

Responsibilities to Shareholders and Investors

Optimum Shareholder Return and Information Disclosure

Casio is striving to improve business performance and strengthen its financial position in order to increase returns to shareholders.

Basic Policies on Profit Distribution to Shareholders

Casio considers maintenance and expansion of profit distribution to shareholders to be an important management goal. Accordingly, it is striving to improve its business performance and strengthen its financial position. Casio distributes returns to shareholders by comprehensively considering the company's profit level, financial situation and dividend payout ratio, based on a policy of maintaining stable dividends. Internal reserves are also being appropriated for the R&D and investment necessary for stable corporate growth. These steps allow Casio to improve its business results and strengthen its management structure.

Operating Results and Dividends in Fiscal 2006

In fiscal 2006, Casio moved forward aggressively with expansion of its strategic businesses, including timepieces, digital cameras, electronic dictionaries, cellular phones and TFT LCDs. At the same time, the company strove to improve management efficiency by raising the profit margin and improving capital efficiency. As a result, record-high net sales and net income figures were achieved for the third consecutive year: ¥580.3 billion and ¥23.7 billion, respectively (on a consolidated basis). Dividends were raised by ¥3 per share from ¥17 in the previous fiscal year to ¥20, marking the third consecutive year of growing dividends.

Inclusion in SRI Index and Funds

Socially responsible investment (SRI) represents a commitment to evaluate and select corporations for investment on the basis of their performance on the triple bottom line. In addition to conventional investment criteria such as financial analysis, companies are also evaluated based on their CSR performance including legal compliance, employment and human rights issues, social contribution, and environmental protection. SRI funds have been gaining popularity in recent years, and Casio is included in the following index and funds.

Casio in SRI Index and Funds (as of June 1, 2006)

SRI Index Inclusion

- Morningstar SRI Index (May 1, 2006)

SRI Fund Inclusion

- STB Asset Management Co. Ltd. STB SRI Japan Open "Good Company"
- Sumitomo Mitsui Asset Management Co. Ltd. Eco-Balance "Umi to Sora" (Sea and Sky)

Communication with Shareholders and Investors

Casio is actively engaged in a variety of investor-relations initiatives, true to the company's policy of disclosing corporate information appropriately and in a timely fashion, as outlined in the Casio Code of Conduct.

IR events

After the release of financial results each quarter, Casio holds financial results briefings. As the main speaker at these events, the company president or director in charge of IR explains the financial results and future outlook to institutional investors and securities analysts. On occasion, the company also meets individually with Japanese or overseas institutional investors and securities analysts. Factory tours and small meetings for specific business segments are provided as well.



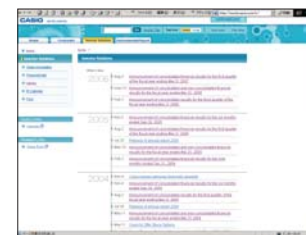
Financial results briefing

A wide array of IR tools

IR tools used by Casio include quarterly financial results, annual reports, and business reports. The same information is also provided on the Casio Website.



Casio Annual Report



Investor Relations Website

IR Website <http://world.casio.com/ir/>

Communication with Individual Investors

Along with fuller information disclosure on its Website, Casio is actively providing more information to individual investors. These efforts include not just improvement of general shareholder meeting content, but also holding management presentations for shareholders after the meeting.

Inquiries to the IR Department

In cooperation with the General Affairs Department, the IR Department coordinates Casio's investor relation activities, and responds to all manner of inquiries from Japanese and overseas shareholders and investors.