payable was ¥18,658 million while net cash outflow due to issuance and redemption of bonds was ¥44,057 million.

Capital Investment

Capital investment came to ¥7,637 million. By segment, capital investment came to ¥5,815 million in the Consumer segment, ¥1,330 million in the System Equipment segment, and ¥305 million in the Others segment.

Research & Development

R&D expenses came to ¥7,918 million. By segment, R&D expenses were ¥3,465 million in the Consumer segment, ¥1,181 million in the System Equipment segment, and ¥26 million in the Others segment.

Business Risks

The management performance, financial position and share price of the Company are subject to the following risks. We have prepared a list of items that might have an impact on the forecasts included in this report as of the consolidated reporting period ended March 2013.

1) Japan's economy and the global economy

The Group's products are sold in Japan and in markets around the world, and demand is thus subject to the economic trends of each country. Given that the majority of our products are marketed to consumers, the Group is especially affected by trends in consumer spending.

2) Downward pressure on product prices

In the industries in which the Group is active, competition is intensifying as many companies make aggressive efforts to increase their shares in Japan and in overseas markets. There is the possibility that a rapid decline in product prices will have a negative impact on the Group's business performance.

3) New products

In the event that the Group is unable to speedily bring to market popular new products at a steady pace, or in the event that competitors release products similar to those being launched by the Group, especially in the case where the launch of competing products coincides, there is a possibility that the Group may see an erosion of the competitive advantage achieved as part of the first-mover advantage enjoyed by the pioneer of a new product.

4) Transactions with major customers

Any changes in strategy or product specifications made by major customers, and any cancellation of orders, or changes in their schedule, could have a negative impact on the earnings performance of the Group.

5) Outsourcing

With the aim of improving the Group's production efficiency and the operating income margin, we have outsourced a substantial portion of our manufacturing and assembly work to outside service suppliers. There is a risk, however, that quality control will become difficult to enforce. Moreover, problems may arise concerning violations of laws, regulations, and intellectual property rights of third parties, by the outside supplier. Such occurrences could have a negative impact on the Group's earnings performance, and might possibly hurt the product's reputation.

6) Technology development and changes in technologies

In those business areas in which the Group is active, the pace of technological development is quite rapid and the swift pace at which the market's needs evolve brings with it the risk that the Group's products may be rendered obsolete more quickly than expected. This, in turn, would cause an unexpected sudden sharp decline in sales.

7) Risks associated with international developments and overseas operations

The majority of the Group's production and sales activities take place in locations outside Japan. Consequently, overseas political and economic developments and revisions of laws and legislation may have a significant impact on the Group's financial position. In particular, the amendment of laws or the enactment of new laws in foreign countries is difficult to predict, and such developments might have a negative impact on the Group's earnings performance.

8) Intellectual property

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

- Competitors might develop the same technologies as the Group's own proprietary technologies
- Denial of approval for a pending patent submitted by a Group member
- Ineffectiveness of measures aimed at preventing the misuse or violation of intellectual property rights held by a Group member
- Legislation relating to intellectual property might not provide adequate protection for the Group's intellectual property
- The Group's future products and technologies might constitute a violation of another company's intellectual property rights

9) Defective products and lawsuits

As a manufacturer and marketer of consumer products, we ensure strict quality control for our products. To date, we have never been subject to a damaging claim and have never had our reputation endangered. Even so, it is impossible to ensure that claims regarding product liability and product safety will not be brought against Group members in the future.

10) Risks related to information management

The Group maintains personal information and confidential business information relating to the promotion and development of its business operations. There are in-house rules governing the use of this information, and each Group company raises awareness of the need for strict control of such information in its employee training program. However, there is always the possibility that information may be leaked, and such a leak of information might have a negative impact on the Group's business, financial position and earnings performance.

11) Alliances, mergers and strategic investments

The Group may engage in alliances and mergers, or undertake strategic investments, in Japan or overseas to expand its business operations or raise the efficiency of management. Changes in the business partner's management environment, business strategies, or operating environment might have a negative impact on the Group's business, financial position and earnings performance.

12) Risks arising from fluctuations in foreign exchange rates and interest rates

The Group maintains operations in numerous countries around the world. Consequently, the Group is substantially affected by exchange rate fluctuations. The Group's gross profit might be negatively affected as a result of movements in foreign currencies against the yen. Moreover, the Group is exposed to risks associated with interest rate changes. These risks could have an impact on overall operating costs, procurement costs, value of monetary assets and liabilities (particularly long-term liabilities).

13) Other risks

The following other factors might have an impact on the Group's business operations in the future.

- Cyclical trends in the IT sector
- Uncertainties as to whether the required equipment, raw materials, facilities, and electricity can be procured at an appropriate price
- A decline in the value of securities held by the Group
- Revisions to laws and regulations regarding the accounting standards for retirement benefits and rapid changes in pension fund operations
- Damage caused by fires, earthquakes and other natural disasters, as well as other accidents that disrupt operations
- Social unrest caused by wars, terrorist attacks, and epidemics

Consolidated Five-Year Summary

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

Millions of Yen

	2013	2012	2011	2010	2009
For the year:					
Net sales	**¥297,763**	¥301,660	¥341,678	¥427,925	¥518,036
Cost of sales	**181,479**	195,622	227,923	330,417	387,701
Selling, general and administrative expenses	**88,313**	89,559	93,875	113,124	113,688
Research and development expenses	**7,918**	7,414	7,838	13,693	12,631
Operating income (loss)	**20,053**	9,065	12,042	(29,309)	4,016
Net income (loss)	**11,876**	2,556	5,682	(20,968)	(23,149)
Comprehensive income	**19,544**	594	1,742	—	—
Capital investment	**7,637**	6,678	6,183	10,068	16,157
Depreciation	**5,325**	6,060	7,674	12,657	14,839
At year-end:					
Current assets	**249,719**	244,022	269,150	275,450	278,199
Current liabilities	**115,302**	91,585	117,886	153,115	169,601
Working capital	**134,417**	152,437	151,264	122,335	108,598
Net assets	**163,968**	149,254	153,232	168,857	184,981
Total assets	**369,322**	366,212	402,456	429,983	444,653
Amounts per share of common stock (in yen):					
Net income (loss)	**44.17**	9.51	20.90	(75.58)	(83.62)
Diluted net income*	**44.15**	8.68	19.10	—	—
Cash dividends applicable to the year	**20.00**	17.00	17.00	15.00	23.00
Performance indicators:					
Return on equity (%)	**7.6**	1.7	3.6	(12.2)	(11.4)
Return on assets (%)	**3.2**	0.7	1.4	(4.8)	(5.2)
Equity ratio (%)	**44.4**	40.7	38.0	37.3	41.2
Interest coverage (times)	**17.4**	10.3	15.9	(32.9)	7.5
Assets turnover (times)	**0.8**	0.8	0.8	1.0	1.2
Inventory turnover (months)	**3.6**	2.8	2.4	1.8	1.6
Other:					
Number of employees	**11,276**	11,663	11,522	12,247	12,358

* A description of diluted EPS (net income per share) for the years ended March 31, 2010 and 2009 is omitted as the Company posted a net loss for the reporting years.

