

Consolidated Financial Results for the First Quarter Ended June 30, 2007

August 1, 2007

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

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

Stock Exchange Listings: Tokyo (First Section)

Code Number: 6952

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1. Consolidated Financial Results for the Three Months from April 1, 2007 to June 30, 2007

Monetary amounts are rounded to the nearest million yen.

(Millions of yen)

(1) Operating Results

(Percentages indicate changes from the same period of the previous fiscal year.)

	Net sales	Operating income	Ordinary income	Net income
	%	%	%	%
Three months ended June 30, 2007	119,051 (5.9)	1,236 (77.7)	1,052 (76.4)	2,126 (20.0)
Three months ended June 30, 2006	126,518 21.2	5,544 55.5	4,461 31.8	2,659 8.9
Year ended March 31, 2007	620,769	48,074	41,431	25,147

	Net income per share (Yen)	Diluted net income per share (Yen)
Three months ended June 30, 2007	7.70	7.70
Three months ended June 30, 2006	10.00	9.52
Year ended March 31, 2007	92.67	90.30

(2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
As of June 30, 2007	481,517	233,441	46.2 %	805.92
As of June 30, 2006	489,940	195,545	37.6	692.84
As of March 31, 2007	525,483	236,669	42.6	811.69

(3) Cash Flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Three months ended June 30, 2007	(6,560)	(8,141)	(7,592)	76,959
Three months ended June 30, 2006	14,464	(11,528)	(6,166)	122,162
Year ended March 31, 2007	35,949	(37,679)	(28,713)	97,239

2. Consolidated Results Forecast for Fiscal 2008 (From April 1, 2007 to March 31, 2008) [Reference]

(Millions of yen)

(Percentages indicate changes from the previous fiscal year for the full year and from the previous interim period for the interim period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
		%		%		%		%	
First Half	310,000	3.1	24,500	5.6	22,500	10.8	13,000	8.5	47.11
Fiscal 2008	650,000	4.7	53,000	10.2	48,000	15.9	28,000	11.3	101.48

3. Others

(1) Changes in significant subsidiaries (Changes in scope of consolidation): No

(2) Adoption of the simplified accounting method: Yes

(3) Changes in accounting methods in the most recent fiscal year: No

Proper Use of Business Results Forecasts and Other Notes

(Caution Concerning Forward-looking Statements)

The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors. Please refer to Qualitative Information and Financial Statements, Qualitative Information about Consolidated Results Forecasts, on page 3 for the suppositions that form the assumptions for business results and cautions concerning the use of business results forecasts.

Qualitative Information and Financial Statements

Qualitative Information about Consolidated Operating Results

During the first quarter of the current fiscal year, the Japanese economy experienced an upswing, growing steadily on improved corporate earnings and an accompanying increase in capital expenditures, as well as a general rise in consumer spending and an improved employment situation.

In this environment, Casio pursued its management goals by aggressively promoting and developing high-value-added and differentiated products. At the same time, the company focused on greater management efficiency, including efforts to improve capital efficiency.

As a result, consolidated net sales for the first quarter of fiscal 2008 were ¥119.0 billion, with EXILIM digital cameras and OCEANUS, the top brand among Casio's radio-controlled watches, continuing the strong performance of the previous fiscal year. Operating income was ¥1.2 billion, ordinary income was ¥1.0 billion, and net income for the quarter stood at ¥2.1 billion. These figures are lower than in the same period of the previous year but they are on track to match forecasts for this fiscal year. The company expects a marked difference in the distribution of sales between the first and second quarters. The main reasons for the second-quarter weighting are that the launch of new cellular phone models is concentrated in the second quarter and business results at Casio Micronics Co., Ltd., are on the path to recovery.

Qualitative Information about Consolidated Financial Position

At the end of the first quarter, total assets stood at ¥481.5 billion, a decrease of ¥43.9 billion since the end of the previous fiscal year. Net assets totaled ¥233.4 billion, while equity ratio increased from 42.6% at the end of the previous fiscal year to 46.2% (up 3.6 percentage point). Interest-bearing debt decreased ¥1.2 billion from the end of the previous fiscal year to ¥82.4 billion.

