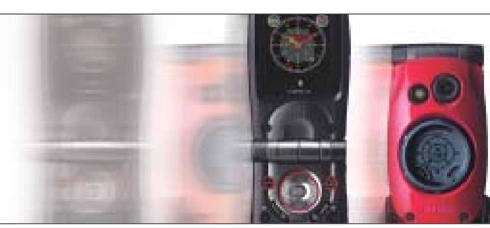
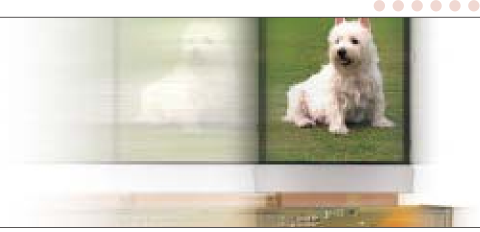
CASIO

Annual Report 2006

For the year ended March 31, 2006

Toward ultimate evolution beyond imagination





Profile

Since its establishment in 1957, Casio Computer Co., Ltd. has made its mission the pursuit of "Creativity and Contribution." Casio aims to spur corporate growth, increase corporate value, and continue to be a highly visible and attractive Company to shareholders and customers by using ingenious concepts and state-of-the-art technologies to create products and services that will make the lives of people throughout the world more enjoyable and comfortable.

In the term ended March 31, 2006, Casio strongly promoted and developed its strategic businesses, which are timepieces, digital cameras, electronic dictionaries, cellular phones, and TFT LCDs, in pursuit of management targets. At the same time, the Company focused on realizing greater management efficiency, including raising operating income margins and improving capital efficiency. As a result of these efforts, the Company achieved record-high net sales and net income for the third terms in a row.

We will make maximum use of our expertise in our strategic businesses. Casio will expand business through the development of inventive products and the promotion of stable long-term profitability.

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Forward-looking Statements

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

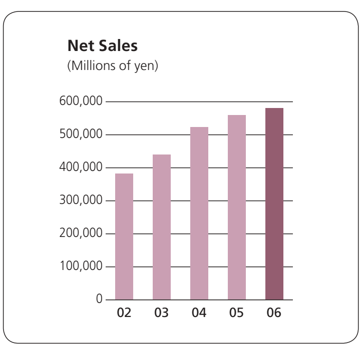
Although such forward-looking statements reflect the judgment of management based on information currently available to it, various factors could cause actual results to differ materially.

Consolidated Financial Highlights

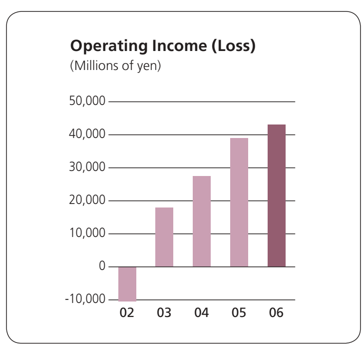
Years ended March 31, 2006 and 2005 Casio Computer Co., Ltd. and Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars*
	2006	2005	**2006**
For the year:			
Net sales	**¥580,309**	¥559,006	**$4,959,906**
Operating income	**43,114**	39,040	**368,496**
Net income	**23,745**	21,534	**202,949**
Capital investment	**19,711**	17,782	**168,470**
Depreciation	**17,431**	15,370	**148,983**
Research and development expenses	**18,205**	16,616	**155,598**
At year-end:			
Shareholders' equity	**191,011**	162,271	**1,632,573**
Total assets	**501,960**	495,743	**4,290,256**
Amounts per share of common stock (in yen and U.S. dollars):			
Net income	**¥88.57**	¥80.27	**$0.76**
Diluted net income	**84.43**	76.47	**0.72**
Cash dividends applicable to the year	**20.00**	17.00	**0.17**

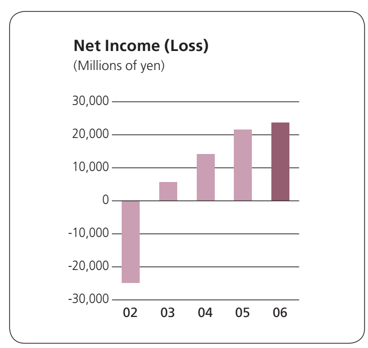
*U.S. dollar amounts have been translated from Japanese yen at the rate of ¥117 to U.S.$1, the approximate exchange rate prevailing on March 31, 2006.



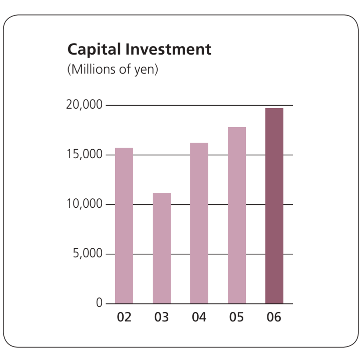
Net Sales
(Millions of yen)



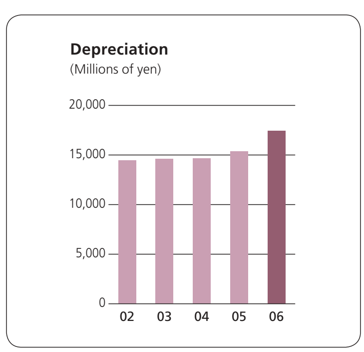
Operating Income (Loss)
(Millions of yen)



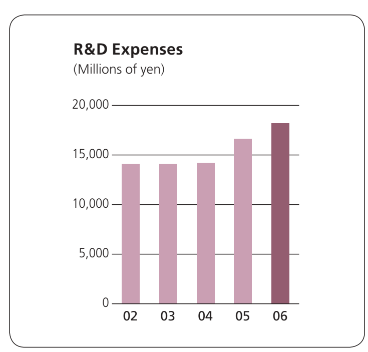
Net Income (Loss)
(Millions of yen)



Capital Investment
(Millions of yen)



Depreciation
(Millions of yen)



R&D Expenses
(Millions of yen)

Kazuo Kashio, *President and CEO*

It is my great pleasure to report on the Company's performance for the term ended March 31, 2006, and to describe our future business strategies.

Business Performance for Fiscal 2006

During the term under review, ended March 31, 2006 (hereinafter fiscal 2006), the Casio Group strongly promoted and developed its strategic businesses, including timepieces, digital cameras, electronic dictionaries, cellular phones, and TFT LCDs, in pursuit of its business targets. At the same time, the Company has been focusing on realizing greater management efficiency, including raising profit ratios and improving capital efficiency.

As a result, net sales (on a consolidated basis) grew by 3.8% year-on-year to ¥580.3 billion in the reporting period, primarily driven by growth in strategic businesses. Thus, sales rose for a fourth straight year.

By business segment, sales in the Electronics Segment were up 5.7% year-on-year at ¥473.4 billion. In the digital camera business, sales of our popular, stylish digital camera Exilim once again recorded favorable results, thanks to growth in sales in overseas markets. Timepieces, led by Casio's Oceanus brand, a high-end full-metal solar-powered radio-controlled watch, saw a year-on-year rise in sales. This is largely the result of our strategy of targeting market expansion for our solar-powered radio-controlled watches. In cellular phones, our new products all posted strong sales. These products include our water-proof, shock-resistant "G'zOne TYPE-R" model, featuring a megapixel camera. The W41CA, a slim folding model, is a mere 22mm thick when folded, and is compatible with various WIN services provided by *"au."*

In contrast, sales in the Electronic Components and Others Segment declined 3.8% to ¥106.8 billion. Casio Micronics Co., Ltd. saw a rise in sales as a result of a strong performance by its COF (chip-on-film) operations but TFT operations reported a decline in revenue, attributable to a decrease in product prices on a unit basis.

Operating income rose 10.4% to ¥43.1 billion, showing a year-on-year rise for the fourth consecutive year. This is largely attributable to efforts to increase the profit margins of our products by developing products with more attractive features especially in our strategic businesses, as well as to improve our operational efficiency. Net income increased 10.3% to ¥23.7 billion, thanks to steps to establish a strong financial structure by reducing financial expenses. The Company achieved record-high sales and net income for the third consecutive year.

We increased our annual dividend by ¥3 per share from the ¥17 per share for the previous year to ¥20 per share for the year under review, taking into account our favorable business performance. This resulted in an increase in the dividend for three years in a row.

Medium and Long-Term Management Strategy

In order to raise Casio's corporate value through continual expansion of business operations, it is necessary to strengthen our cost efficiency worldwide, create solid revenue bases capable of generating a high level of profits, and bolster our financial position. To realize these goals, the Company has implemented the following measures.

(1) Improving Earning Capacity

Casio has positioned businesses that have maintained the top market share and are expected to obtain stable cash flow without requiring significant additional investment as Stable Businesses. These businesses include Timepieces, Consumer Products (excluding digital cameras), and System Equipment. We have positioned businesses that are expected to experience significant global market growth in the future, while also facing intensifying competition as a large number of companies enter the market, as Expansive Businesses. These include the digital camera and cellular phone businesses, as well as Electronic Components (TFT LCDs). With these two types of businesses at the core, Casio is pursuing management that secures stable growth and profitability by developing strategies that suit the characteristics of each type of business. Going forward, the Company aims to secure stable profits in Stable Businesses while increasing revenues and operating income in Expansive Businesses. Casio is focused on achieving a 10% operating income margin overall.

As means of improving our earnings capabilities, the Production and Purchasing Headquarters was merged with the Product Development Headquarters in June 2005. We aim to lower the cost of sales ratio by reducing production costs from the design stage. For this purpose, we are implementing the following four measures.

1. Achieve a stable selling price by increasing product appeal through the incorporation of unique features
2. Realize an appropriate level of inventory by more tightly controlling every stage of the production process
3. Minimize materials costs by standardizing components and procurement
4. Curb production costs by increasing the capacity utilization rate at our plants

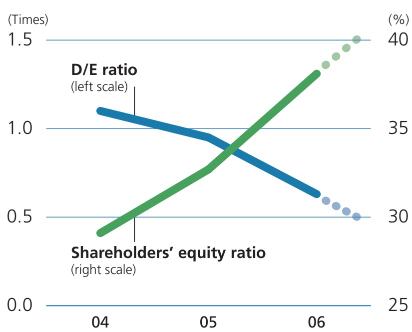
(2) Strengthening Financial Structure

We are working to improve the shareholders' equity ratio and debt/equity (D/E) ratio with the aim of strengthening our financial position to ensure future growth.

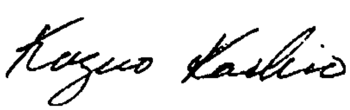
In the term under review, the shareholders' equity ratio improved from 32.7% in the previous term to 38.1%, and the D/E ratio went from 0.95 to 0.6. In the future, we will maintain our efforts to optimize cash flow management while working to generate a sufficient level of free cash flow, with the aim of achieving a complete turnaround to a strong and stable financial position. By leveraging our core technologies, which enable the development of lightweight, compact and energy-efficient products, we will continue strengthening our strategic businesses, including Timepieces, Digital Cameras, Electronic Dictionaries, Cellular Phones, and TFT LCDs. The specific strategies for these strategic businesses appear on p. 8-13.