Consolidated Balance Sheets

March 31, 2013 and 2012 Casio Computer Co., Ltd. and Consolidated Subsidiaries

Assets	Millions of Yen 2013	Millions of Yen 2012	Thousands of U.S. Dollars (Note 1) 2013
Current assets:			
Cash and deposits (Notes 3 and 5)	¥ 56,029	¥ 53,128	$ 596,053
Securities (Notes 3, 5 and 6)	57,139	49,861	607,862
Notes and accounts receivable:			
Trade (Note 5)	50,490	57,923	537,128
Allowance for doubtful accounts	(585)	(545)	(6,223)
Inventories (Note 4)	54,115	45,589	575,691
Deferred tax assets (Note 9)	8,002	8,598	85,128
Short-term loans receivable with resale agreement (Note 3)	15,490	19,430	164,787
Other	9,039	10,038	96,159
Total current assets	249,719	244,022	2,656,585
Property, plant and equipment:			
Land	37,206	37,487	395,808
Buildings and structures	61,692	59,562	656,298
Machinery, equipment and vehicles	12,403	11,438	131,947
Tools, furniture and fixtures	32,702	33,660	347,894
Lease assets	2,729	2,340	29,032
Construction in progress	1,001	888	10,649
	147,733	145,375	1,571,628
Accumulated depreciation	(83,352)	(82,966)	(886,724)
Net property, plant and equipment	64,381	62,409	684,904
Investments and other assets:			
Stocks of affiliates	2,345	2,258	24,947
Investment securities (Notes 5 and 6)	28,056	30,892	298,468
Deferred tax assets (Note 9)	13,791	18,030	146,713
Other	11,073	8,618	117,798
Allowance for doubtful accounts	(43)	(17)	(458)
Total investments and other assets	55,222	59,781	587,468
	¥369,322	¥366,212	$3,928,957

Liabilities and Net Assets	Millions of Yen 2013	Millions of Yen 2012	Thousands of U.S. Dollars (Note 1) 2013
Current liabilities:			
Short-term loans payable (Notes 5 and 8)	¥ 4,400	¥ 3,817	$ 46,809
Current portion of bonds and long-term loans payable (Note 8)	35,000	—	372,340
Notes and accounts payable:			
Trade (Note 5)	35,709	49,682	379,883
Other	18,777	17,764	199,755
Accrued expenses	12,849	12,048	136,692
Income taxes payable (Note 9)	2,321	1,914	24,691
Other	6,246	6,360	66,447
Total current liabilities	115,302	91,585	1,226,617
Noncurrent liabilities:			
Bonds and long-term loans payable (Notes 5 and 8)	74,428	108,417	791,787
Provision for retirement benefits (Note 10)	2,700	11,295	28,723
Provision for directors' retirement benefits	1,878	1,842	19,979
Deferred tax liabilities (Note 9)	1,665	1,651	17,713
Other	9,381	2,168	99,798
Total noncurrent liabilities	90,052	125,373	958,000
Commitments and contingent liabilities (Note 14)			
Net assets (Note 11):			
Shareholders' equity			
Capital stock:			
Authorized — 471,693,000 shares			
Issued — 279,020,914 shares	48,592	48,592	516,936
Capital surplus	65,703	65,703	698,968
Retained earnings	62,523	55,218	665,138
Treasury stock	(8,592)	(8,590)	(91,404)
Total shareholders' equity	168,226	160,923	1,789,638
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	3,624	490	38,553
Deferred gains or losses on hedges	(143)	(238)	(1,521)
Foreign currency translation adjustment	(7,825)	(12,170)	(83,245)
Total accumulated other comprehensive income	(4,344)	(11,918)	(46,213)
Minority interests	86	249	915
Total net assets	163,968	149,254	1,744,340
	¥369,322	¥366,212	$3,928,957

See accompanying notes.

Consolidated Income Statements and Consolidated Statements of Comprehensive Income

Years ended March 31, 2013 and 2012 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
Consolidated Income Statements	**2013**	2012	**2013**
Net sales (Note 13)	**¥297,763**	¥301,660	**$3,167,691**
Costs and expenses (Note 13)**:**			
Cost of sales	**181,479**	195,622	**1,930,627**
Selling, general and administrative expenses	**88,313**	89,559	**939,500**
Research and development expenses	**7,918**	7,414	**84,234**
	277,710	292,595	**2,954,361**
Operating income (Note 13)	**20,053**	9,065	**213,330**
Other income (expenses):			
Interest and dividends income	**975**	1,227	**10,372**
Interest expenses	**(1,210)**	(1,002)	**(12,872)**
Equity in losses of affiliates	**—**	(2,158)	**—**
Foreign exchange gains	**—**	141	**—**
Loss on retirement of noncurrent assets	**(295)**	(141)	**(3,138)**
Gain (loss) on valuation and sales of investment securities	**(733)**	133	**(7,798)**
Impairment loss (Notes 13 and 15)	**(647)**	(515)	**(6,883)**
Loss on disaster (Note 15)*	**—**	(157)	**—**
Insurance income	**518**	—	**5,511**
Gain on revision of retirement benefit plan (Note 2)	**385**	—	**4,096**
Loss on transfer of business	**—**	(1,640)	**—**
Loss on liquidation of subsidiaries and affiliates (Note 15)**	**—**	(2,673)	**—**
Other, net	**(104)**	(1,565)	**(1,107)**
	(1,111)	(8,350)	**(11,819)**
Income before income taxes and minority interests	**18,942**	715	**201,511**
Income taxes (Note 9)**:**			
Current	**3,746**	3,616	**39,851**
Deferred	**3,225**	(5,605)	**34,309**
	6,971	(1,989)	**74,160**
Income before minority interests	**11,971**	2,704	**127,351**
Minority interests in income	**95**	148	**1,011**
Net income	**¥ 11,876**	¥ 2,556	**$ 126,340**

	Yen		U.S. Dollars (Note 1)
Amounts per share of common stock:			
Net income	**¥44.17**	¥ 9.51	**$0.47**
Diluted net income	**44.15**	8.68	**0.47**
Cash dividends applicable to the year	**20.00**	17.00	**0.21**

* Loss incurred as a result of the floods in Thailand.
** Loss incurred from the liquidation of consolidated subsidiary Kofu Casio Co., Ltd.
See accompanying notes.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
Consolidated Statements of Comprehensive Income	**2013**	2012	**2013**
Income before minority interests	**¥11,971**	¥ 2,704	**$127,351**
Other comprehensive income:			
Valuation difference on available-for-sale securities	**3,134**	(1,243)	**33,340**
Deferred gains or losses on hedges	**95**	0	**1,011**
Foreign currency translation adjustment	**4,344**	(814)	**46,213**
Share of other comprehensive income of associates accounted for using equity method	**(0)**	(53)	**(0)**
Total other comprehensive income	**7,573**	(2,110)	**80,564**
Comprehensive income	**¥19,544**	¥ 594	**$207,915**
Comprehensive income attributable to:			
Owners of the parent	**¥19,450**	¥ 446	**$206,915**
Minority interests	**94**	148	**1,000**

Reclassification adjustments and tax effects for other comprehensive income for the year ended March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	**2013**
Valuation difference on available-for-sale securities			
Increase (decrease) during the year	**¥ 4,135**	¥(2,156)	**$ 43,989**
Reclassification adjustments	**733**	0	**7,798**
Amount before income tax effect	**4,868**	(2,156)	**51,787**
Income tax effect	**(1,734)**	913	**(18,447)**
Total	**3,134**	(1,243)	**33,340**
Deferred gains or losses on hedges			
Increase (decrease) during the year	**—**	(40)	**—**
Reclassification adjustments	**153**	58	**1,628**
Amount before income tax effect	**153**	18	**1,628**
Income tax effect	**(58)**	(18)	**(617)**
Total	**95**	0	**1,011**
Foreign currency translation adjustment			
Increase (decrease) during the year	**4,344**	(861)	**46,213**
Reclassification adjustments	**—**	47	**—**
Total	**4,344**	(814)	**46,213**
Share of other comprehensive income of associates accounted for using equity method			
Increase (decrease) during the year	**(0)**	(53)	**(0)**
Total other comprehensive income	**¥ 7,573**	¥(2,110)	**$ 80,564**

See accompanying notes.