In the future, the company will continue to pursue even more thoroughly efficient cash flow management and strive to generate free cash flow, aiming for a complete turnaround to a strong, stable financial structure.

Qualitative Information about Consolidated Results Forecasts

Casio is continuing to pursue measures to promote innovative product development, enhance its long-term earning capacity, and strengthen its management and financial structure. The company is also actively implementing a variety of measures in all business segments with a view to improving the health of its businesses, and is working to achieve earnings growth and further improve its management practices.

The Electronics segment, which includes digital cameras, electronic dictionaries, and radio-controlled watches, is performing more strongly than initially expected and absorbing the declining income in the Electronic Components and Others segment. As a

result, the company is making progress in line with the previous forecasts announced on May 10, 2007. Thus, there are no revisions to results forecasts for the full fiscal year ending March 2008.

Notes concerning results forecasts

- 1) Exchange rates are estimated at US\$ 1 = ¥110 and Euro 1 = ¥150.
- 2) The forward-looking statements including business results forecasts are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors. Key factors affecting actual business 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.

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2007	As of June 30, 2007	Increase (Decrease)	As of June 30, 2006
Assets				
Current assets	330,136	288,670	(41,466)	306,684
Cash and time deposits	52,768	58,255	5,487	65,287
Notes and accounts receivable-trade	126,117	93,362	(32,755)	77,418
Marketable securities	36,305	12,192	(24,113)	37,815
Inventories	65,857	76,303	10,446	71,724
Other current assets	50,458	49,825	(633)	55,718
Allowance for doubtful accounts	(1,369)	(1,267)	102	(1,278)
Fixed assets	195,347	192,847	(2,500)	183,256
Property, plant and equipment	102,647	100,450	(2,197)	95,488
Buildings and structures	34,400	34,082	(318)	30,008
Machinery and vehicles	17,192	16,712	(480)	14,618
Land	37,326	37,349	23	37,443
Other property, plant and equipment	13,729	12,307	(1,422)	13,419
Intangibles	19,223	20,992	1,769	15,710
Investments and other assets	73,477	71,405	(2,072)	72,058
Investment securities	51,511	53,507	1,996	51,525
Other assets	22,218	18,171	(4,047)	20,918
Allowance for doubtful accounts	(252)	(273)	(21)	(385)
Total assets	525,483	481,517	(43,966)	489,940

(Millions of yen)

	As of March 31, 2007	As of June 30, 2007	Increase (Decrease)	As of June 30, 2006
Liabilities				
Current liabilities	227,562	178,447	(49,115)	194,439
Notes and accounts payable-trade	103,616	82,514	(21,102)	94,759
Short-term borrowings	4,196	9,976	5,780	901
Long-term borrowings due within one year	22,000	7,000	(15,000)	35,565
Bonds due within one year	10,000	10,000		
Other current liabilities	87,750	68,957	(18,793)	63,214
Long-term liabilities	61,252	69,629	8,377	99,956
Bonds	10,000	10,000		20,000
Bonds with stock acquisition rights				20,000
Long-term borrowings	37,450	45,450	8,000	44,450
Employees' severance and retirement benefits	6,995	6,904	(91)	7,357
Other long-term liabilities	6,807	7,275	468	8,149
Total liabilities	288,814	248,076	(40,738)	294,395
Net assets				
Shareholders' equity	218,019	213,818	(4,201)	181,458
Common stock	48,592	48,592		41,549
Additional paid-in capital	66,737	66,703	(34)	57,724
Retained earnings	109,654	105,434	(4,220)	87,164
Treasury stock, at cost	(6,964)	(6,911)	53	(4,979)
Valuation and translation adjustments	5,924	8,551	2,627	2,823
Net unrealized holding gains on securities	8,615	9,996	1,381	8,015
Deferred losses on hedges	(1,082)	(1,159)	(77)	(1,892)
Foreign currency translation adjustments	(1,609)	(286)	1,323	(3,300)
Minority interests	12,726	11,072	(1,654)	11,264
Total net assets	236,669	233,441	(3,228)	195,545
Total liabilities and net assets	525,483	481,517	(43,966)	489,940

Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2006		Three months ended June 30, 2007		Increase (Decrease)	Year ended March 31, 2007
	Amount	% of Net sales	Amount	% of Net sales		
Net sales	126,518	100.0	119,051	100.0	(7,467)	620,769
Cost of sales	89,680	70.9	87,744	73.7	(1,936)	436,548
Gross income	36,838	29.1	31,307	26.3	(5,531)	184,221
Selling, general and administrative expenses	31,294	24.7	30,071	25.3	(1,223)	136,147
Operating income	5,544	4.4	1,236	1.0	(4,308)	48,074
Non-operating income	746	0.6	1,238	1.1	492	4,420
Non-operating expenses	1,829	1.5	1,422	1.2	(407)	11,063
Ordinary income	4,461	3.5	1,052	0.9	(3,409)	41,431
Extraordinary gains	31	0.0	19	0.0	(12)	2,202
Extraordinary losses	196	0.1	64	0.1	(132)	2,250
Income before income taxes and minority interests	4,296	3.4	1,007	0.8	(3,289)	41,383
Income taxes	1,723	1.4	450	0.3	(1,273)	14,983
Minority interests	86	0.1	1,569	1.3	1,483	(1,253)
Net income	2,659	2.1	2,126	1.8	(533)	25,147

Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2007	Year ended March 31, 2007
Cash flows from operating activities:		
Income before income taxes and minority interests	1,007	41,383
Depreciation (including software)	8,246	31,613
Decrease (Increase) in notes and accounts receivable	34,261	(21,208)
Increase in inventories	(9,448)	(7,652)
Increase (Decrease) in notes and accounts payable	(21,466)	10,076
Income taxes paid	(8,983)	(14,208)
Other	(10,177)	(4,055)
Net cash provided by (used in) operating activities	(6,560)	35,949
Cash flows from investing activities:		
Payments for acquisitions of tangible fixed assets	(5,228)	(16,865)
Payments for acquisitions of intangible fixed assets	(5,804)	(17,942)
Net proceeds from (payments for) purchases, sales and redemption of investment securities	2,714	(4,322)
Other	177	1,450
Net cash used in investing activities	(8,141)	(37,679)
Cash flows from financing activities:		
Net decrease in borrowings	(1,220)	(16,462)
Payments for cash dividends	(6,346)	(5,319)
Other	(26)	(6,932)
Net cash used in financing activities	(7,592)	(28,713)
Effect of exchange rate changes on cash and cash equivalents	2,013	2,450
Net decrease in cash and cash equivalents	(20,280)	(27,993)
Cash and cash equivalents at beginning of period	97,239	125,232
Cash and cash equivalents at end of period	76,959	97,239

Note: Quarterly consolidated statements of cash flows for the same period of the previous fiscal year are not shown, because the disclosure of quarterly consolidated statements of cash flows began in fiscal 2008.

Segment Information

Business Segments

Three months ended June 30, 2006

(Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales					
(1) Outside customers	109,083	17,435	126,518		126,518
(2) Inside Group	132	7,721	7,853	(7,853)	
Total	109,215	25,156	134,371	(7,853)	126,518
Costs and expenses	102,478	25,105	127,583	(6,609)	120,974
Operating income (loss)	6,737	51	6,788	(1,244)	5,544

Three months ended June 30, 2007

(Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales					
(1) Outside customers	94,208	24,843	119,051		119,051
(2) Inside Group	94	5,745	5,839	(5,839)	
Total	94,302	30,588	124,890	(5,839)	119,051
Costs and expenses	90,821	31,475	122,296	(4,481)	117,815
Operating income (loss)	3,481	(887)	2,594	(1,358)	1,236