

Consolidated Financial Results for the Nine Months Ended December 31, 2007

February 1, 2008

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 Nine Months from April 1, 2007 to December 31, 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 | |
|--|-----------|-----|------------------|--------|-----------------|--------|------------|--------|
| | | % | | % | | % | | % |
| Nine months ended December 31, 2007 | 449,402 | 0.6 | 24,052 | (27.8) | 20,409 | (26.9) | 10,884 | (35.9) |
| Nine months ended December 31, 2006 | 446,824 | 7.1 | 33,322 | 16.0 | 27,928 | 9.4 | 16,979 | 12.9 |
| Year ended March 31, 2007 | 620,769 | | 48,074 | | 41,431 | | 25,147 | |

| | Net income per share (Yen) | Diluted net income per share (Yen) |
|--|-------------------------------|---------------------------------------|
| Nine months ended December 31, 2007 | 39.45 | 39.43 |
| Nine months ended December 31, 2006 | 62.95 | 60.87 |
| 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 December 31, 2007 | 477,485 | 236,783 | 47.6 | 824.01 |
| As of December 31, 2006 | 505,694 | 233,342 | 43.7 | 792.99 |
| 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 |
|--|---|---|---|--|
| Nine months ended December 31, 2007 | 22,113 | (31,011) | (12,088) | 76,904 |
| Nine months ended December 31, 2006 | 24,098 | (32,405) | (14,300) | 104,589 |
| 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.)

| | Net sales | Operating income | Ordinary income | Net income | Net income per share (Yen) |
|-------------|-----------------|------------------|-----------------|-----------------|----------------------------|
| Fiscal 2008 | 614,300 (1.0) % | 37,200 (22.6) % | 31,000 (25.2) % | 17,500 (30.4) % | 63.42 |

3. Others**(1) Changes in significant subsidiaries (Changes in scope of consolidation):** No**(2) Adoption of the simplified accounting method:** Yes

The simplified method is used for the tax effect accounting.

(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 third quarter of the current fiscal year, the Japanese economy maintained a moderate trend of recovery with an increase in capital expenditure accompanying improved corporate earnings and a general rise in consumer spending and better employment situation. Nevertheless, the global economy has entered a phase of instability due to the effect of the rising price of crude oil and raw materials and the US sub-prime loan problem.

In this environment, Casio worked hard to develop and aggressively promote high-value-added and differentiated products, with the aim of increasing corporate value. At the same time, the company endeavored to improve its business structure and strengthen its management foundation, focusing on such areas as greater capital efficiency.

As a result, consolidated net sales for the first three quarters of fiscal 2008 were ¥449.4 billion. Operating income was ¥24.0 billion, ordinary income was ¥20.4 billion, and net income was ¥10.8 billion.

In the third quarter alone, Casio recorded consolidated net sales of ¥155.1 billion, up 6.1% year-on-year, driven by strong sales of cellular phones, including the EXILIM Keitai W53CA, which makes good use of digital camera technology, and the Wooo Keitai W53H, which features a 2.8-inch wide QVGA organic EL display. Operating income rose to ¥10.3 billion, up 1.8% year-on-year, ordinary income reached ¥9.8 billion, up 29.6%, and net income for the quarter hit ¥5.4 billion, up 8.1%. This was the result of the increased income accompanying greater sales, mainly for electronic dictionaries, radio-controlled watches, and cellular phones, as well as an improved profit margin due to product development that anticipates market needs.

Qualitative Information about Consolidated Financial Position

At the end of the third quarter, total assets stood at ¥477.4 billion. Net assets totaled ¥236.7 billion, while the equity ratio had improved by five percentage points from 42.6% at the end of the previous fiscal year to 47.6%. Moreover, interest-bearing debt fell by ¥5.7 billion compared to the end of the previous fiscal year, to ¥77.9 billion.

In the future, Casio will continue to manage its business assets efficiently, aiming to build a completely strong, stable financial structure.

Qualitative Information about Consolidated Results Forecasts

Casio continues to take steps 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.