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2013 and 2012 Casio Computer Co., Ltd. and Consolidated Subsidiaries

Millions of Yen

	Number of shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minority interests	Total net assets
Balance at April 1, 2011	279,020,914	¥48,592	¥65,703	¥57,233	¥(8,589)	¥ 1,733	¥(238)	¥(11,303)	¥ 101	¥153,232
Dividends from surplus (¥17.00 per share)	—	—	—	(4,571)	—	—	—	—	—	(4,571)
Net income	—	—	—	2,556	—	—	—	—	—	2,556
Purchase of treasury stock	—	—	—	—	(1)	—	—	—	—	(1)
Disposal of treasury stock	—	—	(0)	—	0	—	—	—	—	0
Net changes of items other than shareholders' equity	—	—	—	—	—	(1,243)	0	(867)	148	(1,962)
Balance at April 1, 2012	279,020,914	¥48,592	¥65,703	¥55,218	¥(8,590)	¥ 490	¥(238)	¥(12,170)	¥ 249	¥149,254
Dividends from surplus (¥17.00 per share)	—	—	—	(4,571)	—	—	—	—	—	(4,571)
Net income	—	—	—	11,876	—	—	—	—	—	11,876
Purchase of treasury stock	—	—	—	—	(2)	—	—	—	—	(2)
Disposal of treasury stock	—	—	(0)	—	0	—	—	—	—	0
Net changes of items other than shareholders' equity	—	—	—	—	—	3,134	95	4,345	(163)	7,411
Balance at March 31, 2013	279,020,914	¥48,592	¥65,703	¥62,523	¥(8,592)	¥ 3,624	¥(143)	¥ (7,825)	¥ 86	¥163,968

Thousands of U.S. Dollars (Note 1)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minority interests	Total net assets
Balance at April 1, 2012	$516,936	$698,968	$587,426	$(91,383)	$ 5,213	$(2,532)	$(129,468)	$ 2,649	$1,587,809
Dividends from surplus ($0.18 per share)	—	—	(48,628)	—	—	—	—	—	(48,628)
Net income	—	—	126,340	—	—	—	—	—	126,340
Purchase of treasury stock	—	—	—	(21)	—	—	—	—	(21)
Disposal of treasury stock	—	(0)	—	0	—	—	—	—	0
Net changes of items other than shareholders' equity	—	—	—	—	33,340	1,011	46,223	(1,734)	78,840
Balance at March 31, 2013	$516,936	$698,968	$665,138	$(91,404)	$38,553	$(1,521)	$ (83,245)	$ 915	$1,744,340

See accompanying notes.

Consolidated Statements of Cash Flows

Years ended March 31, 2013 and 2012 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Net cash provided by (used in) operating activities:			
Income before income taxes and minority interests	¥ 18,942	¥ 715	$ 201,511
Depreciation and amortization	8,372	9,277	89,064
Impairment loss	647	515	6,883
Loss (gain) on sales and retirement of noncurrent assets	275	54	2,925
Loss (gain) on sales and valuation of investment securities	733	(133)	7,798
Increase (decrease) in provision for retirement benefits	(8,744)	586	(93,021)
Increase (decrease) in provision for directors' retirement benefits	36	(943)	383
Interest and dividends income	(975)	(1,227)	(10,372)
Interest expenses	1,210	1,002	12,872
Foreign exchange losses (gains)	(796)	(942)	(8,468)
Equity in (earnings) losses of affiliates	(86)	2,158	(915)
Decrease (increase) in notes and accounts receivable–trade	8,737	1,770	92,947
Decrease (increase) in inventories	(5,723)	(952)	(60,883)
Increase (decrease) in notes and accounts payable–trade	(15,237)	(1,169)	(162,096)
Decrease/increase in consumption taxes receivable/payable	298	179	3,170
Other, net	5,141	3,505	54,691
Subtotal	12,830	14,395	136,489
Interest and dividends income received	1,137	1,538	12,096
Interest expenses paid	(1,151)	(1,040)	(12,245)
Income taxes paid	(3,338)	(4,100)	(35,510)
Net cash provided by (used in) operating activities	9,478	10,793	100,830
Net cash provided by (used in) investing activities:			
Payments into time deposits	(11,798)	(11,587)	(125,511)
Proceeds from withdrawal of time deposits	11,408	12,454	121,362
Purchase of property, plant and equipment	(6,916)	(6,067)	(73,574)
Proceeds from sales of property, plant and equipment	66	82	702
Purchase of intangible assets	(3,350)	(3,126)	(35,638)
Purchase of investment securities	(14,109)	(10,997)	(150,096)
Proceeds from sales and redemption of investment securities	11,655	21,796	123,989
Purchase of stocks of subsidiaries and affiliates	(263)	—	(2,798)
Proceeds from transfer of business	—	370	—
Other, net	(70)	182	(745)
Net cash provided by (used in) investing activities	(13,377)	3,107	(142,309)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Net cash provided by (used in) financing activities:			
Net increase (decrease) in short-term loans payable	¥ 583	¥ (10,799)	$ 6,202
Proceeds from long-term loans payable	—	39,457	—
Repayment of long-term loans payable	—	(10,000)	—
Proceeds from issuance of bonds	—	5,693	—
Redemption of bonds	—	(49,750)	—
Purchase of treasury stock	(2)	(2)	(21)
Proceeds from sales of treasury stock	0	0	0
Repayments of finance lease obligations	(705)	(757)	(7,500)
Cash dividends paid	(4,571)	(4,571)	(48,628)
Net cash provided by (used in) financing activities	(4,695)	(30,729)	(49,947)
Effect of exchange rate change on cash and cash equivalents	5,234	420	55,681
Net increase (decrease) in cash and cash equivalents	(3,360)	(16,409)	(35,745)
Cash and cash equivalents at beginning of year (Note 3)	100,710	117,119	1,071,383
Cash and cash equivalents at end of year (Note 3)	¥ 97,350	¥100,710	$1,035,638

See accompanying notes.

Notes to Consolidated Financial Statements

Years ended March 31, 2013 and 2012 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, 2013, which is ¥94 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. Stocks of affiliates of which the Company has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method.

In the elimination of investments in subsidiaries, the portion of assets and liabilities of a subsidiary attributable to the subsidiary's shares acquired by the Company are recorded based on the fair value as of the respective dates when such shares are acquired. The amounts of assets and liabilities attributable to minority shareholders of the subsidiary are determined using the financial statements of the subsidiary.

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

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

Cash flow statements

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

Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated at the current exchange rates at the balance sheet date, and the translation gains and losses are credited or charged to income.

Assets and liabilities of foreign 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 and minority interests.

Securities

Debt securities designated as held-to-maturity are carried at amortized cost. Other securities, except for trading securities ("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 standard for financial instruments requires 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 are used for hedging purposes.

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 only 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 increases with respect to cash management.

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

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

Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount sufficient to cover probable losses on the collection of receivables. For the Group, the amount of the allowance is determined based on past write-off experience and an estimated amount of probable bad debt based on a review of the collectability of individual receivables.

Inventories

The Company and its consolidated subsidiaries state inventories primarily at the lower of cost (first-in, first-out) or net realizable values at year-end.