In addition, we will continue our efforts to create distinctive products fully utilizing our core technologies, and simultaneously implement measures to strengthen our business structure and bolster our financial position to increase profitability over the long term, thus further improving the quality of our management.

D/E ratio and
Shareholders' equity ratio



July 2006

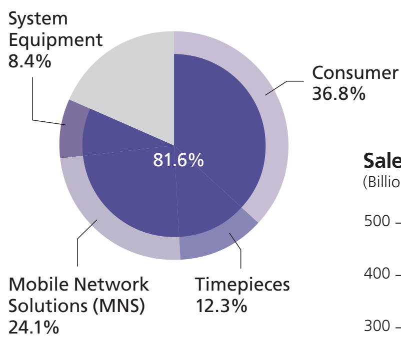


Kazuo Kashio
President and CEO

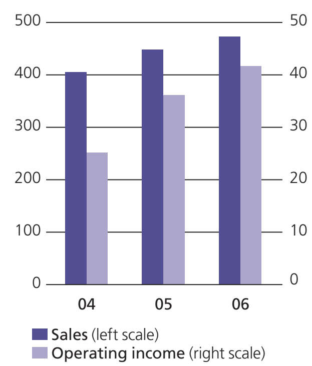
BUSINESS SEGMENT

Electronics

Sales
(%)

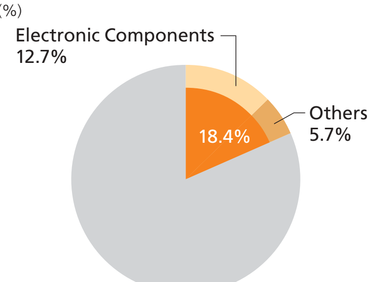


Sales and Operating Income
(Billions of yen)

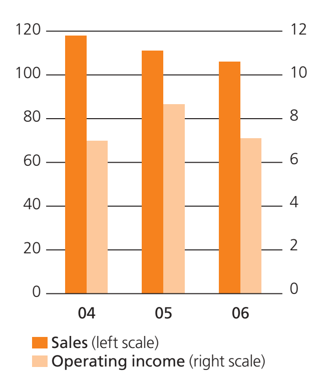


Electronic Components and Others

Sales
(%)



Sales and Operating Income
(Billions of yen)



PRODUCT CATEGORY

Stable Business   Expansive Business

Electronics

Consumer

Principal Products

- Electronic Calculators
- Electronic Dictionaries
- Label Printers
- Visual-related Products
- Digital Cameras
- Electronic Musical Instruments

Timepieces

Principal Products

- Digital Watches
- Analog Watches
- Clocks

Mobile Network Solutions (MNS)

Principal Products

- Cellular Phones
- Handy Terminals

System Equipment

Principal Products

- Electronic Cash Registers (including POS)
- Office Computers
- Page Printers
- Data Projectors

Electronic Components and Others

Electronic Components

Principal Products

- LCDs
- Bump Processing Consignments
- TCP Assembly and Processing Consignments
- Carrier Tape

Others

Principal Products

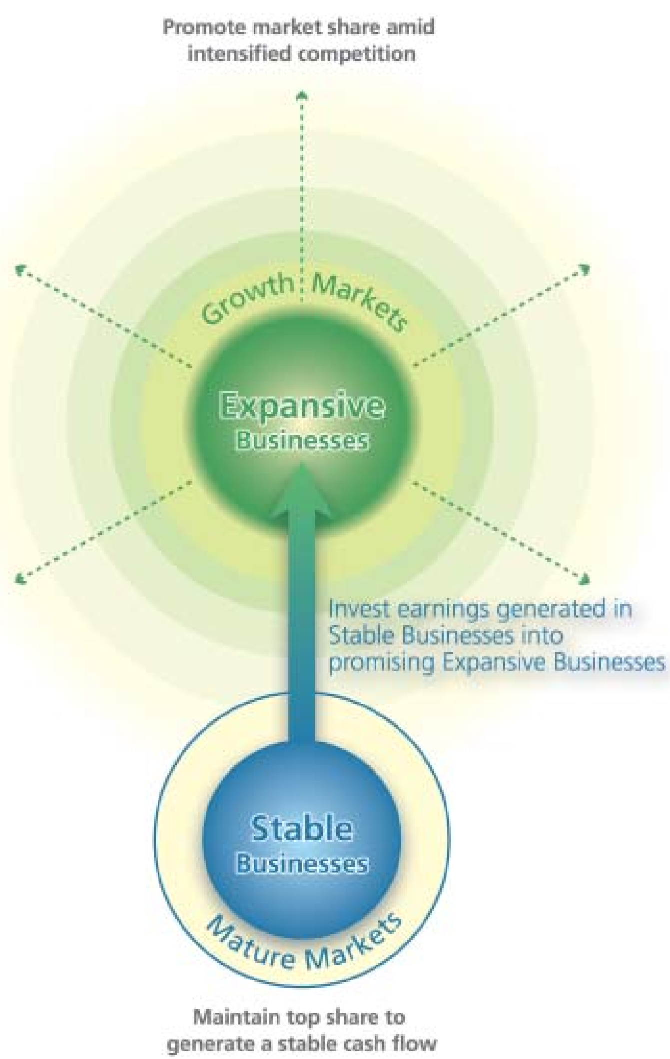
- Molds
- Toys
- Factory Automation

PRODUCT PORTFOLIO

As the diagram below shows, our product portfolio is divided into Stable Businesses and Expansive Businesses.

The former (shown in blue), which generate a stable and high level of cash inflow, comprise products in which the Company enjoys a large market share and which therefore do not require heavy additional investment.

The latter (shown in green), comprise products whose markets are still expanding on a global scale, and are characterized by intense competition. These businesses require additional investment using the cash inflows from the Stable Businesses. If effectively utilized, this will enable us to win out against the stiff competition from other makers. We will thereby secure a larger market share and grow each expansive business into a major cash cow in the future.




5 Five Strategic Businesses

Focusing on five strategic businesses to achieve further growth and profitability

Casio is positioning its timepieces, electronic dictionaries, digital cameras, cellular phones, and TFT LCDs as its five strategic businesses. In particular, timepieces and electronic dictionaries are the main elements of the Company's core Stable Business, which are expected to generate a sustainable and high level of earnings, given their high market share. We are also focusing our efforts on products in our Expansive Businesses category, such as digital cameras, cellular phones and TFT LCDs, which have good growth potential. Our plan for achieving sustainable growth is to invest the profits generated by the Stable Businesses into Expansive Businesses, to increase in global market share and raise brand value. In this way, our five strategic businesses will serve as the engines of Casio's growth strategy.

Solar-Powered Radio-Controlled Watches

OCW-600WCE-7AV-ER

Our timepieces, led by our G-Shock brand, have carved out a strong position in the world market. Timepieces, one of our core businesses, boasts a stable share in world markets, and continues to achieve a high level of profitability. The world timepiece market, as a saturated market, cannot be expected to show substantial growth in the future. Amid this environment, our main strategy has been to develop a market for solar-powered radio-controlled watches, a high-value-added product that makes full use of the Company's core technologies. Casio has been steadily increasing its share in those markets that have the necessary infrastructure for radio transmissions – Japan, Europe, and North America – and this product category continually shows a year-on-year rise in its contribution to total sales in the timepiece operations.

In the term under review, regarding our flagship brand Oceanus, a solar-powered radio-controlled analog watch, we expanded our lineup of men's watches and launched our first ladies' model, with chronographic features, in November 2005. For this latest model, we have developed a new, slim (4.5mm) module that is operated by five motors. It features seven hands, with dials showing the time overseas and chronographic measurements. As for our other brands, which include G-Shock and Baby-G, we are incorporating solar-powered radio-controlled technology. At the end of March this year, we launched i-Range, a multi-band model that maintains its accuracy through the reception of transmissions from five stations worldwide – two in Japan, and three others, in Germany, the U.K. and the U.S.

We will work to expand our business in solar-powered radio-controlled watches. Specifically, by strengthening the Oceanus brand, we aim to offer expanded product lineups for both men and women, to increase our share of the analog-type watch market. We will make further efforts to develop multiple-band radio-controlled watches that are able to receive radio transmissions from five stations worldwide.

In Japan, electronic dictionaries are not only tools for language learning, but are also taken on business trips and other trips abroad. In a market like this, Casio's electronic dictionaries with attractive new features, including easy-to-read high-resolution screens and high-quality audio pronunciation features, are gaining growing popularity, and consequently, an overwhelming share of the market.

In February 2006 we implemented large-scale model changes, equipping over 80% of our new products with audio pronunciation capabilities. These new electronic dictionaries reproduce the pronunciation of important vocabulary words, which have been recorded by native speakers of each foreign language, while other words and expressions are read aloud by a synthetic voice. This feature has been well-received by customers, making our new electronic dictionaries hit products.

One social development behind our decision was the inclusion of an English listening comprehension test as part of the university entrance exams for Japanese universities from 2006. Meanwhile, Japanese business people who make contact with overseas clients and business associates frequently need electronic dictionaries equipped with audio pronunciation capabilities.

Overseas, anticipating the future needs of the Chinese market, Casio entered this market in April 2005.

Casio will maintain its high market share by working to accurately identify its customers' needs and develop products that incorporate the latest features. The Company has already made inroads in such markets as South Korea, Germany and Spanish-speaking countries, and now China. In this way, we are making steady efforts to cultivate new markets and expand existing markets for electronic dictionaries. We are making full use of the know-how gained in the domestic market to identify potential demand in overseas markets.

Electronic Dictionaries

XD-ST4800
Model for students with enhanced listening function

Digital Cameras

EX-Z600

Recently, faced with ever-increasing competition in the digital camera market, every digital camera manufacturers has been forced to strengthen brand power and develop products with distinctive features to differentiate them from those of competitors or else risk a decreasing market share and a downward trend in prices, which would make it difficult to remain in the market. Amid this environment, Casio created a market for compact, stylish cameras. In 2002, we introduced its new Exilim series of compact, stylish cameras that can be taken anywhere, for use anytime. Since then, we have continued to expand our market share, not only in Japan, but overseas, too.

In the term under review, we introduced several new stylish compact models. For the first time, the EX-S500 incorporates Anti-shake DSP (digital signal processors), our proprietary technology, which reduces blurring due to camera shake and subject movement, and also has an expanded video function. The EX-Z600 features a 2.7-inch TFT LCD that is approximately three times as bright as our previous model, and can take up to approximately 550 photos per charge. The EX-Z850, a 8.1-megapixel camera, also offers improved new features. In terms of its market share in Japan, Casio remains among the top-ranking digital camera makers, and the Company has successfully carved a place for its Exilim brand in the Japanese market. Moreover, as a result of its aggressive marketing efforts overseas, Casio has expanded its market share, primarily in the U.S. A breakdown of shipments shows that domestic sales accounted for just under 30% of total shipments, while overseas sales accounted for over 70%, marking a rise from the previous year's level.

