

# PRODUCTS, TRENDS AND ACTIVITIES

## ELECTRONICS

### CONSUMER

In the fiscal year under review, although the market for electronic musical instruments and audio equipment was harsh, we continued to hold the top domestic market share of electronic dictionaries. In addition, digital camera sales were brisk due to the expansion of our lineup of models ranging from high-end cameras with 3.34-million-pixel resolution to low-end cameras with 310,000-pixel resolution.

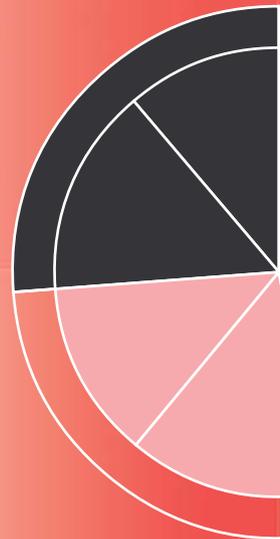
As core products in Casio's *digital imaging business*, digital cameras are developed in the future using exclusive state-of-the-art technology. We have successively released products in the EZ-USB series, a new genre of electronic stationary, in which we are expanding our lineup of peripherals for PC users. Casio is advancing all of its stand-alone consumer products to be network connectable, from musical instruments to electronic dictionaries, as a *personal solutions business* exemplified in the EZ-USB series.

### TIMEPIECES

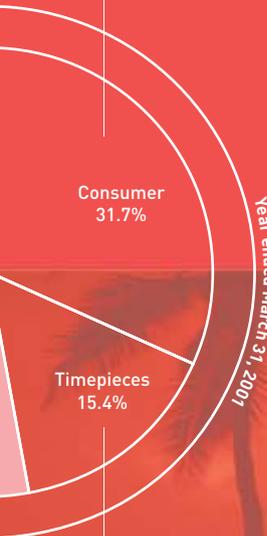
Although fiscal 2001 was a harsh year due to the worldwide drop in demand for timepieces, we introduced new products that will lead to new developments. We have received particularly high praise for our WRIST CAMERA, which was released in June 2000, followed by a second model in July 2001. Images taken with the second model can be viewed in color on a PC, and in black and white on its own display as with the first model.

Following the completion of infrastructure in Japan, timepieces that automatically adjust the time by receiving Japan Standard Time transmissions from the Communications Research Laboratory (CRL) of the Ministry of Public Management, Home Affairs, Posts and Telecommunications have begun to attract attention. Last year, Casio started sales of G-Shock wristwatches with this function and is now steadily introducing the new WAVE CEPTOR series of products, which possess the same function. We are planning product introduction in the United States, where we expect firm demand, as the necessary infrastructure is put in place.

By pursuing the concept of wrist technology through the development of products possessing functions and technology outside the framework of conventional timepieces, Casio intends to breathe new life into the timepiece market.



Electronic calculators  
 Electronic dictionary  
 Label printers  
 Visual-related products  
 Digital cameras  
 Electronic musical instruments  
 Audio equipment



Year ended March 31, 2007



The XD-S5000 high-end electronic dictionary with sliding keyboard contains six dictionaries.



This Databank Style watch is one of our latest WAVE CEPTOR series models of self-adjusting timepieces that receive Japan Standard Time transmissions to keep the correct time.



This WRIST CAMERA, our second model, can show images it took in color on PCs, and can hold up to 80 pictures.



The EZ-USB series, including these mini-label printers, adds convenience for PC users.



The slim bodied and highly functional timepiece FILM WATCH PELA can be coordinated with colors by changing bands.

Digital watches  
 Analog watches  
 Clocks



The QV-4000 digital camera is our latest high-end model with a 4.13-million-pixel CCD.



The Celviano AL-100R electric piano features sound and performance comparable to a true piano and illuminated guidance keys that help practitioners improve their skills.

## ELECTRONICS

### **MOBILE NETWORK SOLUTIONS (MNS)**

As an important source of business for fiscal 2001, MNS made considerable contributions to sales. Our personal digital assistant (PDA) CASSIOPEIA® series, which uses Microsoft® Windows® for Pocket PC operating systems, has been especially well received. We began sales of the CASSIOPEIA® E-707 with integrated communications functions for business applications last year in the domestic market and will launch the new CASSIOPEIA® BE-300 as a series of Pocket Managers in September 2001 in North America. We aim to expand our global share of the PDA market by launching affordably priced BE-300 products with high specifications.

We have also received favorable reviews of our water- and shock-resistant cellular phones for the cdmaOne™ service provided by the KDDI Group's au Corporation.

We expect a slowdown of cellular phone growth in the world market and increasingly fierce competition in the PDA business. In this environment, Casio will use its unparalleled technology and brand power to drive growth.

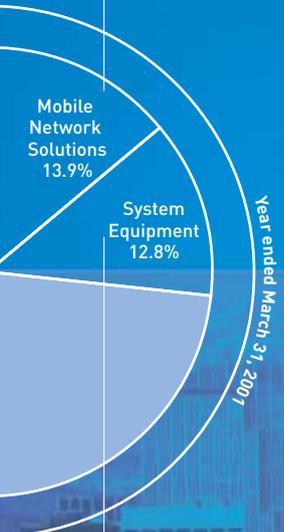
### **SYSTEM EQUIPMENT**

Raku-ichi, a machine for office management targeting small-scale business managers, showed brisk domestic growth. In March 2001, we also began sales of the top-of-the-line color page printer SPEEDIA N5, which is the fastest color printer in the world at 29 pages a minute (as of July 2001). Casio will continue to introduce products using its innovative technological capabilities to further enhance business user convenience.