Property, plant and equipment

Property, plant and equipment is stated at cost. Depreciation is principally determined by the declining-balance method at rates based on estimated useful lives except for the following buildings. The building of the head office of the Company and buildings, excluding building fixtures, acquired on or after April 1, 1998 are depreciated using the straight-line method. The depreciation period ranges from 2 years to 60 years for buildings and structures, from 2 years to 12 years for machinery, equipment and vehicles, and from 1 year to 20 years for tools, furniture and fixtures.

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

Effective from the fiscal year ended March 31, 2013, the Company and its consolidated subsidiaries in Japan have recorded depreciation for property, plant and equipment acquired on or after April 1, 2012 using the depreciation method based on the amended Corporation Tax Act, in accordance with the amendment of the Corporation Tax Act. This change had a negligible impact on earnings.

Software costs

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 assets in the consolidated balance sheets.

Lease assets

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

Lease 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.

Provision for retirement benefits

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

For employees' severance and retirement benefits, the Company and some of its consolidated subsidiaries in Japan provide a defined benefit plan.

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

The Company and some of its consolidated subsidiaries in Japan also provide a defined contribution plan. In addition, the Company has established an employee retirement benefits trust.

The liabilities and expenses for retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

(Additional information)

On April 1, 2012, the Company and certain consolidated subsidiaries transferred part of the defined benefit plan to the defined contribution plan. In conjunction with this change, the "Guidance on Accounting for Transfers between Retirement Benefit Plans" (ASBJ Guidance No. 1) was applied.

The effect of this transfer was recorded as other income of ¥385 million ($4,096 thousand) for the fiscal year ended March 31, 2013.

Provision for directors' retirement benefits

The annual provision for accrued retirement benefits for directors and statutory auditors of the Company and certain subsidiaries is calculated to state the liability at the amount that would be required if all directors and corporate auditors had retired at each balance sheet date.

Income taxes

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

The Group recognizes tax effects of temporary differences between the financial statement and the tax basis of assets and liabilities. The provision for income taxes is computed based on the income before income taxes and minority interests included in the statements of income of each company of the Group. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

Appropriations of retained earnings

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

Amounts per share of common stock

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

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

Reclassifications

Certain reclassifications have been made in the 2012 consolidated financial statements to conform to the 2013 presentation.

Accounting standard and guidance that are yet to be adopted

"Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, issued on May 17, 2012)
"Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on May 17, 2012)

(1) Overview

From the standpoint of improving financial reporting and considering international trends, the afore-mentioned accounting standard and guidance principally reflect the following amendments: Changes in the treatment of unrecognized actuarial differences and prior service costs; Amendments to the determination of projected benefit obligation and current service costs; and Enhanced disclosures.

(2) Planned Effective Dates

The Company plans to adopt the above accounting standard and guidance effective from the end of the fiscal year ending March 31, 2014. However, amendments to the determination of retirement benefit obligations and current service costs are scheduled to be applied from the beginning of the fiscal year ending March 31, 2015.

(3) Effect of Adopting this Accounting Standard and Guidance

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

3. Cash and Cash Equivalents

(1) Cash and cash equivalents at March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Cash and deposits	**¥ 56,029**	¥ 53,128	**$ 596,053**
Time deposits over three months	**(10,267)**	(10,075)	**(109,223)**
Debt securities within three months to maturity	**36,098**	38,227	**384,021**
Short-term loans receivable with resale agreement	**15,490**	19,430	**164,787**
Cash and cash equivalents	**¥ 97,350**	¥100,710	**$1,035,638**

(2) Breakdown of decrease in assets and liabilities resulting from transfer of business

For 2012

The following table provides a breakdown of the decrease in assets and liabilities resulting from the transfer of the wafer level package (WLP)-related business formerly operated by the Company and its consolidated subsidiary Casio Micronics Co., Ltd., in addition to details regarding the monetary amount received from the transferred business and proceeds from transfer of business.

	Millions of Yen
	2012
Current assets	¥2,006
Noncurrent assets	2,546
Total assets	4,552
Current liabilities	1,985
Noncurrent liabilities	345
Total liabilities	2,330
Compensation for share transfer	600
Cash and cash equivalents	(230)
Proceeds from transfer of business	370

(3) Significant non-cash transactions

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Assets relating to finance lease transactions	**¥683**	¥841	**$7,266**
Obligations relating to finance lease transactions	**719**	882	**7,649**

4. Inventories

Inventories at March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Finished goods	**¥39,665**	¥29,358	**$421,968**
Work in process	**5,573**	5,955	**59,287**
Raw materials and supplies	**8,877**	10,276	**94,436**
Total	**¥54,115**	¥45,589	**$575,691**

5. Fair Value of Financial Instruments

Information on financial instruments for the years ended March 31, 2013 and 2012:

(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 in companies with which the Group has business relations, and are exposed to market price fluctuation risk. The Group periodically monitors the market price and reviews the status of these holdings.

Operating payables comprising notes and accounts payable—trade and accounts payable—other have the due date of within one year.

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

The Group uses derivative transactions of forward foreign currency contracts to hedge currency fluctuation risks arising from assets and liabilities denominated in foreign currencies, as well as interest rate swap contracts to fix the cash flows associated with loans payable and bonds payable or to offset market fluctuation risks. The Group utilizes and manages derivative transactions following the internal regulations for them, which stipulates policy, objective, scope, organization, procedures and financial institutions to deal with, and has an implementation and reporting system for derivative transactions reflecting proper internal control functions.

3) Supplemental information on fair values

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

(2) Fair values of financial instruments

The following table summarizes book value and fair value of the financial instruments, and the difference between them as of March 31, 2013 and 2012. Items for which fair value is difficult to estimate are not included in the following table (see Note 2 on P28).

			Millions of Yen
For 2013	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	**¥ 56,029**	**¥ 56,029**	**¥ —**
[2] Notes and accounts receivable—trade	**50,490**	**50,490**	**—**
[3] Securities and investment securities			
a. Held-to-maturity debt securities	**3,298**	**3,308**	**10**
b. Available-for-sale securities	**81,348**	**81,348**	**—**
Total assets	**¥191,165**	**¥191,175**	**¥ 10**
Liabilities			
[1] Notes and accounts payable—trade	**¥ 35,709**	**¥ 35,709**	**¥ —**
[2] Short-term loans payable	**4,400**	**4,400**	**—**
[3] Accounts payable—other	**18,777**	**18,777**	**—**
[4] Bonds payable	**31,278**	**31,680**	**402**
[5] Long-term loans payable	**77,900**	**78,384**	**484**
Total liabilities	**¥168,064**	**¥168,950**	**¥886**
Derivative transactions *	**¥ (222)**	**¥ (222)**	**¥ —**

For 2013	Book value	Fair value	Difference
	Thousands of U.S. Dollars		
Assets			
[1] Cash and deposits	$ 596,053	$ 596,053	$ —
[2] Notes and accounts receivable—trade	537,128	537,128	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities	35,085	35,191	106
b. Available-for-sale securities	865,404	865,404	—
Total assets	$2,033,670	$2,033,776	$ 106
Liabilities			
[1] Notes and accounts payable—trade	$ 379,883	$ 379,883	$ —
[2] Short-term loans payable	46,809	46,809	—
[3] Accounts payable—other	199,755	199,755	—
[4] Bonds payable	332,745	337,022	4,277
[5] Long-term loans payable	828,723	833,872	5,149
Total liabilities	$1,787,915	$1,797,341	$9,426
Derivative transactions *	$ (2,362)	$ (2,362)	$ —

For 2012	Book value	Fair value	Difference
	Millions of Yen		
Assets			
[1] Cash and deposits	¥ 53,128	¥ 53,128	¥ —
[2] Notes and accounts receivable—trade	57,923	57,923	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities	14,000	14,000	—
b. Available-for-sale securities	66,263	66,263	—
Total assets	¥191,314	¥191,314	¥ —
Liabilities			
[1] Notes and accounts payable—trade	¥ 49,682	¥49,682	¥ —
[2] Short-term loans payable	3,817	3,817	—
[3] Accounts payable—other	17,764	17,764	—
[4] Bonds payable	30,710	31,135	425
[5] Long-term loans payable	77,457	77,881	424
Total liabilities	¥179,430	¥180,279	¥849
Derivative transactions *	¥ (210)	¥ (210)	¥ —

* Net receivables and payables, which are derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

Note 1: Method for calculating the fair value of financial instruments and matters related to investment securities and derivative transactions

Assets

[1] Cash and deposits, [2] Notes and accounts receivable—trade

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

[3] Securities and investment securities

The fair value of equity securities is the market price, while the fair value of debt securities is the market price or the price quoted by the correspondent financial institution. Since certificates of deposit and commercial paper are short-term, and the fair value approximates the book value, the book value is used as fair value.