We will continue to undertake product development, making full use of the Company's core technologies. Having successfully established the Exilim brand in the Japanese market, we will continue working to maintain our share among the top-ranking camera makers. In overseas markets, Casio expects to make major inroads in the stylish, compact camera segment. To this end, we plan to strengthen our sales network in overseas markets, and expand the lineup of the Exilim series of digital cameras, with the aim of increasing market share.

EX-S600
The latest model in the S series, representing a further advance on the EX-S500

G’zOne TYPE-R

Cellular Phones

In the cellular phone market, a variety of sophisticated new features were introduced as part of the global shift toward third-generation (3G) products, allowing for high-speed, high-capacity data transmission. Casio mainly develops, manufactures and sells products for KDDI Corporation’s cellular phone service *“au”* which is ranked No. 2 in Japan. Casio offers superior cellular phone products with attractive designs which have proven popular with a wide range of users in Japan.

Casio established Casio Hitachi Mobile Communications Co., Ltd. (CHMC) together with Hitachi Ltd. in April 2004. During the two-year period following CHMC’s establishment, the joint venture has improved efficiency in the development of cellular phone products and has enabled Casio to achieve a year-on-year increase in the number of models released on the market. Maximizing the benefits afforded by the business integration, we are making full use of both joint venture partners’ strengths to create synergies, with the aim of developing more sophisticated terminals. For example, the W41CA is 22mm thick and has a PC site viewer for browsing websites designed for PC users. It allows for music downloads and playing, and a variety of services, which include high-speed transmissions of large volumes of data. Our G’zOne TYPE-R is collapsible, water-resistant and shock-proof. Among *au* terminals, they are high-end models, offering superior functionality and an attractive design. Since its launch, W41CA has held the top share, on a unit-sales basis, in the cellular phone terminal market for 13 consecutive weeks, according to a survey by Gfk Marketing Services Japan.

W41CA

As the world moves toward the introduction of 3G products, we will draw on the strengths of our joint venture with Hitachi Ltd. and continue developing and launching competitive products that are compatible with the latest technologies, while maintaining the position of a leading brand for the *au* service. Aiming to further expand our scale, we plan to enter the North American market in Fiscal 2007. Meanwhile, last December we signed a licensing agreement with Qualcomm Incorporated, to widen the scope of application for telecommunications technologies developed by Qualcomm Incorporated to include all 3G standards. Through this move, we were able to broaden our options in the development of third-generation cellular phones. The year ending March 2007 has been positioned as a crucial period for making further progress in overseas expansion.

These days, TFT LCDs are key components of digital cameras, cellular phones and other mobile communications equipment. At Casio, our operations are focused on small-sized TFT LCD panels. These panels, primarily for digital cameras and cellular phones, are used in our own products, and are also supplied to other manufacturers.

In the term under review, the market for small-sized TFT LCD panels experienced an accelerated decline in product prices. At Casio, although production volumes exceeded previous-year levels, the plunge in unit prices was much greater than expected. Consequently, sales and operating income showed year-on-year declines. In response to the downward trend in prices in the small-sized TFT LCD market, we formed a tie-up with HannStar Display Corporation, a Taiwan-based maker of TFT LCDs in August 2005. This agreement enables us to expand our capacity without having to undertake additional capital investment. In this way, we will ensure an adequate level of inventory without having to undertake additional investments to increase in-house production capabilities.

We expect that our operating environment will remain challenging, and have formulated the following two measures. From the current term, we will undertake full-scale procurement of LCD panels from HannStar, to secure a sufficient level of inventory. This enables us to undertake more aggressive marketing activities, while working to increase our flexibility in responding to market changes to minimize risk. Another measure is to develop a third, high-value-added application for TFT LCDs, in addition to digital cameras and cellular phones. Specifically, we will begin supplying our TFT LCDs for portable GPS (global positioning system) car navigation devices, which are currently in strong demand in Europe and North America.

TFT LCDs

2.4-inch QVGA TFT LCD for a cellular phone

Casio's Research and Development Policy

In line with the meaning behind our corporate creed "Creation and Contribution," Casio aims to contribute to society through the development of original products. Leveraging our core competence in lightweight, compact and energy-efficient technologies, such as high-density mounting, LSI design, software / IP compatibility, telecommunications and digital broadcasting systems, and electronic component technologies, we have been able to develop a diverse line-up of customer-oriented products.

Casio's R&D structure comprises two systems: 1) Basic research and elemental technology development, which focuses on new businesses and incorporates a medium-to-long-term perspective, and 2) development aimed at product commercialization, which relates directly to our existing businesses.

In addition, through alliances with central and local governments and academic institutions, including national and prefectural research institutes and universities, we are actively pursuing collaborative projects in fields that promise growth over the medium-to-long term, as well as technological fields that show possibilities for innovations in our core technologies.

Achievements in R&D:

Fuel Cell Development

Casio is in the process of developing an ultra-compact fuel cell battery for use in notebook PCs and other mobile information equipment. In March 2002, the Company succeeded in miniaturizing its fuel reformer module, which had been considered difficult to achieve. Since then, our R&D efforts have focused on improving this fuel cell battery for use in mobile appliances.

We have already developed practical module products incorporating our reformer system, which extracts hydrogen from methanol and then sends the hydrogen to the power-generation cell. Regarding power-generating devices, we have developed a new, compact power-generating cell stack with the highest level of power density per unit volume in the world. When used in combination with the reformer module and the compact power-generating cell stack, which is the size of an ordinary rechargeable lithium ion battery, it has a lifetime about four times as long. We will continue working to achieve technological advances, and aim to begin sample shipments for performance evaluations by the end of March 2008.

Power-generating cell stack

Micro reformer module

Small Sized TFT LCD with Built-in Speaker

We have developed a TFT LCD module which incorporates a stacked piezoelectric ceramic speaker. The entire module is a mere 3.2mm thick.

There are already numerous mobile appliances on the market that offer both visual and audio features, but the LCD monitor and speaker are installed as separate parts in conventional mobile equipment. In such cases, during the design process, it is necessary to install parts for attaching the speaker, and allow for acoustic space in front of and behind the speaker. In order to create thin, compact mobile appliances, we have developed a TFT LCD with an embedded stacked piezoelectric ceramic speaker utilizing our own thin, high-density mounting technologies. Our product simplifies the design process, rendering the inclusion of a separate speaker unnecessary.

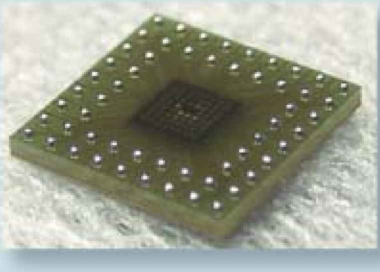
This TFT LCD module is the optimal device for such products as portable multi-media players and digital cameras, which require superior sound quality.

EWLP Consortium Established

The Embedded Wafer Level Package (EWLP) is a mounting technology that makes possible compact, thin, lightweight system boards by embedding wafer level packages on system boards. The WLP (Wafer Level Package) method enables packaging of the same size as the semiconductor chip. The EWLP aims to further increase the performance and reduce the size, thickness, and weight of electronic devices. Casio has been undertaking EWLP technical development jointly with Japanese IC board manufacturer CMK Corporation since 2002.

The EWLP Consortium was set up in April 2006 to work toward the establishment and standardization of EWLP technology. The Consortium aims to establish EWLP as a standard industry technology that can be widely used. Centering on five leading Japanese IC board manufacturers, the Consortium's participants include many other major manufacturers in fields ranging from semiconductors through modules, consumer products, semiconductor production equipment and materials.

EWLP technology is expected to have broad practical applications, including mobile devices such as cellular phones. Through the establishment of the EWLP Consortium, Casio aims to make EWLP technology more widely known.



Corporate Social Responsibility (CSR) Activities

CSR-Based Management

Casio understands that sustainable corporate growth will only come about with the sustainable development of the global community, and is therefore actively ensuring that it fulfills its corporate social responsibility (CSR).

In an effort to bolster its activities in this area, the Company established the CSR Operation Section in April 2004 to improve its company-wide organization. In December 2004, Casio also inaugurated the CSR Committee, which consists of directors and corporate auditors with the President as chairman. The CSR Committee determines the direction of company-wide CSR activities, including basic policy and other important matters, and works to enhance the company-wide risk management system.

Corporate Social Responsibility Activities

We have made sure that every employee understands the meaning of our corporate creed “Creativity and Contribution,” and have drafted the Charter for Creativity for Casio and the Casio Common Commitment as guidelines for our business activities. As part of activities to encourage company-wide adherence to these guiding principles, we periodically publish an in-house magazine on our website. Corporate ethical standards are communicated to employees through a message from the President, wherein he explains the Company’s future CSR plans.

Corporate creed – “Creativity and Contribution”

RoHS (Restriction of Hazardous Substances)

The Restriction of Hazardous Substances (RoHS) is a directive adopted by the European Union restricting the use of six hazardous materials (lead, mercury, cadmium, chromium (VI) compound, and the flame retardants PBB and PBDE, which are used in some plastics) in the manufacture of various types of electronic and electrical equipment. All of Casio’s products for the European market were RoHS compliant by the end of 2005. We will also steadily work toward elimination of use of substances subject to the Law for the Promotion of Utilization of Recyclable Resources, which cites J-Moss standards for disclosure of content of harmful substances, and to RoHS-equivalent directives in North America and China.

Helping Retard Global Warming

Kochi Casio Co., Ltd.

The Casio Group is undertaking various measures to help prevent further global warming. Thirteen Casio Group companies participated in "Team Minus 6%," a national campaign under the supervision of the Global Environment Bureau of the Ministry of the Environment to reduce carbon dioxide emissions. Among these firms, Kochi Casio Co., Ltd. discontinued the use of nitrogen trifluoride (NF_3), a prominent greenhouse gas, in March 2005. As an environmental action target, we aim to reduce total emissions of greenhouse gases other than CO_2 in 2010 to below the 2000 level.

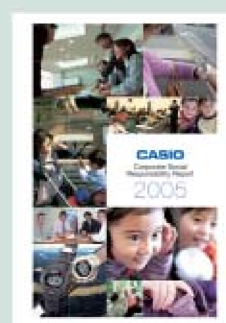
Casio's Contributions to Society

Presentation of funding at the Casio Science Promotion Foundation

The Casio Science Promotion Foundation has been one of the Company's major avenues of social contribution for the past 25 years. Each year, the Company provides financial support for scientific research into next-generation technologies. Casio also provides support for the "Kids ISO Program," an environmental education support program developed for children, which encourages them to make environmental improvement activities part of their daily lives. In addition to providing support for environmental education in elementary schools, Kofu Casio Co., Ltd. offers elementary school students guided tours of its manufacturing plants and other facilities. Students hear stories about the founding of Casio and receive an explanation of the Company's current environmental activities. They also get a chance to try their hand at assembling a calculator.