Digital cameras, with a concentration of new products in the fourth quarter of the current fiscal year, as well as electronic dictionaries, radio-controlled watches, and cellular phones, are showing a strong performance, and this should offset the effect of the revision to results forecasts at Casio Micronics Co., Ltd. Casio is making progress in line with 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 December 31, 2007 | Increase (Decrease) | As of December 31, 2006 |
|-------------------------------------|-------------------------|----------------------------|------------------------|----------------------------|
| Assets | | | | |
| Current assets | 330,136 | 300,789 | (29,347) | 318,945 |
| Cash and time deposits | 52,768 | 50,950 | (1,818) | 54,545 |
| Notes and accounts receivable-trade | 126,117 | 109,720 | (16,397) | 94,620 |
| Marketable securities | 36,305 | 26,322 | (9,983) | 36,419 |
| Inventories | 65,857 | 68,079 | 2,222 | 79,097 |
| Other current assets | 50,458 | 47,315 | (3,143) | 55,771 |
| Allowance for doubtful accounts | (1,369) | (1,597) | (228) | (1,507) |
| Fixed assets | 195,347 | 176,696 | (18,651) | 186,749 |
| Property, plant and equipment | 102,647 | 94,369 | (8,278) | 94,183 |
| Buildings and structures | 34,400 | 32,930 | (1,470) | 30,192 |
| Machinery and vehicles | 17,192 | 14,675 | (2,517) | 12,896 |
| Land | 37,326 | 37,263 | (63) | 37,460 |
| Other property, plant and equipment | 13,729 | 9,501 | (4,228) | 13,635 |
| Intangibles | 19,223 | 21,196 | 1,973 | 18,553 |
| Investments and other assets | 73,477 | 61,131 | (12,346) | 74,013 |
| Investment securities | 51,511 | 42,669 | (8,842) | 51,763 |
| Other assets | 22,218 | 18,673 | (3,545) | 22,561 |
| Allowance for doubtful accounts | (252) | (211) | 41 | (311) |
| Total assets | 525,483 | 477,485 | (47,998) | 505,694 |

(Millions of yen)

| | As of March 31, 2007 | As of December 31, 2007 | Increase (Decrease) | As of December 31, 2006 |
|--|-------------------------|----------------------------|------------------------|----------------------------|
| Liabilities | | | | |
| Current liabilities | 227,562 | 178,391 | (49,171) | 210,368 |
| Notes and accounts payable-trade | 103,616 | 91,362 | (12,254) | 95,068 |
| Short-term borrowings | 4,196 | 12,209 | 8,013 | 1,861 |
| Long-term borrowings due within one year | 22,000 | 6,500 | (15,500) | 32,009 |
| Bonds due within one year | 10,000 | | (10,000) | 10,000 |
| Other current liabilities | 87,750 | 68,320 | (19,430) | 71,430 |
| Long-term liabilities | 61,252 | 62,311 | 1,059 | 61,984 |
| Bonds | 10,000 | 10,000 | | 10,000 |
| Long-term borrowings | 37,450 | 39,200 | 1,750 | 37,700 |
| Employees' severance and retirement benefits | 6,995 | 6,395 | (600) | 7,128 |
| Other long-term liabilities | 6,807 | 6,716 | (91) | 7,156 |
| Total liabilities | 288,814 | 240,702 | (48,112) | 272,352 |
| Net assets | | | | |
| Shareholders' equity | 218,019 | 222,574 | 4,555 | 216,292 |
| Common stock | 48,592 | 48,592 | | 48,592 |
| Additional paid-in capital | 66,737 | 66,669 | (68) | 66,757 |
| Retained earnings | 109,654 | 114,192 | 4,538 | 101,487 |
| Treasury stock, at cost | (6,964) | (6,879) | 85 | (544) |
| Valuation and translation adjustments | 5,924 | 4,798 | (1,126) | 4,591 |
| Net unrealized holding gains on securities | 8,615 | 7,289 | (1,326) | 7,520 |
| Deferred losses on hedges | (1,082) | (689) | 393 | (1,193) |
| Foreign currency translation adjustments | (1,609) | (1,802) | (193) | (1,736) |
| Minority interests | 12,726 | 9,411 | (3,315) | 12,459 |
| Total net assets | 236,669 | 236,783 | 114 | 233,342 |
| Total liabilities and net assets | 525,483 | 477,485 | (47,998) | 505,694 |