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

Liabilities

[1] Notes and accounts payable—trade, [2] Short-term loans payable, [3] Accounts payable—other

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

[4] Bonds payable

The fair value of bonds payable is calculated by using the discounted cash flow, based on the sum of the principal and total interest over the remaining period and credit risk.

[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 swap and discounting it by the rate that is reasonably estimated and applied if a new loan is made (see Note 7 "Derivative Transactions").

Derivative transactions

See Note 7 "Derivative Transactions."

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

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
	Book value	Book value	Book value
Unlisted shares	**¥2,894**	¥2,748	**$30,787**

The market price of the above shares is not available and the future cash flow cannot be estimated. Therefore, the fair value is difficult to estimate. Hence, these are not included in "[3] Securities and investment securities" on P27.

Note 3: Monetary claims, securities and investment securities with repayment due dates after March 31, 2013 and 2012:

Millions of Yen

For 2013	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	**¥ 56,029**	**¥ —**	**¥—**	**¥—**
Notes and accounts receivable—trade	**50,490**	**—**	**—**	**—**
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	**—**	**—**	**—**	**—**
(2) Corporate bonds	**—**	**—**	**—**	**—**
(3) Others	**3,298**	**—**	**—**	**—**
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	**—**	**—**	**—**	**—**
b. Corporate bonds	**20,600**	**5,000**	**—**	**—**
c. Others	**24,700**	**—**	**—**	**—**
(2) Others	**8,500**	**—**	**—**	**—**
Total	**¥163,617**	**¥5,000**	**¥—**	**¥—**

Thousands of U.S. Dollars

For 2013	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	**$ 596,053**	**$ —**	**$—**	**$—**
Notes and accounts receivable—trade	**537,128**	**—**	**—**	**—**
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	**—**	**—**	**—**	**—**
(2) Corporate bonds	**—**	**—**	**—**	**—**
(3) Others	**35,085**	**—**	**—**	**—**
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	**—**	**—**	**—**	**—**
b. Corporate bonds	**219,149**	**53,191**	**—**	**—**
c. Others	**262,766**	**—**	**—**	**—**
(2) Others	**90,425**	**—**	**—**	**—**
Total	**$1,740,606**	**$53,191**	**$—**	**$—**

Millions of Yen

For 2012	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥53,128	¥ —	¥—	¥—
Notes and accounts receivable—trade	57,923	—	—	—
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	—	—	—	—
(2) Corporate bonds	—	—	—	—
(3) Others	14,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	—	—	—	—
b. Corporate bonds	30,300	5,000	—	—
c. Others	1,400	8,000	—	—
(2) Others	4,174	—	—	—
Total	¥160,925	¥13,000	¥—	¥—

Note 4: Bonds and long-term loans payable and other interest-bearing liabilities with repayment due dates after March 31, 2013 and 2012

Millions of Yen

For 2013	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Short-term loans payable	**¥ 4,400**	**¥ —**	**¥ —**	**¥—**	**¥—**	**¥ —**
Bonds payable	**10,000**	**6,278**	**15,000**	**—**	**—**	**—**
Long-term loans payable	**25,000**	**47,900**	**—**	**—**	**—**	**5,000**
Total	**¥39,400**	**¥54,178**	**¥15,000**	**¥—**	**¥—**	**¥5,000**

Thousands of U.S. Dollars

For 2013	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Short-term loans payable	**$ 46,809**	**$ —**	**$ —**	**$—**	**$—**	**$ —**
Bonds payable	**106,383**	**66,787**	**159,574**	**—**	**—**	**—**
Long-term loans payable	**265,957**	**509,575**	**—**	**—**	**—**	**53,191**
Total	**$419,149**	**$576,362**	**$159,574**	**$—**	**$—**	**$53,191**

Millions of Yen

For 2012	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Short-term loans payable	¥3,817	¥ —	¥ —	¥ —	¥—	¥ —
Bonds payable	—	10,000	5,710	15,000	—	—
Long-term loans payable	—	25,000	47,457	—	—	5,000
Total	¥3,817	¥35,000	¥53,167	¥15,000	¥—	¥5,000

6. Securities

(1) Held-to-maturity debt securities

Millions of Yen 2013	Book value	Fair value	Difference
Securities with fair values exceeding book values	**¥3,298**	**¥3,308**	**¥10**
Securities other than the above	**—**	**—**	**—**
Total	**¥3,298**	**¥3,308**	**¥10**

Thousands of U.S. Dollars 2013	Book value	Fair value	Difference
Securities with fair values exceeding book values	**$35,085**	**$35,191**	**$106**
Securities other than the above	**—**	**—**	**—**
Total	**$35,085**	**$35,191**	**$106**

Millions of Yen 2012	Book value	Fair value	Difference
Securities with fair values exceeding book values	¥14,000	¥14,000	¥—
Securities other than the above	—	—	—
Total	¥14,000	¥14,000	¥—

(2) Available-for-sale securities

Securities with book values exceeding acquisition costs:

Millions of Yen 2013	Book value	Acquisition cost	Difference
Equity securities	**¥18,262**	**¥12,064**	**¥6,198**
Debt securities	**50,356**	**50,308**	**48**
Others	**8,502**	**8,502**	**0**
Total	**¥77,120**	**¥70,874**	**¥6,246**

Thousands of U.S. Dollars 2013	Book value	Acquisition cost	Difference
Equity securities	**$194,276**	**$128,340**	**$65,936**
Debt securities	**535,702**	**535,192**	**510**
Others	**90,447**	**90,447**	**0**
Total	**$820,425**	**$753,979**	**$66,446**

Millions of Yen 2012	Book value	Acquisition cost	Difference
Equity securities	¥ 7,599	¥ 4,545	¥ 3,054
Debt securities	37,371	37,291	80
Others	4,174	4,174	—
Total	¥49,144	¥46,010	¥3,134

Securities other than the above:

Millions of Yen 2013	Book value	Acquisition cost	Difference
Equity securities	**¥4,228**	**¥4,686**	**¥(458)**
Debt securities	**—**	**—**	**—**
Others	**—**	**—**	**—**
Total	**¥4,228**	**¥4,686**	**¥(458)**

Thousands of U.S. Dollars 2013	Book value	Acquisition cost	Difference
Equity securities	**$44,979**	**$49,851**	**$(4,872)**
Debt securities	**—**	**—**	**—**
Others	**—**	**—**	**—**
Total	**$44,979**	**$49,851**	**$(4,872)**