The various business units within Casio and other group companies also welcome visitors from the local community as well as from overseas. In addition, we provide support for teacher study programs, in which teachers are sent to private-sector companies. Casio also takes part in fire-prevention activities, blood drives, and tree-planting campaigns, and makes donations to local communities and groups. In this way, the Company promotes interaction with the local community.

Publication of a CSR Report



Casio published a CSR report in December 2005, with the aim of clarifying for its stakeholders – customers, investors, shareholders, employees and members of the local and international community – the Company's various social responsibilities. This CSR report covers a broader range of topics than the previous year's environmental management report, with the discussion centering on following five topics: 1) CSR Management, 2) the Market, 3) the Environment, 4) Employees, and 5) Society. The Corporate Report, which is a combination of the corporate profile and the existing CSR report, is scheduled for publication in 2006.

Net Sales

Net sales rose 3.8% year-on-year on a consolidated basis in fiscal 2006, to ¥580,309 million. This was chiefly the result of strong performances by our strategic businesses – digital cameras, electronic dictionaries, timepieces and cellular phones, among others.

	Millions of yen	
	2006	2005
Electronics:		
Consumer	¥213,810	¥198,515
Timepieces	71,086	68,473
Mobile Network Solutions (MNS)	139,896	131,408
System Equipment	48,628	49,447
Subtotal	473,420	447,843
Electronic Components & Others:		
Electronic Components	73,976	78,230
Others	32,913	32,933
Subtotal	106,889	111,163
Total	¥580,309	¥559,006

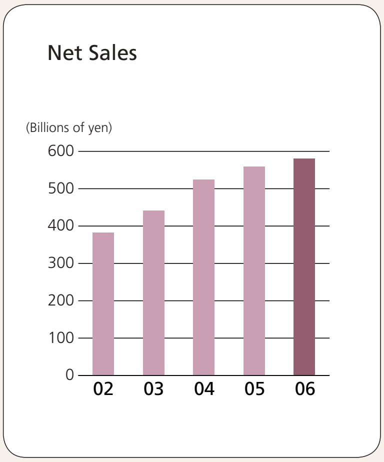
Results by Segment

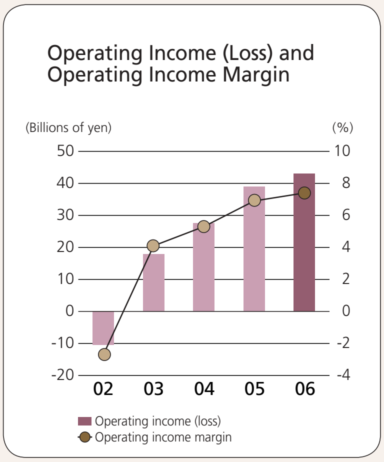
Sales in the Electronics Segment increased 5.7% to ¥473,420 million, accounting for 81.6% of net sales.

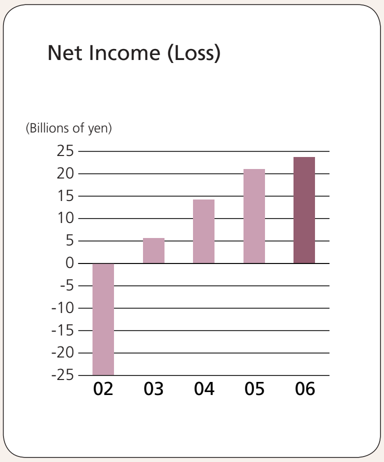
In the Consumer Category, sales increased 7.7% to ¥213,810 million. Our Exilim digital camera, with a stylish, compact design and superior speed in shooting, maintained strong support as a leading camera in the domestic market and made further inroads in overseas markets.

In the Timepieces Category, sales rose 3.8% to ¥71,086 million. This is largely the result of our aggressive marketing of solar-powered radio-controlled watches, led by the full-metal high-end Oceanus brand.

In the MNS Category, sales rose 6.5% to ¥139,896 million. This is due to strong performances by all new cellular phones, such as the collapsible, water-proof, shock-resistant G'zOne TYPE-R and the slim W41CA, which measures a mere 22mm-thick and can handle high-speed, high-capacity data transmissions.







In the System Equipment Category, sales declined 1.7% to ¥48,628 million. Although we offer an advanced business model in the solution business, which provides customers with the optimal combination of hardware and applications, sales were affected by a general downward trend in prices for IT-related products.

Sales in the Electronic Components and Others Segment declined 3.8% to ¥106,889 million, accounting for 18.4% of net sales. Specifically, sales in the Electric Components Category fell 5.4% to ¥73,976 million. This was the mixed result of increased revenue from Casio Micronics Co., Ltd.'s chip-on-film (COF) operations and a decrease in revenue from our TFT LCD business due to a decline in the unit price. Sales in the Others Category decreased 0.1% to ¥32,913 million.

Results by Region

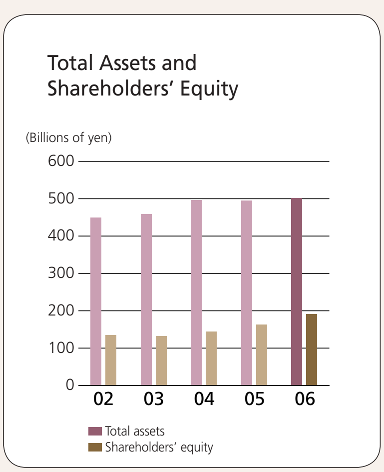
Sales in Japan grew 2.5% to ¥344,730 million, comprising 59.4% of net sales. The increase in sales is attributable to strong sales of our strategic businesses. Sales in North America rose 26.1% to ¥58,868 million, which accounted for 10.2% of net sales. Sales in Europe rose 5.4% to ¥78,822 million, accounting for 13.6% of net sales. Sales in Asia and other regions, excluding Japan, declined 3.2% to ¥97,889 million, accounting for 16.8% of net sales. Consequently, overseas sales increased 5.8% to ¥235,579 million.

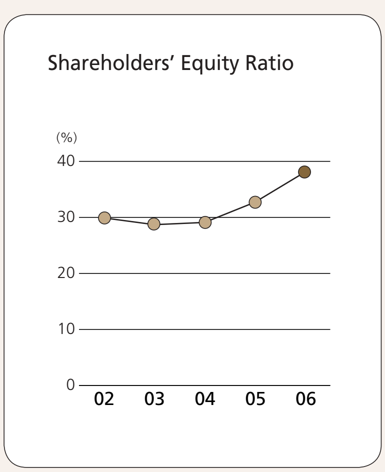
Results of Operations

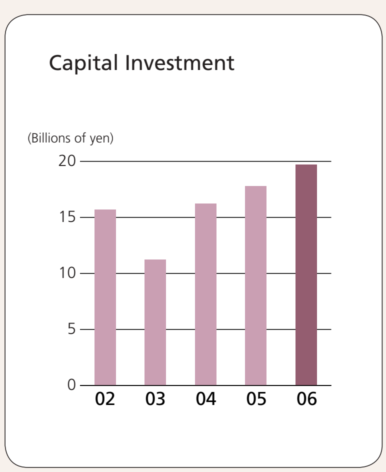
For fiscal 2006, operating income after consideration of elimination or unallocated amounts came to ¥43,114 million, up 10.4% year-on-year. The Electronics Segment posted an operating income of ¥41,759 million, up 15.5%, and the Electronic Components and Others Segment posted an operating income of ¥7,185 million, down 17.0%. This rise in operating income is the result of Casio's strategy of enhancing value-added by strengthening product appeal, as well as company-wide efforts to improve management efficiency and bolster the Group's financial base through business reform. The operating income margin rose 0.4 percentage point to 7.4%.

Net financial income amounted to ¥558 million, compared with net financial expenses of ¥447 million in the previous reporting period. Net other expenses came to ¥4,001 million, down from ¥5,500 million in the previous term. This is due mainly to the non-repetition of the posting of loss on impairment of fixed assets recorded in the previous term.

Net income grew 10.3% to ¥23,745 million, setting a record for the third straight term. Net income per share came to ¥88.57, up ¥8.3 from fiscal 2005.







Financial Condition

Total assets increased 1.3% to ¥501,960 million at the term-end. Current assets declined ¥10,769 million to ¥319,179 million, owing to an increase in trade receivables and a decrease in marketable securities. Inventory turnover declined by 0.2 of a month to 1.7 months. Investments and other assets increased ¥16,986 million to ¥182,781 million, as a result of a rise in investment securities.

Total liabilities decreased 7.5% to ¥298,915 million, due to a decline in the current portion of interest-bearing debt, mainly through the redemption of bonds. The debt-to-equity ratio was 0.63, compared with 0.95 for the previous year, marking a substantial improvement.

Shareholders' equity rose 17.7% to ¥191,011 million. The shareholders' equity ratio increased 5.4 percentage points to 38.1%.

Cash Flow Analysis

Net cash provided by operating activities amounted to ¥43,875 million. The main contributing factors are income before income taxes and minority interests of ¥39,671 million, depreciation of ¥26,629 million, and a ¥10,696 million increase in notes and accounts receivable.

Net cash used in investing activities amounted to ¥29,682 million. This is mainly attributable to the payment of ¥19,935 million for the acquisitions of tangible fixed assets and ¥11,815 million for the acquisitions of intangible fixed assets, which more than offset ¥2,958 million in proceeds from sales of consolidated subsidiaries and affiliates.

Net cash used in financing activities totaled ¥39,818 million. Of this amount, ¥30,000 million was used for the redemption of bonds, and ¥9,688 million was used for the payments for long-term debt.

Cash and cash equivalents as of March 31, 2006 were down ¥22,357 million from the previous term-end, at ¥125,232 million. This is mainly attributable to the redemption of bonds and an increase in trade receivables in line with the growth in sales of new products during the last month of the term under review.

Capital Investment

Capital investment amounted to ¥19,711 million, up 10.8% over the previous term. Broken down by business segment, Casio invested ¥10,592 million, up 2.6%, in the Electronics Segment, and ¥8,765 million, up 22.0%, in the Electronic Components and Others Segment. The remaining capital investment, made by the Company as a whole, cannot be accounted for by business segment.

Research & Development

R&D expenses rose 9.6% to ¥18,205 million. By business segment, the Electronics Segment increased 16.8% to ¥11,428 million, while the Electronic Components and Others Segment increased 0.5% to ¥2,505 million. The remaining R&D expenses were used throughout the Company and cannot be accounted for by business segment.

The management performance, financial position and share price of Casio are subject to the following risks. We have prepared a list of items that might have an impact on the forecasts included in this report as of the consolidated reporting period ended March 2006.