Mobile PCs  
 Cellular phones  
 Pocket computers  
 Handy terminals



Our POS cash register is a total solution to a wide range of applications for retail stores and restaurants.



The SPEEDIA N5 page printer can produce 29 color pages per minute at high resolutions.

Featuring data communications functions, the CASSIOPEIA® E-707 is equipped with the Microsoft® Windows® for Pocket PC operating system for a truly mobile platform that meets the various needs of corporations.



Electronic cash registers (including POS)

Office computers

Page printers



The G'z One series of cdmaOne™ cellular phones, made to be water resistant and shock absorbent, have been well appraised for their toughness and original designs.



The FIVA mobile PC features a Crusoe™ CPU, 30 GB hard disk and a variety of interfaces in a compact A5-size, slim 21-mm body.

## ELECTRONIC COMPONENTS AND OTHERS

### ELECTRONIC COMPONENTS

In the fiscal year under review, electronic components grew substantially due to robust demand for small- and medium-size applications of STN- and TFT-LCDs. Our HAST-TFT-LCDs have been widely adopted for use in such mobile hardware as cellular phones, digital cameras, camcorders and PDAs. Kochi Casio Co., Ltd., a production base of HAST-TFT-LCDs, plans to begin full-scale operation of its second factory early next year, nearly doubling the Company's supply capabilities. In addition, Casio announced a far-reaching tie-up with NEC Corporation in October 2000 for the joint development and production of back-light/reflective TFT-LCDs. Delegating development and production according to each company's field of expertise, we began partial production under the alliance in June of this year.

Two-way color STN-LCDs were introduced in fiscal 2001. Featuring a construction that is able to use external light in addition to the conventional use of backlighting, two-way color STN-LCDs achieve clear visibility both indoors and outdoors. Due to these characteristics, we are marketing color STN-LCDs main-

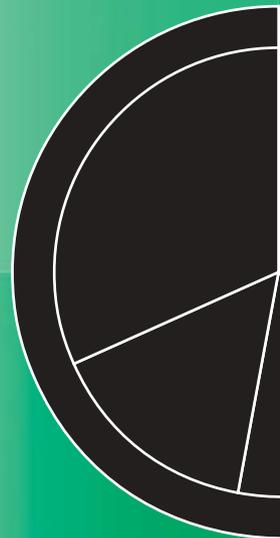
ly for cellular phones. We also plan to launch TFT-LCDs that use this method.

Furthermore, bump and tape carrier package (TCP) businesses of Casio Micronics Co., Ltd. were brisk owing to significant growth in cellular- and PC-related demand. In fall 2000, we increased production capacity of bump by 50% and nearly doubled production capacity of TCP with the establishment of a new manufacturing base. Casio Micronics also plans to begin wafer-level chip size package (W-CSP) production during the current fiscal year.

Casio aims to become a leading company for small-sized LCDs and large-scale integration (LSI) chip mounting processing in the field of mobile hardware, where high levels of technology and production capacity are demanded.

### OTHERS

Sales of Others declined due to the sale of 80% of our equity in The Casio Lease Co., Ltd. in fiscal 2001.



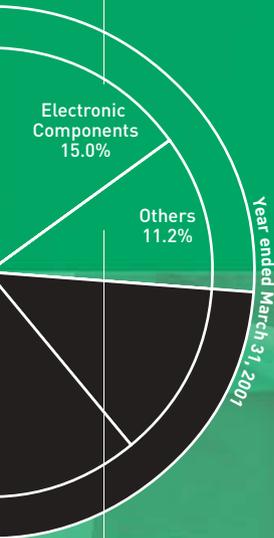
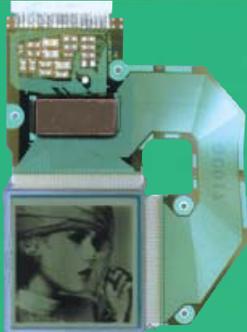
LCDs

Bump processing  
consignments

TCP assembly and  
processing  
consignments

Carrier tape

Chip on film (COF) technology is a mounting method for directly connecting LSI chips to thin plastic film with printed circuits, enabling high-density mounting and contributing to the compactness of products.



Our STN-LCDs are used in a diverse range of applications. This STN-LCD is a color display for mobile terminals.

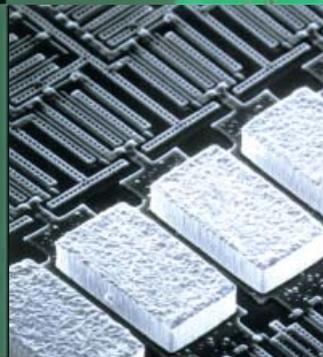


Our HAST-LCDs are TFT-LCDs that recreate beautiful images at high resolutions through proprietary technology. We use HAST-LCDs in the CASSIOPEIA® and also supply them to other companies for use in digital cameras, camcorders and other mobile products.

Factory automation

Molds

Toys



Bump technology forms miniature terminals on LSIs to connect LSI chips to glass for LCDs and film substrates, extending high-density mounting technology to new levels.