Millions of Yen 2012	Book value	Acquisition cost	Difference
Equity securities	¥ 9,734	¥11,874	¥(2,140)
Debt securities	7,379	7,391	(12)
Others	6	8	(2)
Total	¥17,119	¥19,273	¥(2,154)

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

(3) Available-for-sale securities sold in the years ended March 31, 2013 and 2012:

Millions of Yen 2013	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥—	¥—	¥—
Debt securities	—	—	—
Others	—	—	—
Total	¥—	¥—	¥—

Thousands of U.S. Dollars 2013	Sales amount	Gross realized gains	Gross realized losses
Equity securities	$—	$—	$—
Debt securities	—	—	—
Others	—	—	—
Total	$—	$—	$—

Millions of Yen 2012	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥562	¥133	¥—
Debt securities	—	—	—
Others	—	—	—
Total	¥562	¥133	¥—

(4) Securities impaired

Certain securities are impaired for the year ended March 31, 2013. An impairment loss of ¥733 million ($7,798 thousand), comprising ¥728 million ($7,745 thousand) on "available-for-sale securities" for which fair value was readily determinable, and ¥5 million ($53 thousand) on other securities has been recorded for the year ended March 31, 2013. No impairment of securities was recorded for the year ended March 31, 2012.

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

7. Derivative Transactions

The aggregate amounts contracted to be paid or received and the fair values of derivative transactions of the Group at March 31, 2013 and 2012:

Derivative transactions not subject to hedge accounting

(1) Currency-related derivatives

Millions of Yen 2013	Contract amount: Total	Contract amount: Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
Euros	¥3,223	¥—	¥3,381	¥(158)
Chinese yuan	1,650	—	1,939	(289)
Total	¥ —	¥—	¥ —	¥(447)

Thousands of U.S. Dollars 2013	Contract amount: Total	Contract amount: Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
Euros	$34,287	$—	$35,968	$(1,681)
Chinese yuan	17,553	—	20,628	(3,075)
Total	$ —	$—	$ —	$(4,756)

Millions of Yen 2012	Contract amount: Total	Contract amount: Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
British pounds	¥ 597	¥—	¥ 621	¥ (24)
Chinese yuan	3,487	—	3,630	(143)
Total	¥ —	¥—	¥ —	¥(167)

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

(2) Interest rate-related derivatives:

Millions of Yen

	2013			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Interest rate swaps:				
Receive fix/Pay float	¥10,000	¥10,000	¥225	¥269
Total	¥10,000	¥10,000	¥225	¥269

Thousands of U.S. Dollars

	2013			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Interest rate swaps:				
Receive fix/Pay float	$106,383	$106,383	$2,394	$2,862
Total	$106,383	$106,383	$2,394	$2,862

Millions of Yen

	2012			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Interest rate swaps:				
Receive fix/Pay float	¥10,000	¥10,000	¥(43)	¥112
Total	¥10,000	¥10,000	¥(43)	¥112

Notes: 1. Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.
2. Transactions are transactions other than market transactions.

Derivative transactions subject to hedge accounting

(1) Currency-related derivatives

Millions of Yen

			2013		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell				
	Chinese yuan	Foreign-currency deposits	¥ 9,754	¥—	*
	Australian dollars	Foreign-currency Held-to-maturity debt securities	1,298	—	*
Total			¥11,052	¥—	¥—

Thousands of U.S. Dollars

			2013		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell				
	Chinese yuan	Foreign-currency deposits	$103,766	$—	*
	Australian dollars	Foreign-currency Held-to-maturity debt securities	13,808	—	*
Total			$117,574	$—	$—

Millions of Yen

			2012		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell				
	Chinese yuan	Foreign-currency deposits	¥9,839	¥—	*
Total			¥9,839	¥—	¥—

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

(2) Interest rate-related derivatives

Hedge accounting method	Type	Main hedged item	Contract amount Total	Contract amount Due after one year	Fair value
			Millions of Yen 2013		
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥22,900	¥12,900	**
Total			¥22,900	¥12,900	¥—

Hedge accounting method	Type	Main hedged item	Contract amount Total	Contract amount Due after one year	Fair value
			Thousands of U.S. Dollars 2013		
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	$243,617	$137,234	**
Total			$243,617	$137,234	$—

Hedge accounting method	Type	Main hedged item	Contract amount Total	Contract amount Due after one year	Fair value
			Millions of Yen 2012		
Forward contracts that are subject to appropriated treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥22,457	¥22,457	**
Total			¥22,457	¥22,457	¥—

* Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.
** Since interest rate swaps that are subject to special treatment are accounted for with long-term loans payable, which are hedged items, their fair value is included in the fair value of the said long-term loans payable.

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

Short-term loans payable represent bank loans and their average interest rates were 1.2% and 1.5% per annum at March 31, 2013 and 2012, respectively.

Bonds and long-term loans payable at March 31, 2013 and 2012:

	Millions of Yen 2013	Millions of Yen 2012	Thousands of U.S. Dollars 2013
Euro-yen convertible bonds with stock subscription rights due in 2015*	¥ 250	¥ 250	$ 2,660
1.32% unsecured bonds due in 2014	10,000	10,000	106,383
1.07% unsecured bonds due in 2015	15,000	15,000	159,574
1.785% unsecured Eurobonds due in 2015	6,278	5,710	66,787
Loans principally from banks at average interest rates of 0.5% due within one year**	25,000	—	265,957
Loans principally from banks at average interest rates of 0.6% due over one year**	52,900	77,457	562,766
Total	109,428	108,417	1,164,127
Less amount due within one year	35,000	—	372,340
	¥74,428	¥108,417	$791,787

* Details of issuances of stock subscription rights attached to bonds ("warrants"):
Type of stocks involved: common stock
Price of warrant: gratis
Stock issue price: ¥1,952
Total issue amount: ¥50,000 million
Total value of new stocks issued upon exercise of warrants: —
Warrant-linked: 100%
Period of exercise of warrants: July 3, 2008 to March 17, 2015
Upon request to exercise warrants in question, payments usually required for the issuance of the corresponding number of stocks shall be exempted as the issuer of bonds in question, in return, will be automatically exempted from obligation of redemption of the bonds in lump-sum.
Exercise of warrants in question shall be regarded as an eligible request for exercise of stock subscription rights.
** An average interest rate is the weighted average rate on the year-end balance of loans payable.

The annual maturities of bonds and long-term loans payable at March 31, 2013:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥35,000	$372,340
2015	54,428	579,021
2016	15,000	159,574
2017	—	—
2018	—	—
Thereafter	5,000	53,192

The annual maturities of lease obligations at March 31, 2013:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥623	$6,628
2015	480	5,106
2016	312	3,319
2017	150	1,596
2018	84	894
Thereafter	173	1,840

The lines of credit with the main financial institutions agreed as of March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Line of credit	**¥57,450**	¥57,815	**$611,170**
Unused	**57,450**	57,815	**611,170**

9. Income Taxes

The following table summarizes the significant differences between statutory tax rate and the Group's actual income tax rate for financial statement purposes for the years ended March 31, 2013 and 2012.

	2013	2012
Statutory tax rate	**—%**	40.7%
Increase (reduction) in tax resulting from:		
Nondeductible expenses (Entertainment, etc.)	**—**	11.2
Difference in statutory tax rate (included in foreign subsidiaries)	**—**	(150.2)
Valuation allowance	**—**	179.4
Equity in earnings or losses of affiliates	**—**	122.8
Impact of organizational restructuring	**—**	(816.3)
Decreasing adjustment in deferred tax assets at the year-end due to statutory tax rate	**—**	292.9
Other	**—**	41.5
Actual income tax rate	**—%**	(278.0)%

Note: In the fiscal year ended March 31, 2013, the difference between the statutory tax rate and the actual income tax rate after application of deferred tax accounting was negligible. Accordingly, disclosure has been omitted.