1) Japan's economy and the global economy

The Casio Group's products are sold in Japan and in markets around the world, and demand is thus subject to the economic trends of each country. Given that the majority of our products are marketed to consumers, the Casio Group is especially affected by trends in consumer spending.

2) Downward pressure on product prices

In the industries in which the Casio Group is active, competition is intensifying as many companies make aggressive efforts to increase their shares in Japan and in overseas markets. There is the possibility that a rapid decline in product prices will have a negative impact on the Casio Group's business performance.

3) New products

In the event that the Casio Group is unable to speedily bring to market popular new products at a steady pace, or in the event that competitors release products similar to those being launched by the Casio Group, especially in the case where the launch of competing products coincide, there is a possibility that the Casio Group may see an erosion of the competitive advantage achieved as part of the first-mover advantage enjoyed by the pioneer of a new product.

4) Mobile communications industry

Sales to the mobile communications industry account for a major portion of the Group's total sales. Thus, the Casio Group is affected by any major changes in strategy or product specifications made by the major customers. In addition, changes in schedules or cancellation of large-lot orders might have a significant negative impact on the Group's earnings performance.

5) Outsourcing

With the aim of improving the Casio Group's production efficiency and the operating income margin, we have outsourced a substantial portion of our manufacturing and assembly work to outside service suppliers. There is a risk, however, that quality control will become difficult to enforce. Moreover, problems may arise concerning violations of laws, regulations, and intellectual property rights of third parties, by the outside supplier. Such occurrences could have a negative impact on the Group's earnings performance, and might possibly hurt the product's reputation.

6) Technology development and changes in technologies

In those business areas in which the Casio Group is active, the pace of technological development is quite rapid and the swift pace at which the market's needs evolve brings with it the risk that Casio Group products may be rendered obsolete more quickly than expected. This, in turn, would cause an unexpected sudden sharp decline in sales.

7) Risks associated with international developments and overseas operations

The majority of the Casio Group's production and sales activities take place in locations outside Japan. Consequently, overseas political and economic developments and revisions of laws and legislation may have a significant impact on the Group's financial position. In particular, the amendment of laws or the enactment of new laws in foreign countries is difficult to predict, and such developments might have a negative impact on the Casio Group's earnings performance.

8) Intellectual property

The Group principally uses proprietary technologies, and protects these proprietary technologies through a combination of patents, registered trade marks and other intellectual property. The following is a list of accompanying risks.

- Competitors might develop the same technologies as the Group's own proprietary technologies
- Denial of approval for a pending patent submitted by a Group member
- Ineffectiveness of measures aimed at preventing the misuse or violation of intellectual property rights held by a Group member
- Legislation relating to intellectual property might not provide adequate protection for the Group's intellectual property
- The Group's future products and technologies might constitute a violation of another company's intellectual property rights

9) Defective products and lawsuits

As a manufacturer and marketer of consumer products, we ensure strict quality control for our products. To date, we have never been subject to a damaging claim and have never had our reputation endangered. Even so, it is impossible to ensure that claims regarding product liability and product safety will not be brought against Casio Group members in the future.

10) Risks related to information management

The Casio Group maintains personal information and confidential business information relating to the promotion and development of its business operations. There are in-house rules governing the use of this information, and each Group company raises awareness of the need for strict control of such information in its employee training program. However, there is always the possibility that information may be leaked, and such a leak of information might have a negative impact on the Group's business, financial position and earnings performance.

11) Alliances, mergers and strategic investments

The Casio Group may engage in alliances and mergers, or undertake strategic investments, in Japan or overseas to expand its business operations or raise the efficiency of management. Changes in the business partner's management environment, business strategies, or operating environment might have a negative impact on the Casio Group's business, financial position and earnings performance.

12) Risks arising from fluctuations in foreign exchange rates and interest rates

The Casio Group maintains operations in numerous countries around the world. Consequently, the Group is substantially affected by exchange rate fluctuations. The Group's gross profit might be negatively affected as a result of movements in foreign currencies against the yen. Moreover, the Group is exposed to risk associated with interest rate changes. These risks could have an impact on overall operating costs, procurement costs, value of monetary assets and liabilities (particularly long-term liabilities).

13) Other risks

The following other factors might have an impact on the Group's business operations in the future.

- Cyclical trends in the IT sector
- Uncertainties as to whether the required equipment, raw materials, facilities, and electricity can be procured at an appropriate price
- A decline in the value of securities held by the Group
- Revisions to laws and regulations regarding the accounting standards for retirement benefits and rapid changes in pension fund operations
- Damage caused by fires, earthquakes and other natural disasters, as well as other accidents that disrupt operations
- Social unrest caused by wars, terrorist attacks, and epidemics

Consolidated Six-Year Summary

Years ended March 31 Casio Computer Co., Ltd. and Subsidiaries

	Millions of Yen					
	2006	2005	2004	2003	2002	2001
For the year:						
Net sales	**¥580,309**	¥559,006	¥523,528	¥440,567	¥382,154	¥443,930
Cost of sales	**407,940**	398,186	377,422	315,530	284,093	315,207
Selling, general and administrative expenses	**111,050**	105,164	104,428	93,009	94,394	98,850
Research and development expenses	**18,205**	16,616	14,187	14,114	14,085	11,968
Operating income (loss)	**43,114**	39,040	27,491	17,914	(10,418)	17,905
Net income (loss)	**23,745**	21,534	14,176	5,647	(24,928)	6,547
Capital investment	**19,711**	17,782	16,213	11,168	15,737	30,278
Depreciation	**17,431**	15,370	14,655	14,621	14,465	22,065
At year-end:						
Current assets	**319,179**	329,948	329,787	300,212	281,985	288,304
Current liabilities	**183,967**	196,089	178,340	161,568	166,026	144,272
Working capital	**135,212**	133,859	151,447	138,644	115,959	144,032
Shareholders' equity	**191,011**	162,271	144,403	131,957	134,317	162,375
Total assets	**501,960**	495,743	496,039	459,113	449,224	445,883
Amounts per share of common stock (in yen):						
Net income (loss)	**¥88.57**	¥80.27	¥51.99	¥20.27	¥(91.82)	¥24.11
Diluted net income	**84.43**	76.47	51.23	20.10	—	23.72
Cash dividends applicable to the year	**20.00**	17.00	15.00	12.50	12.50	12.50
Performance indicators:						
Return on equity (%)	**13.4**	14.0	10.3	4.2	(16.8)	3.9
Return on assets (%)	**4.8**	4.3	3.0	1.2	(5.6)	1.4
Shareholders' equity ratio (%)	**38.1**	32.7	29.1	28.7	29.9	36.4
Interest coverage (times)	**34.6**	26.8	11.8	6.2	(2.9)	5.6
Assets turnover (times)	**1.2**	1.1	1.1	1.0	0.9	0.9
Inventories turnover (months)	**1.7**	1.9	2.0	2.7	3.2	3.4
Other:						
Number of employees	**12,673**	12,140	11,637	11,481	14,670	18,119

Consolidated Balance Sheets

Years ended March 31, 2006 and 2005 Casio Computer Co., Ltd. and Subsidiaries

Assets	Millions of Yen 2006	Millions of Yen 2005	Thousands of U.S. Dollars (Note 1) 2006
Current assets:			
Cash and time deposits (Note 3)	¥ 71,818	¥ 83,528	$ 613,829
Marketable securities (Note 5)	29,171	44,678	249,325
Notes and accounts receivable:			
Trade	104,098	91,552	889,727
Other	14,871	12,842	127,103
Allowance for doubtful accounts	(1,308)	(1,538)	(11,179)
Inventories (Note 4)	57,643	62,576	492,675
Deferred tax assets (Note 8)	12,010	12,070	102,650
Short-term loans receivable with resale agreement	25,000	20,000	213,675
Other current assets	5,876	4,240	50,221
Total current assets	319,179	329,948	2,728,026
Property, plant and equipment:			
Land	37,462	37,749	320,188
Buildings	66,940	64,635	572,137
Machinery and equipment	127,138	114,591	1,086,650
Construction in progress	1,286	1,580	10,991
	232,826	218,555	1,989,966
Accumulated depreciation	(136,711)	(124,130)	(1,168,470)
Net property, plant and equipment	96,115	94,425	821,496
Investments and other assets:			
Investments in affiliates	1,636	2,765	13,983
Investment securities and other investments (Note 5)	54,573	40,242	466,435
Long-term time deposits	3,000	3,000	25,641
Deferred tax assets (Note 8)	5,254	9,974	44,906
Other assets	22,602	16,453	193,179
Allowance for doubtful accounts	(399)	(1,064)	(3,410)
Total investments and other assets	86,666	71,370	740,734
	¥501,960	¥495,743	$4,290,256

See accompanying notes.

Liabilities and Shareholders' Equity	Millions of Yen 2006	Millions of Yen 2005	Thousands of U.S. Dollars (Note 1) 2006
Current liabilities:			
Short-term borrowings (Note 7)	¥ 911	¥ 641	$ 7,786
Long-term debt due within one year (Note 7)	20,747	39,655	177,325
Notes and accounts payable:			
Trade	94,341	87,384	806,333
Other	35,821	33,947	306,162
Accrued expenses	14,332	13,345	122,496
Income taxes payable (Note 8)	8,526	11,656	72,872
Other current liabilities	9,289	9,461	79,393
Total current liabilities	183,967	196,089	1,572,367
Long-term liabilities:			
Long-term debt due after one year (Note 7)	99,450	114,155	850,000
Employees' severance and retirement benefits (Note 9)	7,402	6,961	63,265
Retirement benefits for directors and corporate auditors (Note 10)	1,895	1,408	16,197
Deferred tax liabilities (Note 8)	1,908	1,905	16,308
Other long-term liabilities	4,293	2,465	36,691
Total long-term liabilities	114,948	126,894	982,461
Minority interests	12,034	10,489	102,855
Contingent liabilities (Note 14)			
Shareholders' equity (Note 11):			
Common stock:			
Authorized — 471,693,000 shares			
Issued — 270,442,868 shares	41,549	41,549	355,120
Additional paid-in capital	57,523	57,523	491,650
Retained earnings	90,236	71,314	771,248
Net unrealized holding gains on securities	9,861	3,060	84,282
Foreign currency translation adjustments	(3,168)	(5,771)	(27,077)
	196,001	167,675	1,675,223
Treasury stock, at cost	(4,990)	(5,404)	(42,650)
Total shareholders' equity	191,011	162,271	1,632,573
	¥501,960	¥495,743	$4,290,256

Consolidated Statements of Income

Years ended March 31, 2006 and 2005 Casio Computer Co., Ltd. and Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
Net sales (Note 13)	¥580,309	¥559,006	$4,959,906
Costs and expenses (Note 13):			
Cost of sales	407,940	398,186	3,486,667
Selling, general and administrative expenses	111,050	105,164	949,145
Research and development expenses	18,205	16,616	155,598
	537,195	519,966	4,591,410
Operating income (Note 13)	43,114	39,040	368,496
Other income (expenses):			
Interest and dividends income	1,858	1,047	15,880
Interest expense	(1,300)	(1,494)	(11,111)
Foreign exchange loss—net	(1,216)	(1,962)	(10,393)
Disposal and devaluation of inventories	(3,946)	(3,370)	(33,726)
Loss on disposal and sales of property, plant and equipment	(603)	(727)	(5,154)
Loss on impairment of fixed assets (Note 16)	—	(1,494)	—
Gain on devaluation and sales of investment securities	31	127	265
Gain on sales of consolidated subsidiaries and affiliates	1,928	293	16,479
Gain on change in interests in consolidated subsidiaries	—	1,918	—
Other—net	(195)	(285)	(1,668)
	(3,443)	(5,947)	(29,428)
Income before income taxes and minority interests	39,671	33,093	339,068
Income taxes (Note 8):			
Current	13,902	12,436	118,820
Deferred	261	(2,013)	2,231
	14,163	10,423	121,051
Income before minority interests	25,508	22,670	218,017
Minority interests	(1,763)	(1,136)	(15,068)
Net income	¥ 23,745	¥ 21,534	$ 202,949

	Yen		U.S. Dollars (Note 1)
Amounts per share of common stock:			
Net income	¥88.57	¥80.27	$0.76
Diluted net income	84.43	76.47	0.72
Cash dividends applicable to the year	20.00	17.00	0.17

See accompanying notes.