Consolidated Statements of Income

(Millions of yen)

| | Nine months ended December 31, 2006 | | Nine months ended December 31, 2007 | | Increase (Decrease) | Year ended March 31, 2007 |
|--|--|-------------------|--|-------------------|------------------------|---------------------------------|
| | Amount | % of Net sales | Amount | % of Net sales | | |
| Net sales | 446,824 | 100.0 | 449,402 | 100.0 | 2,578 | 620,769 |
| Cost of sales | 311,833 | 69.8 | 326,846 | 72.7 | 15,013 | 436,548 |
| Gross income | 134,991 | 30.2 | 122,556 | 27.3 | (12,435) | 184,221 |
| Selling, general and administrative expenses | 101,669 | 22.7 | 98,504 | 21.9 | (3,165) | 136,147 |
| Operating income | 33,322 | 7.5 | 24,052 | 5.4 | (9,270) | 48,074 |
| Non-operating income | 3,014 | 0.7 | 3,606 | 0.8 | 592 | 4,420 |
| Non-operating expenses | 8,408 | 1.9 | 7,249 | 1.7 | (1,159) | 11,063 |
| Ordinary income | 27,928 | 6.3 | 20,409 | 4.5 | (7,519) | 41,431 |
| Extraordinary gains | 1,120 | 0.2 | 597 | 0.1 | (523) | 2,202 |
| Extraordinary losses | 1,330 | 0.3 | 2,481 | 0.5 | 1,151 | 2,250 |
| Income before income taxes and minority interests | 27,718 | 6.2 | 18,525 | 4.1 | (9,193) | 41,383 |
| Income taxes | 9,745 | 2.2 | 8,504 | 1.9 | (1,241) | 14,983 |
| Minority interests | (994) | (0.2) | 863 | 0.2 | 1,857 | (1,253) |
| Net income | 16,979 | 3.8 | 10,884 | 2.4 | (6,095) | 25,147 |

Consolidated Statements of Cash Flows

(Millions of yen)

| | Nine months ended December 31, 2007 | Year ended March 31, 2007 |
|--|--|------------------------------|
| Cash flows from operating activities: | | |
| Income before income taxes and minority interests | 18,525 | 41,383 |
| Depreciation (including software) | 24,916 | 31,613 |
| Decrease (Increase) in notes and accounts receivable | 16,940 | (21,208) |
| Increase in inventories | (2,179) | (7,652) |
| Increase (Decrease) in notes and accounts payable | (12,116) | 10,076 |
| Income taxes paid | (13,742) | (14,208) |
| Other | (10,231) | (4,055) |
| Net cash provided by operating activities | 22,113 | 35,949 |
| Cash flows from investing activities: | | |
| Payments for acquisitions of tangible fixed assets | (17,477) | (16,865) |
| Payments for acquisitions of intangible fixed assets | (13,632) | (17,942) |
| Net proceeds from (payments for) purchases, sales and redemption of investment securities | 1,626 | (4,322) |
| Other | (1,528) | 1,450 |
| Net cash used in investing activities | (31,011) | (37,679) |
| Cash flows from financing activities: | | |
| Net decrease in borrowings | (5,737) | (16,462) |
| Proceeds from issuance of commercial paper | 10,000 | |
| Redemption of bonds | (10,000) | |
| Payments for cash dividends | (6,346) | (5,319) |
| Other | (5) | (6,932) |
| Net cash used in financing activities | (12,088) | (28,713) |
| Effect of exchange rate changes on cash and cash equivalents | 651 | 2,450 |
| Net decrease in cash and cash equivalents | (20,335) | (27,993) |
| Cash and cash equivalents at beginning of period | 97,239 | 125,232 |
| Cash and cash equivalents at end of period | 76,904 | 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

Nine months ended December 31, 2006

(Millions of yen)

| | Electronics | Electronic components and others | Total | Elimination or unallocated amount | Consolidated |
|-------------------------|-------------|----------------------------------|---------|-----------------------------------|--------------|
| Net sales | | | | | |
| (1) Outside customers | 380,618 | 66,206 | 446,824 | | 446,824 |
| (2) Inside Group | 560 | 25,077 | 25,637 | (25,637) | |
| Total | 381,178 | 91,283 | 472,461 | (25,637) | 446,824 |
| Costs and expenses | 344,200 | 91,232 | 435,432 | (21,930) | 413,502 |
| Operating income (loss) | 36,978 | 51 | 37,029 | (3,707) | 33,322 |

Nine months ended December 31, 2007

(Millions of yen)

| | Electronics | Electronic components and others | Total | Elimination or unallocated amount | Consolidated |
|-------------------------|-------------|----------------------------------|---------|-----------------------------------|--------------|
| Net sales | | | | | |
| (1) Outside customers | 376,057 | 73,345 | 449,402 | | 449,402 |
| (2) Inside Group | 280 | 19,483 | 19,763 | (19,763) | |
| Total | 376,337 | 92,828 | 469,165 | (19,763) | 449,402 |
| Costs and expenses | 345,816 | 95,351 | 441,167 | (15,817) | 425,350 |
| Operating income (loss) | 30,521 | (2,523) | 27,998 | (3,946) | 24,052 |