Significant components of deferred tax assets and liabilities as of March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Deferred tax assets:			
Net operating loss carryforwards	**¥ 26,609**	¥ 27,637	**$ 283,075**
Provision for retirement benefits and the related expenses	**6,594**	7,369	**70,149**
Accrued expenses (bonuses to employees)	**1,939**	1,888	**20,628**
Inventories	**1,866**	2,555	**19,851**
Property, plant and equipment	**1,343**	1,175	**14,287**
Other	**5,554**	9,460	**59,085**
Gross deferred tax assets	**43,905**	50,084	**467,075**
Valuation allowance	**(19,740)**	(22,171)	**(210,000)**
Total deferred tax assets	**24,165**	27,913	**257,075**
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	**(2,226)**	(1,119)	**(23,681)**
Unrealized holding gain	**(1,651)**	(1,651)	**(17,564)**
Reserve for advanced depreciation of noncurrent assets	**(96)**	(104)	**(1,021)**
Other	**(64)**	(62)	**(681)**
Total deferred tax liabilities	**(4,037)**	(2,936)	**(42,947)**
Net deferred tax assets	**¥ 20,128**	¥ 24,977	**$ 214,128**

10. Provision for Retirement Benefits

Provision for retirement benefits at March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Projected benefit obligation	**¥ 52,607**	¥ 77,051	**$ 559,649**
Less fair value of pension plan assets*	**(56,095)**	(47,142)	**(596,756)**
Unrecognized actuarial differences	**(13,580)**	(23,899)	**(144,468)**
Unrecognized prior service costs	**17,196**	5,285	**182,936**
Prepaid pension cost	**2,572**	—	**27,362**
Provision for retirement benefits	**¥ 2,700**	¥ 11,295	**$ 28,723**

* Including employee retirement benefit trust

Notes: 1. Certain subsidiaries have adopted the simplified method to calculate projected benefit obligation.

2. For 2013

The Company and its consolidated subsidiaries transferred part of the defined benefit plan to a defined contribution plan. The effect of this transfer was as follows:

Decrease in projected benefit obligations	¥14,834 million	$157,809 thousand
Unrecognized actuarial differences	(4,578)	(48,702)
Unrecognized prior service costs	985	10,479
Increase in prepaid pension cost	¥ 2,495 million	$ 26,543 thousand
Decrease in provision for retirement benefits	8,746	93,043

Furthermore, the Company plans to transfer ¥10,856 million ($115,489 thousand) in assets to the defined contribution plan over a period of 8 years from the fiscal year ended March 31, 2013. Untransferred assets of ¥8,836 million ($94,000 thousand) as of March 31, 2013 were recorded as accounts payable-other under current liabilities and other under noncurrent liabilities.

Retirement benefits expenses for the years ended 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Service cost—benefits earned during the year	¥ 2,111	¥ 2,858	$ 22,457
Interest cost on projected benefit obligation	896	1,638	9,532
Expected return on pension plan assets	(1,486)	(1,344)	(15,808)
Amortization of actuarial differences	2,279	2,058	24,245
Amortization of prior service costs	(1,894)	(865)	(20,149)
Other	1,000	141	10,638
Retirement benefit expenses	¥ 2,906	¥ 4,486	$ 30,915

Note: The discount rate and the rate of expected return on pension plan assets used by the Group are 1.7% and 3.0%, respectively, in both 2013 and 2012.
The estimated amount of all retirement benefits to be paid at the future retirement date is allocated using a points basis in 2013, and allocated equally to each service year using the estimated number of total service years in 2012. Actuarial differences are to be recognized in expenses using the straight-line method over 9–15 years (a certain period not exceeding the average of the estimated remaining service lives commencing with the next period). Prior service costs are to be recognized in expenses using the straight-line method over 9–15 years (a certain period not exceeding the average of the estimated remaining service lives).

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 additional paid-in capital, 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 additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, all additional paid-in capital and all legal earnings reserve 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 first year for which the new accounting standards were applied

The outstanding future lease payments as of March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Future lease payments:			
Due within one year	¥ 20	¥ 50	$ 213
Due over one year	83	103	883
Total	¥103	¥153	$1,096

Total lease expenses (corresponding to reversal of accumulated impairment loss on lease assets, total assumed depreciation cost and total assumed interest cost) as lessee for the years ended March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Total lease expenses	¥56	¥599	$596
Reversal of accumulated impairment loss on lease assets	—	342	—
Total assumed depreciation cost	48	210	511
Total assumed interest cost	5	19	53

Assumed data as to acquisition cost, accumulated depreciation and net book value of the lease assets under the finance lease contracts as lessee as of March 31, 2013 and 2012:

	Millions of Yen		
	2013		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥232	¥146	¥86
Tools, furniture and fixtures	20	19	1
Other	15	15	0
Total	¥267	¥180	¥87

	Thousands of U.S. Dollars		
	2013		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	**$2,468**	**$1,553**	**$915**
Tools, furniture and fixtures	**213**	**202**	**11**
Other	**160**	**160**	**0**
Total	**$2,841**	**$1,915**	**$926**

	Millions of Yen		
	2012		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥264	¥159	¥105
Tools, furniture and fixtures	90	81	9
Other	174	153	21
Total	¥528	¥393	¥135

Notes: 1. In calculating assumed depreciation cost, the lease 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.
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 P24.

(3) Operating leases

The outstanding future noncancellable lease payments as of March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Future lease payments:			
Due within one year	**¥204**	¥ 63	**$ 2,170**
Due over one year	**740**	321	**7,873**
Total	**¥944**	¥384	**$10,043**

13. Segment Information

(1) Overview of reportable segments

The company's reportable segments consist of the Company'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 Company designates three areas of segment reporting, which are the "Consumer," "System equipment," and "Others" segments, based on the type of products and services, and the market and consumer categories.

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

Consumer................ Watches, Clocks, Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, Digital cameras, etc.

System equipment .... Handheld terminals, Electronic cash registers, Office computers, Page printers, Data projectors, etc.

Others .... Molds, etc.

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

The accounting method for the reportable segments is largely in line with the descriptions in Notes 1–2 on P36. Inter-segment profits are based on the market price.

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

Segment information as of and for the years ended March 31, 2013 and 2012:

Millions of Yen

	Reportable segments					
For 2013	Consumer	System equipment	Others	Total	Adjustments	Consolidated
Net sales:						
Outside customers	**¥227,861**	**¥41,778**	**¥28,124**	**¥297,763**	**¥ —**	**¥297,763**
Inside Group	**1**	**93**	**3,010**	**3,104**	**(3,104)**	**—**
Total	**227,862**	**41,871**	**31,134**	**300,867**	**(3,104)**	**297,763**
Segment income (loss)	**26,554**	**(702)**	**(293)**	**25,559**	**(5,506)**	**20,053**
Segment assets	**163,099**	**47,125**	**31,321**	**241,545**	**127,777**	**369,322**
Others						
Depreciation and amortization	**5,020**	**2,328**	**811**	**8,159**	**213**	**8,372**
Amortization of goodwill	**97**	**24**	**—**	**121**	**—**	**121**
Investment in equity method affiliates	**—**	**—**	**2,345**	**2,345**	**—**	**2,345**
Increase in property, plant and equipment and intangible assets	**7,594**	**2,831**	**337**	**10,762**	**273**	**11,035**