Consolidated Statements of Shareholders' Equity

	Millions of Yen							
	Shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Net unrealized holding gains on securities	Foreign currency translation adjustments	Treasury stock, at cost	Total
Balance at March 31, 2004	270,442,868	¥41,549	¥57,524	¥54,223	¥2,525	¥(7,003)	¥(4,415)	¥144,403
Net income	—	—	—	21,534	—	—	—	21,534
Cash dividends paid (¥15.00 per share)	—	—	—	(3,992)	—	—	—	(3,992)
Bonuses to directors and corporate auditors	—	—	—	(190)	—	—	—	(190)
Reversal of surplus from sale of treasury stock	—	—	(1)	—	—	—	—	(1)
Loss on sale of treasury stock	—	—	—	(261)	—	—	—	(261)
Increase in net unrealized holding gains on securities	—	—	—	—	535	—	—	535
Decrease in foreign currency translation adjustments	—	—	—	—	—	1,232	—	1,232
Increase in treasury stock—net	—	—	—	—	—	—	(989)	(989)
Balance at March 31, 2005	270,442,868	41,549	57,523	71,314	3,060	(5,771)	(5,404)	162,271
Net income	—	—	—	**23,745**	—	—	—	**23,745**
Cash dividends paid (¥17.00 per share)	—	—	—	**(4,515)**	—	—	—	**(4,515)**
Bonuses to directors and corporate auditors	—	—	—	**(206)**	—	—	—	**(206)**
Loss on sale of treasury stock	—	—	—	**(102)**	—	—	—	**(102)**
Increase in net unrealized holding gains on securities	—	—	—	—	**6,801**	—	—	**6,801**
Decrease in foreign currency translation adjustments	—	—	—	—	—	**2,603**	—	**2,603**
Decrease in treasury stock—net	—	—	—	—	—	—	**414**	**414**
Balance at March 31, 2006	**270,442,868**	**¥41,549**	**¥57,523**	**¥90,236**	**¥9,861**	**¥(3,168)**	**¥(4,990)**	**¥191,011**

	Thousands of U.S. Dollars (Note 1)						
	Common stock	Additional paid-in capital	Retained earnings	Net unrealized holding gains on securities	Foreign currency translation adjustments	Treasury stock, at cost	Total
Balance at March 31, 2005	$355,120	$491,650	$609,522	$26,154	$(49,325)	$(46,188)	$1,386,933
Net income	—	—	**202,949**	—	—	—	**202,949**
Cash dividends paid ($0.15 per share)	—	—	**(38,590)**	—	—	—	**(38,590)**
Bonuses to directors and corporate auditors	—	—	**(1,761)**	—	—	—	**(1,761)**
Loss on sale of treasury stock	—	—	**(872)**	—	—	—	**(872)**
Increase in net unrealized holding gains on securities	—	—	—	**58,128**	—	—	**58,128**
Decrease in foreign currency translation adjustments	—	—	—	—	**22,248**	—	**22,248**
Decrease in treasury stock—net	—	—	—	—	—	**3,538**	**3,538**
Balance at March 31, 2006	**$355,120**	**$491,650**	**$771,248**	**$84,282**	**$(27,077)**	**$(42,650)**	**$1,632,573**

See accompanying notes.

Consolidated Statements of Cash Flows

Years ended March 31, 2006 and 2005 Casio Computer Co., Ltd. and Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 39,671	¥ 33,093	$ 339,068
Depreciation (including software)	26,629	22,927	227,598
Loss on impairment of fixed assets (Note 16)	—	1,494	—
Amortization of goodwill	57	119	487
Loss on disposal and sales of property, plant and equipment	603	727	5,154
Gain on devaluation and sales of investment securities	(31)	(127)	(265)
Gain on sales of consolidated subsidiaries and affiliates	(1,928)	(293)	(16,479)
Gain on change in interests in consolidated subsidiaries	—	(1,918)	—
Increase in liabilities for the employees' severance and retirement benefits	395	782	3,376
Increase in retirement benefits for directors and corporate auditors	487	593	4,162
Interest and dividends income	(1,858)	(1,047)	(15,880)
Interest expense	1,300	1,494	11,111
Foreign exchange gain	(1,220)	(1,370)	(10,427)
Equity in gains of affiliates	(138)	(96)	(1,179)
Changes in assets and liabilities:			
Decrease (Increase) in notes and accounts receivable	(10,696)	8,762	(91,419)
Decrease in inventories	7,093	3,777	60,624
Decrease (Increase) in other current assets	(3,450)	15,539	(29,487)
Increase (Decrease) in notes and accounts payable	6,121	(15,104)	52,316
Increase (Decrease) in consumption tax payable	(502)	1,228	(4,291)
Increase in other current liabilities	1,994	1,039	17,043
Increase (Decrease) in trade notes and export drafts discounted	40	(692)	342
Payments of bonuses to directors and corporate auditors	(206)	(190)	(1,761)
Other	(3,862)	(248)	(33,008)
Total	60,499	70,489	517,085
Interest and dividends received	1,790	1,019	15,299
Interest paid	(1,291)	(1,538)	(11,034)
Income taxes paid	(17,123)	(5,015)	(146,350)
Net cash provided by operating activities	43,875	64,955	375,000
Cash flows from investing activities:			
Deposits in time deposits	(688)	(91)	(5,880)
Withdrawals from time deposits	647	827	5,530
Payments for acquisitions of tangible fixed assets	(19,935)	(20,065)	(170,385)
Proceeds from sales of tangible fixed assets	1,039	392	8,880
Payments for acquisitions of intangible fixed assets	(11,815)	(9,187)	(100,983)
Proceeds from sales of intangible fixed assets	1	221	9
Payments for purchases of investment securities	(3,353)	(2,804)	(28,658)
Proceeds from sales and redemption of investment securities	1,703	1,731	14,556
Proceeds from sales of consolidated subsidiaries and affiliates	2,958	437	25,282
Payments for long-term loans receivable	(18)	(28)	(154)
Collections from long-term loans receivable	64	28	547
Net decrease in loans receivable	587	17	5,017
Other	(872)	(314)	(7,453)
Net cash used in investing activities	(29,682)	(28,836)	(253,692)
Cash flows from financing activities:			
Net decrease in short-term borrowings	(1,519)	(275)	(12,983)
Proceeds from long-term debt	6,000	1,500	51,282
Payments for long-term debt	(9,688)	(1,792)	(82,803)
Redemption of bonds	(30,000)	(11,000)	(256,410)
Proceeds from minority shareholders	—	3,343	—
Payments for acquisitions of treasury stock	(47)	(1,728)	(402)
Proceeds from sales of treasury stock	359	477	3,068
Payments for cash dividends	(4,515)	(3,992)	(38,590)
Other	(408)	(62)	(3,487)
Net cash used in financing activities	(39,818)	(13,529)	(340,325)
Effect of exchange rate changes on cash and cash equivalents	3,268	1,858	27,932
Net increase (decrease) in cash and cash equivalents	(22,357)	24,448	(191,085)
Cash and cash equivalents at beginning of year (Note 3)	147,589	123,141	1,261,444
Cash and cash equivalents at end of year (Note 3)	¥125,232	¥147,589	$1,070,359

See accompanying notes.

1. Basis of Presenting Consolidated Financial Statements

The Company and its consolidated domestic subsidiaries maintain their official accounting records in Japanese yen, and in accordance with the provisions set forth in the Japanese Commercial Code, the Securities and Exchange Law, and accounting principles and practices generally accepted in Japan (“Japanese GAAP”). The accounts of overseas consolidated subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile. Certain accounting principles and practices generally accepted in Japan are different from International Financial Reporting Standards and standards in other countries in certain respects as to application and disclosure requirements.

The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions and the inclusion of consolidated statements of shareholders’ equity) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Securities and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2006, which was ¥117 to U.S.$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be converted into U.S. dollars at this or any other rate of exchange.

2. Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant subsidiaries (together with the Company, the “Group”) which the Company controls through majority voting right or existence of certain conditions. Investments in affiliates of which the Company has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method.

In the elimination of investments in subsidiaries, the portion of assets and liabilities of a subsidiary attributable to the subsidiary’s shares acquired by the Company are recorded based on the fair value as of the respective dates when such shares were acquired. The amounts of assets and liabilities attributable to minority shareholders of the subsidiary are determined using the financial statements of the subsidiary.

Material intercompany balances, transactions and profits have been eliminated in consolidation.

The difference between the cost and underlying fair value of the net equity of investments in subsidiaries at acquisition is included in other assets and is amortized on a straight-line basis over five years.

Cash flow statements

In preparing the consolidated statements of cash flows, cash on hand, readily available deposits and short-term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated at the current exchange rates at the balance sheet date, and the translation gains and losses are credited or charged to income.

Assets and liabilities of foreign subsidiaries are translated into yen at the current exchange rate at the balance sheet date while their revenue and expenses are translated at the average exchange rate for the period. Differences arising from such translation are included in minority interests and shareholders’ equity as foreign currency translation adjustments.

Securities

Debt securities designated as held-to-maturity are carried at amortized cost. Other securities except for trading securities (hereafter, “available-for-sale securities”) for which market value is readily determinable are stated at market value as of the end of the period with unrealized gains and losses, net of applicable deferred tax assets or liabilities, not reflected in earnings but directly reported as a separate component of shareholders’ equity. The cost of such securities sold is determined primarily by the moving-average method. Available-for-sale securities for which market value is not readily determinable are stated primarily at moving-average cost except for debt securities, which are stated at amortized cost.

