

# First Half Results Briefing for Year Ending March 31, 2007



**CASIO COMPUTER CO., LTD.**

**November 1, 2006**

## **Forward-looking Statements**

**Earnings estimates and expectations that are not historical fact included in this report are forward-looking statements.**

**Although such forward-looking statements reflect the judgment of management based on information currently available to it, various factors could cause actual results to differ materially.**

# First Half Results Highlights

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Billion yen

Consolidated	FY2006 (Mar/06)	FY2007 (Mar/07)	
	1H Results	1H Results	Change
Net sales	274.2	300.6	+9.6%
Operating income % of Net sales	19.7 7.2%	23.2 7.7%	+17.6%
Ordinary income % of Net sales	17.8 6.5%	20.3 6.8%	+14.3%
Net income % of Net sales	10.2 3.7%	12.0 4.0%	+17.1%

## 1st Half Net Sales and Operating Income Highlights

1H/FY2006

1H/FY2007

**Sales: ¥274.2 billion → ¥300.6 billion(+26.4 billion yen)**

**Digital cameras +10 bil yen**

**Timepieces +4.2 bil yen**

**Cell phones +20 bil yen**

**Electronic components -9.8 bil yen**

1H/FY2006

1H/FY2007

**Operating income : ¥19.7 billion → ¥23.2 billion(+3.5 billion yen)**

**Electronics +6.9 billion yen**

**OPM 8.4% → 9.9% (+1.5%)**

Increase in sales of digital cameras and cell phones lifted operating income and margin

OPM in Stable businesses improved

**Electronic components and others -3.9 billion yen**

Drop in TFT LCD prices

Casio Micronics suffered profit decline

## Forecasts for Fiscal 2007 Business Results

Billion yen

Consolidated	FY2006 (Mar/06)	FY2007 (Mar/07)	
	Results	Forecasts	Change
Net sales	580.3	630.0	+8.6%
Operating income % of Net sales	43.1 7.4%	51.0 8.1%	+18.3%
Ordinary income % of Net sales	38.9 6.7%	46.0 7.3%	+18.2%
Net income % of Net sales	23.7 4.1%	27.5 4.4%	+15.8%

# Outlook for FY2007 Full Year

<u>FY2006</u>	<u>FY2007</u>
<b>Sales: ¥580.3 billion → ¥630 billion(+49.7 billion yen)</b>	

Digital cameras +20 bil yen

Growing overseas DSC markets →  
Brisk sales of affordable models for holiday season

Timepieces +5 bil yen

Expanded sales of full-metal radio-wave watches

Cell phones +31 bil yen

Entry into the North American market →Started  
supplying handsets to Verizon Wireless

Electronic components -4 bil yen

TFT LCD prices continue to drop

	<u>FY2006</u>	<u>FY2007</u>
<b>Operating</b>		
<b>income :</b>	<b>¥43.1 billion</b>	<b>¥51.0 billion(+7.9 billion yen)</b>

Increased sales in Expansive biz to boost operating income and margin:  
+4.5 billion yen