Thousands of U.S. Dollars

For 2013	Reportable segments: Consumer	System equipment	Others	Total	Adjustments	Consolidated
Net sales:						
Outside customers	$2,424,053	$444,447	$299,191	$3,167,691	$ —	$3,167,691
Inside Group	11	989	32,021	33,021	(33,021)	—
Total	2,424,064	445,436	331,212	3,200,712	(33,021)	3,167,691
Segment income (loss)	282,489	(7,468)	(3,117)	271,904	(58,574)	213,330
Segment assets	1,735,095	501,330	333,202	2,569,627	1,359,330	3,928,957
Others						
Depreciation and amortization	53,404	24,766	8,628	86,798	2,266	89,064
Amortization of goodwill	1,032	255	—	1,287	—	1,287
Investment in equity method affiliates	—	—	24,947	24,947	—	24,947
Increase in property, plant and equipment and intangible assets	80,788	30,117	3,585	114,490	2,904	117,394

Millions of Yen

For 2012	Reportable segments: Consumer	System equipment	Others	Total	Adjustments	Consolidated
Net sales:						
Outside customers	¥215,327	¥43,103	¥43,230	¥301,660	¥ —	¥301,660
Inside Group	4	552	4,834	5,390	(5,390)	—
Total	215,331	43,655	48,064	307,050	(5,390)	301,660
Segment income (loss)	14,643	(2,350)	299	12,592	(3,527)	9,065
Segment assets	151,339	47,055	40,738	239,132	127,080	366,212
Others						
Depreciation and amortization	4,978	2,684	1,437	9,099	178	9,277
Amortization of goodwill	100	24	—	124	—	124
Investment in equity method affiliates	—	—	2,258	2,258	—	2,258
Increase in property, plant and equipment and intangible assets	6,034	2,682	1,048	9,764	138	9,902

Notes: 1. Adjustments are as shown below:

(1) Adjustments to segment income or loss for the years ended March 31, 2013 and 2012 are ¥(5,506) million ($(58,574) thousand) and ¥(3,527) million, respectively. These amounts include corporate expenses that are not allocated to any reportable segment of ¥(5,506) million ($(58,574) thousand) and ¥(3,527) million, respectively. Corporate expenses principally consist of administrative expenses of the parent company and R&D expenses for fundamental research that are not attributable to reportable segments.

(2) Adjustments to segment assets for the years ended March 31, 2013 and 2012 are ¥127,777 million ($1,359,330 thousand) and ¥127,080 million, respectively. These amounts include corporate assets that are not allocated to any reportable segments of ¥127,946 million ($1,361,128 thousand) and ¥127,242 million, respectively.

(3) Adjustments to depreciation and amortization for the year ended March 31, 2013 and 2012 are ¥213 million ($2,266 thousand) and ¥178 million, respectively. These amounts consist of depreciation and amortization of assets related to administrative divisions that are not attributable to reportable segments.

(4) Adjustments to the increase in property, plant and equipment and intangible assets for the years ended March 31, 2013 and 2012 are ¥273 million ($2,904 thousand) and ¥138 million, respectively. These amounts consist of capital expenditures of administrative divisions that are not attributable to reportable segments.

2. Segment income or loss is reconciled with operating income on the consolidated income statement.

(4) Information about geographic areas

Millions of Yen

For 2013	Japan	North America	Europe	Asia	Others	Total
Net sales	¥132,387	¥32,914	¥43,731	¥60,055	¥28,676	¥297,763

Thousands of U.S. Dollars

For 2013	Japan	North America	Europe	Asia	Others	Total
Net sales	$1,408,372	$350,149	$465,223	$638,883	$305,064	$3,167,691

Millions of Yen

For 2012	Japan	North America	Europe	Asia	Others	Total
Net sales	¥142,400	¥30,613	¥45,989	¥55,307	¥27,351	¥301,660

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

Millions of Yen

For 2013	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	¥56,216	¥891	¥410	¥6,798	¥66	¥64,381

Thousands of U.S. Dollars

For 2013	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	$598,042	$9,479	$4,362	$72,319	$702	$684,904

(5) Information on impairment loss for each reportable segment

Millions of Yen

For 2013	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Impairment loss	¥ 220	¥ 364	¥26	¥ 37	¥647

Thousands of U.S. Dollars

For 2013	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Impairment loss	$ 2,340	$ 3,872	$277	$ 394	$6,883

Millions of Yen

For 2012	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Impairment loss	¥ 861	¥—	¥487	¥—	¥1,348

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

Millions of Yen

For 2013	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	**¥103**	**¥36**	**¥—**	**¥—**	**¥139**
Negative goodwill					
Amortization for the reporting year	**57**	**—**	**1**	**—**	**58**
Balance at the end of the reporting year	**—**	**—**	**—**	**—**	**—**

Thousands of U.S. Dollars

For 2013	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	**$1,096**	**$383**	**$—**	**$—**	**$1,479**
Negative goodwill					
Amortization for the reporting year	**606**	**—**	**11**	**—**	**617**
Balance at the end of the reporting year	**—**	**—**	**—**	**—**	**—**

Millions of Yen

For 2012	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	¥187	¥60	¥—	¥—	¥247
Negative goodwill					
Amortization for the reporting year	115	—	0	—	115
Balance at the end of the reporting year	57	—	1	—	58

14. Commitments and Contingent Liabilities

At March 31, 2013 and 2012, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥1,770 million ($18,830 thousand) and ¥1,455 million, respectively.

15. Impairment Loss

For 2013:

The Company and its consolidated subsidiaries post impairment loss.

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, etc.	Hachioji City, Tokyo, and others
Idle assets	Land	Yufu City, Oita Pref., and others

With respect to business assets, the Company and its consolidated subsidiaries carry out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation. Idle assets are managed on an individual basis.

The Company and its consolidated subsidiaries have applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amounts (¥647 million [$6,883 thousand]) are recognized as "impairment loss."

The breakdown of the losses is: ¥239 million ($2,543 thousand) for tools, furniture and fixtures, ¥326 million ($3,468 thousand) for land, and ¥82 million ($872 thousand) for others.

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

Recoverable amounts for land are calculated based on property tax valuation or roadside land prices and those for other assets are based on estimated disposal values.

For 2012:

The Company and its consolidated subsidiaries post impairment loss.

Use	Type of assets	Location
Business assets	Machinery, equipment and vehicles, tools, furniture and fixtures, software, etc.	Hamura City, Tokyo, and others
Idle assets	Land, buildings and structures, etc.	Chuo City, Yamanashi Pref., and others

With respect to business assets, the Company and its consolidated subsidiaries carry out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation. Idle assets are managed on an individual basis.

The Company and its consolidated subsidiaries have applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amounts (¥1,348 million) are recognized as "loss on disaster," "loss on liquidation of subsidiaries and affiliates," and "impairment loss."

The breakdown of the losses is: ¥297 million for buildings and structures, ¥58 million for machinery, equipment and vehicles, ¥359 million for tools, furniture and fixtures, ¥515 million for land, ¥67 million for software, and ¥52 million for others.

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

Recoverable amounts for land are calculated based on roadside land prices, etc., and those for other assets are based on estimated disposal values.

16. Subsequent Events

Appropriation of retained earnings

At the annual shareholders' meeting held on June 27, 2013, the Company's shareholders approved the payment of a cash dividend of ¥20.00 ($0.21) per share aggregating ¥5,377 million ($57,202 thousand) to registered shareholders as of March 31, 2013.

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, 2013 and 2012, and the consolidated income statements, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of CASIO COMPUTER Co., Ltd. and its consolidated subsidiaries as at March 31, 2013 and 2012, 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, 2013 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

June 27, 2013
Tokyo, Japan