Derivatives and hedge accounting

The accounting standard for financial instruments requires companies to state derivative financial instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Group defers recognition of gains or losses resulting from changes in the fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

Also, if interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

The Group uses forward foreign currency contracts and interest rate swaps as derivative financial instruments only for the purpose of mitigating future risks of fluctuations of foreign currency exchange rates with respect to foreign currency assets and liabilities and of interest rate increases with respect to cash management.

Forward foreign currency and interest rate swap contracts are subject to risks of foreign exchange rate changes and interest rate changes, respectively.

The derivative transactions are executed and managed by the Company's Finance Department in accordance with the established policies and within the specified limits on the amounts of derivative transactions allowed.

Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount sufficient to cover probable losses on the collection of receivables. For the Group, the amount of the allowance is determined based on past write-off experience and an estimated amount of probable bad debt based on a review of the collectibility of individual receivables.

Inventories

Inventories are stated principally at the lower of cost (first-in, first-out) or market (replacement cost or net realizable value).

Property, plant and equipment

Property, plant and equipment is stated at cost. Depreciation is principally determined by the declining-balance method at rates based on estimated useful lives except for the following buildings. The building of the head office of the Company and buildings, excluding building fixtures, acquired after March 31, 1998 are depreciated using the straight-line method.

Effective from the year ended March 31, 2005, the Company and its domestic consolidated subsidiaries adopted the new accounting standard for impairment of fixed assets ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and "Implementation Guidance for the Accounting Standard for Impairment of Fixed Assets" (the Financial Accounting Standard Implementation Guidance No. 6 issued by the Accounting Standards Board of Japan on October 31, 2003) with early adoption permitted from the year ended March 31, 2004 or thereafter.

As a result, income before income taxes and minority interests decreased by ¥1,494 million for the year ended March 31, 2005, compared with what would have been reported if the new accounting standard had not been adopted early.

Accumulated loss from impairment is deducted directly from the acquisition costs of the related assets in accordance with the revised disclosure requirements.

Software costs

Software is categorized by the following purposes and amortized using the following two methods.

Software for market sales: The production costs for the master product are capitalized and amortized over no more than 3 years on a projected revenue basis.

Software for internal use: The acquisition costs of software for internal use are amortized over 5 years using the straight-line method.

The amount of software costs capitalized is included in other assets in the consolidated balance sheets.

Stock issuance expenses

Stock issuance expenses are charged to income as incurred. Stock issuance expenses are included in other expenses in the consolidated statements of income.

Bond issuance expenses and bond premium

Bond issuance expenses are charged to income as incurred. Bond issuance expenses are included in other expenses in the consolidated statements of income.

Bond premium is amortized using the straight-line method over the life of the bond (6 years and 10 months).

Employees' severance and retirement benefits

Under the terms of the employees' severance and retirement plan, eligible employees are entitled under most circumstances, upon mandatory retirement or earlier voluntary severance, to severance payments based on compensation at the time of severance and years of service.

Employees' severance and retirement benefits of the Company and some of its consolidated subsidiaries are covered by two kinds of pension plans which are employees' pension fund plan and tax-qualified pension plan. And those of some of its consolidated subsidiaries in Japan are covered by lump-sum indemnities.

The Company and its domestic consolidated subsidiaries received the permission from the Minister of Health, Labor and Welfare, for release from the obligation of paying benefits for employees' prior services relating to the substitutional portion of the Welfare Pension Insurance Scheme. Concurrently, employees' pension fund plan was changed to defined benefit corporate pension fund plan.

The Company and its domestic consolidated subsidiaries provide defined contribution plan. In addition, the Company has established an employee retirement benefits trust.

The liabilities and expenses for severance and retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

The Company and its consolidated subsidiaries in Japan provided liabilities for severance and retirement benefits at March 31, 2001 based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at that date.

The excess of the projected benefit obligation over the total of the fair value of pension assets as of April 1, 2000 and the liabilities for severance and retirement benefits recorded as of April 1, 2000 (the "net transition obligation"). The net transition obligation is recognized in expenses in equal amounts over 10 years commencing with the year ended March 31, 2001.

Retirement benefits for directors and corporate auditors

The annual provision for accrued retirement benefits for directors and corporate auditors of the Company and certain subsidiaries is calculated to state the liability at the amount that would be required if all directors and corporate auditors had retired at each balance sheet date. The provisions for the retirement benefits are not funded.

Accounting for certain lease transactions

Finance leases, which do not transfer titles to lessees, are accounted for in the same manner as operating leases under accounting principles generally accepted in Japan.

Income taxes

Taxes on income consist of corporation, inhabitants and enterprise taxes.

Deferred income taxes are provided for the items relating to intercompany profit elimination in connection with the calculation of the consolidated results of operations. In addition, some foreign subsidiaries recognize deferred income taxes in accordance with accounting practices prevailing in their respective countries of domicile.

The Group recognizes tax effects of temporary differences between the financial statement and the tax basis of assets and liabilities. The provision for income taxes is computed based on the income before income taxes and minority interests included in the statements of income of each company of the Group. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

Appropriations of retained earnings

Appropriations of retained earnings are accounted for and reflected in the accompanying consolidated financial statements when approved by the shareholders.

Amounts per share of common stock

Net income per share of common stock has been computed based on the weighted average number of shares of common stock outstanding during each fiscal year (less the treasury stock). For diluted net income per share, the number of shares outstanding is adjusted to assume the conversion of convertible bonds. Related interest expense, net of income taxes, is eliminated.

Cash dividends per share represent the actual amount applicable to the respective years.

Reclassifications

Certain reclassifications have been made in the 2005 consolidated financial statements to conform to the 2006 presentation.

3. Cash and Cash Equivalents and Statements of Cash Flows

Cash and cash equivalents at March 31, 2006 and 2005 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Cash and time deposits	**¥ 71,818**	¥ 83,528	**$ 613,829**
Time deposits over three months	**(757)**	(617)	**(6,470)**
Marketable securities within three months	**29,171**	44,678	**249,325**
Short-term loans receivable with resale agreement	**25,000**	20,000	**213,675**
Cash and cash equivalents	**¥125,232**	¥147,589	**$1,070,359**

4. Inventories

Inventories at March 31, 2006 and 2005 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Finished products	**¥35,792**	¥38,109	**$305,914**
Work in process	**7,733**	8,234	**66,094**
Materials and supplies	**14,118**	16,233	**120,667**
Total	**¥57,643**	¥62,576	**$492,675**

5. Securities

(1) The following tables summarize acquisition costs, book values and fair values of securities with available fair values at March 31, 2006 and 2005.

(a) Held-to-maturity debt securities

	Millions of Yen						Thousands of U.S. Dollars		
	2006			2005			**2006**		
	Book value	Fair value	Difference	Book value	Fair value	Difference	Book value	Fair value	Difference
Securities with available fair values exceeding book values	**¥2,230**	**¥2,399**	**¥169**	¥2,230	¥2,433	¥203	**$19,060**	**$20,504**	**$1,444**
Securities other than the above	—	—	—	—	—	—	—	—	—
Total	**¥2,230**	**¥2,399**	**¥169**	¥2,230	¥2,433	¥203	**$19,060**	**$20,504**	**$1,444**

(b) Available-for-sale securities

Securities with book values exceeding acquisition costs:

	Millions of Yen						Thousands of U.S. Dollars		
	2006			2005			2006		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Equity securities	¥13,767	¥28,956	¥15,189	¥ 8,753	¥14,118	¥5,365	$117,666	$247,487	$129,821
Bonds	4,186	4,293	107	4,425	4,559	134	35,778	36,692	914
Others	431	1,860	1,429	804	1,222	418	3,684	15,898	12,214
Total	¥18,384	¥35,109	¥16,725	¥13,982	¥19,899	¥5,917	$157,128	$300,077	$142,949

Others:

	Millions of Yen						Thousands of U.S. Dollars		
	2006			2005			2006		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Equity securities	¥ 638	¥ 575	¥ (63)	¥ 4,621	¥ 3,869	¥(752)	$ 5,453	$ 4,914	$(539)
Bonds	5,973	5,959	(14)	6,627	6,622	(5)	51,051	50,932	(119)
Others	1,869	1,845	(24)	—	—	—	15,975	15,769	(206)
Total	¥8,480	¥8,379	¥(101)	¥11,248	¥10,491	¥(757)	$72,479	$71,615	$(864)

(2) The following tables summarize book values of securities with no available fair values at March 31, 2006 and 2005.

(a) Book value of held-to-maturity debt securities

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
Certificates of deposit	¥10,000	¥6,500	$85,470

(b) Book value of available-for-sale securities

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
Unlisted equity securities	¥ 3,109	¥ 3,224	$ 26,572
Commercial paper	19,171	23,598	163,855
Short-term treasury bonds	—	14,580	—
Total	¥22,280	¥41,402	$190,427

(3) Available-for-sale securities sold in the year ended March 31, 2006 and 2005 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
Sales amount	¥198	¥472	$1,692
Gross realized gains	76	206	650
Gross realized losses	1	1	9

(4) Available-for-sale securities with maturities and held-to-maturity debt securities at March 31, 2006 and 2005 were as follows:

	Millions of Yen									
	2006					2005				
	Within one year	Within five years	Within ten years	Over ten years	Total	Within one year	Within five years	Within ten years	Over ten years	Total
Bonds:										
Government bonds	¥ —	¥ —	¥ —	¥ —	¥ —	¥14,580	¥ —	¥ —	¥—	¥14,580
Corporate bonds	—	2,230	300	—	2,530	—	2,230	—	—	2,230
Others	29,174	8,773	1,087	—	39,034	30,100	9,643	1,409	—	41,152
Others:										
Others	—	—	1,000	872	1,872	—	—	—	—	—
Total	¥29,174	¥11,003	¥2,387	¥872	¥43,436	¥44,680	¥11,873	¥1,409	¥—	¥57,962

	Thousands of U.S. Dollars				
	2006				
	Within one year	Within five years	Within ten years	Over ten years	Total
Bonds:					
Government bonds	$ —	$ —	$ —	$ —	$ —
Corporate bonds	—	19,060	2,564	—	21,624
Others	249,350	74,983	9,291	—	333,624
Others:					
Others	—	—	8,547	7,453	16,000
Total	$249,350	$94,043	$20,402	$7,453	$371,248

6. Derivative Transactions

Status of derivative transactions

The Group utilizes interest rate swap and swaption contracts as derivative transactions to hedge interest rate risks arising from normal business transactions and improve the efficiency of the utilization of available funds.

The Group also utilizes forward foreign currency contracts and currency options to hedge currency fluctuation risks arising from the export of products and materials for products in addition to hedging through increases in overseas production and the overseas procurement of materials.