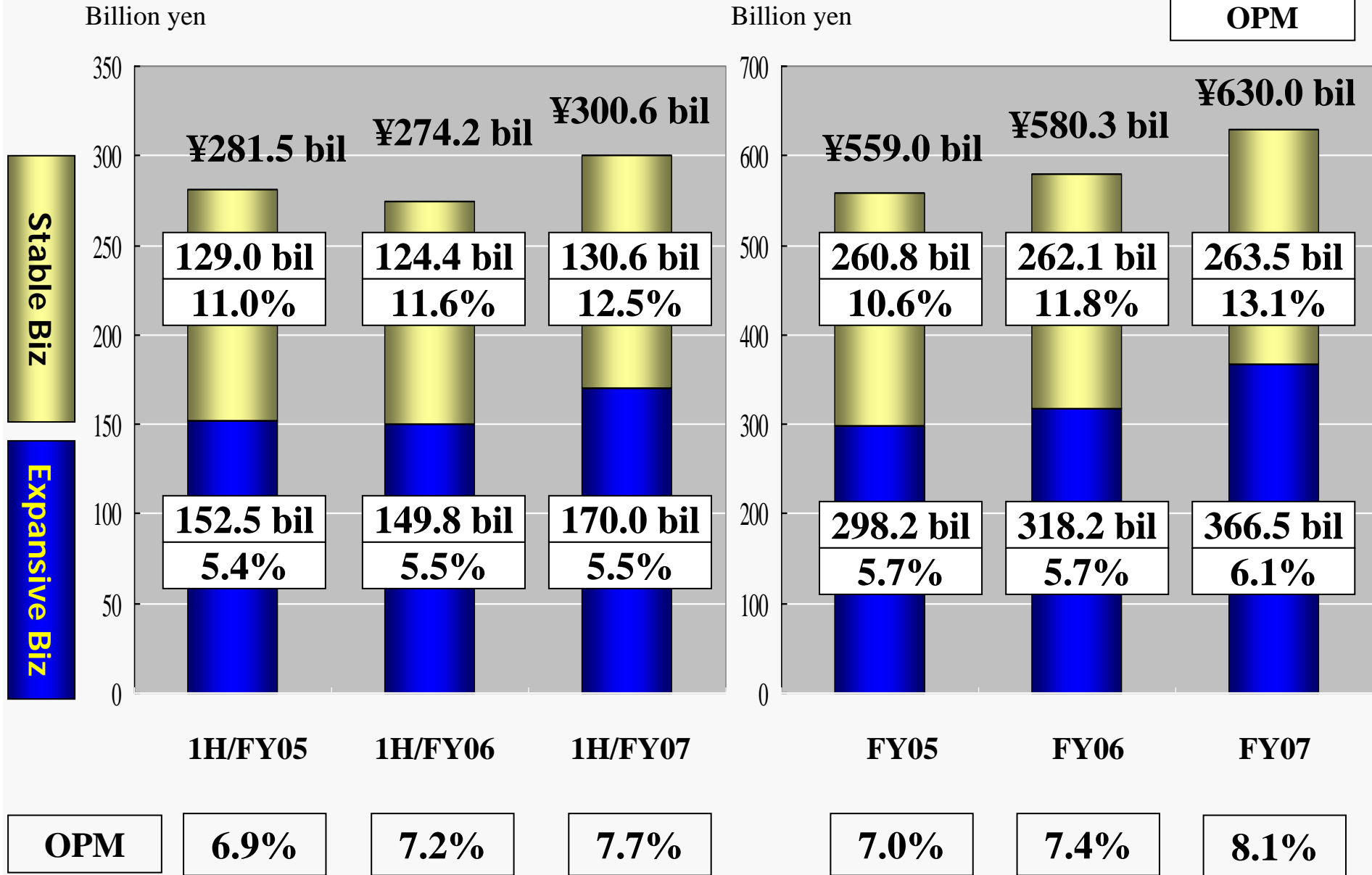
**OPM** → **5.7% → 6.1%**

Improved OPM in Stable biz to lift profit: +3.5 billion yen

**OPM** → **11.8% → 13.1%**

# Stable Businesses and Expansive Businesses

Net sales
OPM



# Strengthening Financial Structure

## 1. Improve financial ratio and cut interest costs by decreasing interest-bearing debt

	<u>Mar/2005</u>		<u>Mar/2006</u>		<u>Mar/2007</u>
<b>Debt/Equity ratio</b>	0.95	➡	0.63	➡	Under 0.5

## 2. Enhance shareholders' equity

	<u>Mar/2005</u>		<u>Mar/2006</u>		<u>Mar/2007</u>
<b>Shareholder equity ratio</b>	32.7%	➡	38.1%	➡	Over 40.0%



# Net Sales and Operating Income by Segment

<FYI>

Billion yen

Consolidated	Mar/2006 (50th Term)	Mar/2007 (51st Term)		
	Results	Forecasts	1H results	Change
Net Sales				
Consumer	213.8	230.0	107.7	+7.6%
Timepieces	71.1	76.0	37.7	+6.9%
MNS	139.9	171.0	86.8	+22.2%
System Equipment	48.6	50.0	24.4	+2.8%
Electronic Components	74.0	70.0	27.8	-5.4%
Others	32.9	33.0	16.1	+0.3%
<b>TOTAL</b>	<b>580.3</b>	<b>630.0</b>	<b>300.6</b>	<b>+8.6%</b>
Operating Income				
Electronics	41.7	53.5	25.5	+28.1%
Electronic Components & others	7.2	3.5	0.2	-51.3%
Elimination	-5.8	-6.0	-2.5	-
<b>TOTAL</b>	<b>43.1</b>	<b>51.0</b>	<b>23.2</b>	<b>+18.3%</b>

END