

Consolidated Financial Results for the Nine Months Ended December 31, 2005

February 3, 2006

Company Name: **CASIO COMPUTER CO., LTD.**

(URL <http://www.casio.co.jp>)

Stock Exchange Listings: Tokyo (First Section)

Code Number: 6952

President and CEO: Kazuo Kashio

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1. Notes to Quarterly Financial Information

(1) Adoption of the simplified accounting method: Yes

The simplified method is used for the tax effect accounting.

(2) Changes in accounting methods in the most recent fiscal year: None

(3) Changes in scope of consolidation and equity method: Yes

Consolidated subsidiaries: (Newly included) 4 (Excluded) 0

Companies accounted for by the equity method: (Newly included) 0 (Excluded) 1

2. Consolidated Financial Results for the Nine Months from April 1, 2005 to December 31, 2005

Monetary amounts are rounded to the nearest million yen.

(1) Operating Results

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income	
Nine months ended December 31, 2005	417,288	0.4%	28,738	1.2%	25,530	3.6%	15,042	1.6%
Nine months ended December 31, 2004	415,430	12.7%	28,389	59.5%	24,637	94.0%	14,798	95.1%
(Reference) Year ended March 31, 2005	559,006	6.8%	39,040	42.0%	33,588	56.6%	21,534	51.9%

	Net income per share (Yen)	Diluted net income per share (Yen)
Nine months ended December 31, 2005	56.61	53.96
Nine months ended December 31, 2004	55.69	53.04
(Reference) Year ended March 31, 2005	80.27	76.47

Note: Percentages in the net sales, operating income and other columns indicate changes from the same period of the previous fiscal year.

(2) Financial Position

(Millions of yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
Nine months ended December 31, 2005	470,939	179,887	38.2	676.52
Nine months ended December 31, 2004	496,636	154,002	31.0	579.88
(Reference) Year ended March 31, 2005	495,743	162,271	32.7	610.23

3. Consolidated Results Forecast for Fiscal 2006 from April 1, 2005 to March 31, 2006

(Millions of yen)

	Net sales	Ordinary income	Net income
Fiscal 2006	580,000	37,000	23,000

(Estimated net income per share: 86.50 yen)

Note: For items related to assumptions and others of the above forecast, see pages from 5 to 6.

Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2005	As of March 31, 2005	Increase (Decrease)	As of December 31, 2004
Assets				
Current assets	292,772	329,948	(37,176)	326,985
Cash and time deposits	54,703	83,528	(28,825)	90,012
Notes and accounts receivable-trade	101,559	91,552	10,007	95,907
Marketable securities	12,999	44,678	(31,679)	27,181
Inventories	66,423	62,576	3,847	73,347
Other current assets	58,529	49,152	9,377	42,376
Allowance for doubtful accounts	(1,441)	(1,538)	97	(1,838)
Fixed assets	178,167	165,795	12,372	169,651
Property, plant and equipment	96,248	94,425	1,823	93,064
Buildings and structures	30,618	30,567	51	30,888
Machinery and vehicles	15,654	13,360	2,294	13,217
Land	37,459	37,749	(290)	37,264
Other property, plant and equipment	12,517	12,749	(232)	11,695
Intangibles	13,936	12,379	1,557	13,115
Investments and other assets	67,983	58,991	8,992	63,472
Investment securities	47,778	38,609	9,169	42,856
Other assets	21,232	21,446	(214)	21,694
Allowance for doubtful accounts	(1,027)	(1,064)	37	(1,078)
Total assets	470,939	495,743	(24,804)	496,636
Liabilities				
Current liabilities	161,674	196,089	(34,415)	194,569
Notes and accounts payable-trade	90,146	87,384	2,762	91,258
Short-term borrowings	1,120	641	479	667
Long-term borrowings due within one year	10,787	9,655	1,132	6,621
Bonds due within one year		30,000	(30,000)	30,000
Other current liabilities	59,621	68,409	(8,788)	66,023
Long-term liabilities	118,192	126,894	(8,702)	137,855
Bonds	20,000	20,000		20,000
Bonds with stock acquisition rights	20,000	20,000		20,000
Long-term borrowings	64,717	74,155	(9,438)	77,770
Employees' severance and retirement benefits	7,471	6,961	510	15,013
Other long-term liabilities	6,004	5,778	226	5,072
Total liabilities	279,866	322,983	(43,117)	332,424
Minority interests	11,186	10,489	697	10,210
Shareholders' equity				
Common stock	41,549	41,549		41,549
Additional paid-in capital	57,523	57,523		57,523
Retained earnings	81,543	71,314	10,229	64,622
Net unrealized holding gains on securities	8,211	3,060	5,151	2,222
Foreign currency translation adjustments	(3,883)	(5,771)	1,888	(6,536)
Treasury stock, at cost	(5,056)	(5,404)	348	(5,378)
Total shareholders' equity	179,887	162,271	17,616	154,002
Total liabilities, minority interests and shareholders' equity	470,939	495,743	(24,804)	496,636

Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2005		Nine months ended December 31, 2004		Increase (Decrease)	Year ended March 31, 2005
	Amount	% of Net sales	Amount	% of Net sales		
Net sales	417,288	100.0	415,430	100.0	1,858	559,006
Cost of sales	294,748	70.6	296,279	71.3	(1,531)	398,186
Gross income	122,540	29.4	119,151	28.7	3,389	160,820
Selling, general and administrative expenses	93,802	22.5	90,762	21.9	3,040	121,780
Operating income	28,738	6.9	28,389	6.8	349	39,040
Non-operating income	1,984	0.5	1,775	0.4	209	2,735
Non-operating expenses	5,192	1.3	5,527	1.3	(335)	8,187
Ordinary income	25,530	6.1	24,637	5.9	893	33,588
Extraordinary gains	424	0.1	1,992	0.5	(1,568)	2,456
Extraordinary losses	1,025	0.2	2,616	0.6	(1,591)	2,951
Income before income taxes and minority interests	24,929	6.0	24,013	5.8	916	33,093
Income taxes	9,001	2.2	8,243	2.0	758	10,423
Minority interests	(886)	(0.2)	(972)	(0.2)	86	(1,136)
Net income	15,042	3.6	14,798	3.6	244	21,534

Business Segment Information

Nine months ended December 31, 2005

(Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales:					
(1) Outside customers	337,381	79,907	417,288		417,288
(2) Inside Group	312	24,225	24,537	(24,537)	
Total	337,693	104,132	441,825	(24,537)	417,288
Costs and expenses	310,386	98,329	408,715	(20,165)	388,550
Operating income (loss)	27,307	5,803	33,110	(4,372)	28,738

Nine months ended December 31, 2004

(Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales:					
(1) Outside customers	330,840	84,590	415,430		415,430
(2) Inside Group	897	24,834	25,731	(25,731)	
Total	331,737	109,424	441,161	(25,731)	415,430
Costs and expenses	306,301	102,177	408,478	(21,437)	387,041
Operating income (loss)	25,436	7,247	32,683	(4,294)	28,389

Qualitative Information about Consolidated Operating Results

The Casio Group is developing and vigorously promoting a strategy of focusing on high-value-added and differentiated products in its five strategic businesses: timepieces, digital cameras, electronic dictionaries, cellular phones, and TFT LCDs. At the same time, the company is focused on further increasing management efficiency by, for instance, ensuring stable profits and improving capital efficiency. Consolidated net sales for the first three quarters of the current fiscal year gained 0.4% year-on-year to ¥417.2 billion. To report on results by segment, sales in the Electronics segment were up 2.0% year-on-year to ¥337.3 billion, driven by the hit digital camera, EX-Z500, and strong sales of the OCEANUS, one of Casio's top radio-controlled watch brands. In the Electronic Components and Others segment, sales were ¥79.9 billion, down 5.5% year-on-year. TFT LCDs remained on a low price trend, but the segment is beginning to show signs of recovery such as an increase in demand for TFT LCDs for cellular phones.

Operating income was up 1.2% year-on-year to ¥28.7 billion, due to efforts to strengthen earning potential such as increasing added value by enhancing product strength in strategic businesses. The company secured a profit on an improved profit margin in the Electronics segment — mainly comprised of electronic dictionaries, digital cameras, and solar-powered radio-controlled watches — which offset a lower profit margin in the Electronic Components businesses due to falling prices. Ordinary income, at ¥25.5 billion, grew 3.6% year-on-year due to measures to strengthen the company's financial structure, including improving net financial expenses. Net income rose 1.6% year-on-year to ¥15.0 billion.

Qualitative Information about Changes in Consolidated Financial Position

At the end of the third quarter, total assets stood at ¥470.9 billion, down ¥24.8 billion since the end of the previous fiscal year, due to such factors as a reduction in interest-bearing debt. Shareholders' equity increased ¥17.6 billion to reach ¥179.8 billion, mainly as a result of an increase in retained earnings generated by improved business performance. This resulted in a substantial 5.5 percentage point increase in the shareholders' equity ratio, which reached 38.2%.

Qualitative Information about Results Forecasts

Going forward, the Casio Group will continue to work to achieve management targets by vigorously developing and promoting its strategic businesses of timepieces, digital cameras, electronic dictionaries, cellular phones, and TFT LCDs. At the same time, the company is focused on enhancing management efficiency through such means as raising profit margins and improving capital efficiency. In the Consumer category in the fourth quarter, new digital camera models will be introduced both in and outside Japan, and sales of electronic dictionaries, which hold a stable, large share of the market, are expected to remain steady. In the Timepieces category, an expanded line-up of high-priced full-metal, solar-powered radio-controlled watches is also expected to drive sales upward. In the Mobile Network Solutions (MNS) category, the introduction of two strategic new cellular phone models should substantially increase sales. The System Equipment category is moving in line with forecasts, with a tendency for sales to be concentrated at the end of the fiscal year. Despite the

continuing low price trend for TFT LCDs, the Electronic Components category is expected to see an upturn toward the end of the fiscal year as the market recovers for TFT LCDs for cellular phones.

The company is currently making steady progress in line with forecasts announced on May 10, 2005. There are no revisions to results forecasts for the full year ending March 2006.

Notes concerning results forecasts

- 1) The exchange rates are calculated at US\$1 = ¥110 and Euro1 = ¥130.
- 2) Results forecasts are based on information available at the present time, and actual results may differ significantly from forecasts. Key factors affecting actual results may include, but are not limited to, the economic circumstances surrounding the company's business, fluctuations in the exchange rates of major currencies including the yen-dollar rate, and significant changes in product prices.