The derivative transactions are solely made with highly rated financial institutions; therefore, the Group does not expect any credit risks.

The Group utilizes derivatives following the internal regulation for derivatives, which stipulates policy, objective, scope, organization, procedures and financial institutions to deal with, and has a reporting system for derivative transactions reflecting proper internal control functions.

Fair value of derivative transactions

The aggregate amounts contracted to be paid or received and the fair values of derivative transactions of the Group at March 31, 2006 and 2005 were as follows:

Currency-related derivatives:

	Millions of Yen								Thousands of U.S. Dollars			
	2006				2005				**2006**			
	Contract amount				Contract amount				Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)	Total	Due after one year	Fair value	Realized gain (loss)	Total	Due after one year	Fair value	Realized gain (loss)
Forward contracts:												
To sell:												
U.S. dollars	**¥22,161**	**¥—**	**¥22,697**	**¥(536)**	¥18,610	¥—	¥19,228	¥ (618)	**$189,410**	**$—**	**$193,991**	**$(4,581)**
Euros	**10,488**	**—**	**10,830**	**(342)**	26,953	—	27,350	(397)	**89,641**	**—**	**92,564**	**(2,923)**
Sterling pounds	**1,565**	**—**	**1,590**	**(25)**	1,680	—	1,714	(34)	**13,376**	**—**	**13,590**	**(214)**
Total	**¥34,214**	**¥—**	**¥35,117**	**¥(903)**	¥47,243	¥—	¥48,292	¥(1,049)	**$292,427**	**$—**	**$300,145**	**$(7,718)**
To buy:												
U.S. dollars	**¥115**	**¥—**	**¥117**	**¥2**	¥—	¥—	¥—	¥—	**$983**	**$—**	**$1,000**	**$17**
Total	**¥115**	**¥—**	**¥117**	**¥2**	¥—	¥—	¥—	¥—	**$983**	**$—**	**$1,000**	**$17**

Interest rate swap and option-related derivatives:

The Group has entered into interest rate swap agreements to reduce its exposure resulting from adverse fluctuations in interest rate on underlying debt instruments. They are all designated as hedges meeting certain hedging criteria and there are no transactions that need to disclose contract amount, fair value and realized gain or loss to be reported for the years ended March 31, 2006 and 2005.

7. Short-term Borrowings and Long-term Debt

Short-term borrowings represent unsecured bank loans and its average interest rates were 1.0% and 0.7% per annum at March 31, 2006 and 2005, respectively.

Long-term debt at March 31, 2006 and 2005 consisted of:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
2.05% unsecured bonds due in 2005	**¥ —**	¥ 30,000	**$ —**
2.575% unsecured bonds due in 2007	**10,000**	10,000	**85,470**
1.42% unsecured bonds due in 2009	**10,000**	10,000	**85,470**
0% unsecured bonds with stock acquisition rights due in 2010	**20,000**	20,000	**170,940**
Unsecured loans principally from banks at interest rates of 0.36% to 1.83% maturing through 2012	**80,197**		**685,445**
Unsecured loans principally from banks at interest rates of 0.35% to 1.83% maturing through 2011		83,810	
Total	**120,197**	153,810	**1,027,325**
Less amount due within one year	**20,747**	39,655	**177,325**
	¥ 99,450	¥114,155	**$ 850,000**

0% unsecured bonds with stock acquisition rights provide, among other conditions, for conversion into shares of common stock at the conversion prices per share of ¥1,642 ($14.03), subject to change in certain circumstances.

The annual maturities of long-term debt at March 31, 2006 were as follows:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2007	¥20,747	$177,325
2008	32,000	273,504
2009	26,500	226,496
2010	10,500	89,744
2011	20,450	174,786
Thereafter	10,000	85,470

The line of credit with the main financial institutions agreed as of March 31, 2006 and 2005 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Line of credit	**¥50,500**	¥60,300	**$431,624**
Unused	**50,500**	60,300	**431,624**

8. Income Taxes

The Company and consolidated domestic subsidiaries used the statutory income tax rate of 40.7% for calculation of deferred income tax assets and liabilities at March 31, 2006 and 2005.

The following table summarizes the significant differences between statutory tax rate and the Group's tax rate for financial statement purposes for the years ended March 31, 2006 and 2005:

	2006	2005
Statutory tax rate	**40.7%**	40.7%
Increase (Reduction) in tax resulting from:		
Nondeductible expenses (Entertainment, etc.)	**0.3**	0.4
Nontaxable income (Dividends received deduction, etc.)	**(1.5)**	(1.2)
Difference in statutory tax rate (included in foreign subsidiaries)	**(1.9)**	(1.3)
Income tax credits	**(4.4)**	(5.6)
Effect of elimination of dividends income	**2.6**	—
Other	**(0.1)**	(1.5)
Effective tax rate	**35.7%**	31.5%

Significant components of deferred tax assets and liabilities as of March 31, 2006 and 2005 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Deferred tax assets:			
Employees' severance and retirement benefits	**¥ 6,433**	¥ 6,015	**$ 54,983**
Accrued expenses (bonuses to employees)	**3,042**	2,972	**26,000**
Inventories	**2,402**	3,444	**20,530**
Net operating loss carryforwards	**2,229**	—	**19,051**
Intangible fixed assets	**2,181**	1,549	**18,641**
Property, plant and equipment	**1,670**	1,705	**14,273**
Other	**9,274**	11,070	**79,265**
Gross deferred tax assets	**27,231**	26,755	**232,743**
Valuation allowance	**(2,772)**	(1,872)	**(23,692)**
Total deferred tax assets	**24,459**	24,883	**209,051**
Deferred tax liabilities:			
Unrealized holding gains on securities	**(6,775)**	(2,402)	**(57,906)**
Effect of valuation difference	**(1,878)**	(1,878)	**(16,051)**
Property, plant and equipment	**(233)**	(283)	**(1,991)**
Other	**(217)**	(181)	**(1,855)**
Total deferred tax liabilities	**(9,103)**	(4,744)	**(77,803)**
Net deferred tax assets	**¥15,356**	¥20,139	**$131,248**

9. Employees' Severance and Retirement Benefits

The liabilities for the employees' severance and retirement benefits included in the liability section of the consolidated balance sheets at March 31, 2006 and 2005 consists of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
Projected benefit obligation	¥62,265	¥55,771	$532,179
Unrecognized prior service costs	10,935	11,846	93,461
Unrecognized actuarial differences	(1,611)	(12,260)	(13,769)
Less fair value of pension assets*	(59,323)	(42,286)	(507,034)
Less unrecognized net transition obligation	(4,920)	(6,150)	(42,051)
Prepaid pension cost	56	40	479
Liabilities for the employees' severance and retirement benefits	¥ 7,402	¥ 6,961	$ 63,265

* Including employee retirement benefit trust

Included in the consolidated statements of income for the years ended March 31, 2006 and 2005 are employees' severance and retirement benefit expenses comprised of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
Service cost—benefits earned during the year	¥2,932	¥2,829	$25,060
Interest cost on projected benefit obligation	1,329	1,263	11,359
Expected return on plan assets	(1,217)	(878)	(10,402)
Amortization of prior service costs	(912)	(844)	(7,795)
Amortization of actuarial differences	1,135	1,049	9,701
Amortization of net transition obligation	1,230	1,230	10,513
Other	121	119	1,034
Employees' severance and retirement benefit expenses	¥4,618	¥4,768	$39,470

The discount rate and the rate of expected return on plan assets used by the Company are 2.5% and 3.0% in both 2006 and 2005.

The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years. Actuarial gains and losses are to be recognized in expenses using the straight-line method over 9–15 years (a certain period not exceeding the average of the estimated remaining service lives commencing with the next period). Prior service costs are to be recognized in expenses using the straight-line method over 9–15 years (a certain period not exceeding the average of the estimated remaining service lives).

10. Retirement Benefits for Directors and Corporate Auditors

Effective April 1, 2002, the Company changed its accounting policy for retirement benefits for directors and corporate auditors.

Previously, retirement benefits to directors and corporate auditors were recognized after the approval at the shareholders' meeting and charged to income when paid.

Under the new policy, the Company and certain subsidiaries fully accrue retirement benefits if all directors and corporate auditors had retired at each balance sheet date.

The cumulative effect of ¥2,295 million at the beginning is amortized on a straight-line basis over five years as other expenses.

11. Shareholders' Equity

Under the Japanese laws and regulations, the entire amount of payment for new shares is required to be designated as common stock, although, generally, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital.

Japanese Company Law ("the Law") became effective on May 1, 2006, and, at the same time, the Japanese Commercial Code was repealed ("the Code").

Under the Code, companies were required to set aside an amount equal to at least 10% of cash dividends and other cash appropriations as legal earnings reserve until the total of legal earnings reserve and additional paid-in capital equaled 25% of common stock. Under the Law, in cases when dividends are paid, an amount equal to 10% of the dividends or the excess of 25% of common stock over the total of additional paid-in capital and legal earnings reserve, whichever is the smaller, must be set aside as additional paid-in capital or legal earnings reserve. Under the Code, additional paid-in capital and legal earnings reserve were available for distribution by the resolution of the shareholders' meeting as long as the total amount of legal earnings reserve and additional paid-in capital remained equal to or exceeded 25% of common stock. Under the Law, even when the total amount of additional paid-in capital and legal earnings reserve is less than 25% of common stock, additional paid-in capital and legal earnings reserve may be available for dividends if there are sufficient distributable surplus. Under the Code, legal earnings reserve and additional paid-in capital could be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting or may be capitalized by a resolution of the Board of Directors. Under the Law, both of those appropriations require a resolution of the shareholders' meeting. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

12. Lease Transactions

(1) Finance leases

The amounts of outstanding future lease payments due at March 31, 2006 and 2005 and total lease expenses (including total assumed depreciation cost and total assumed interest cost) as lessee for the years ended March 31, 2006 and 2005 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Future lease payments:			
Due within one year	**¥ 4,132**	¥ 4,473	**$35,316**
Due over one year	**5,898**	7,288	**50,410**
Total	**¥10,030**	¥11,761	**$85,726**
Total lease expenses	**¥ 5,194**	¥ 5,192	**$44,393**
Total assumed depreciation cost	**¥ 4,746**	¥ 4,725	**$40,564**
Total assumed interest cost	**¥ 387**	¥ 470	**$ 3,308**

Assumed data as to acquisition cost, accumulated depreciation and net book value of the leased assets under the finance lease contracts as lessee at March 31, 2006 and 2005 were summarized as follows:

	Millions of Yen						Thousands of U.S. Dollars		
	2006			2005			**2006**		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery	**¥17,712**	**¥11,604**	**¥6,108**	¥17,620	¥ 9,524	¥ 8,096	**$151,385**	**$ 99,180**	**$52,205**
Equipment	**4,272**	**1,958**	**2,314**	3,732	1,647	2,085	**36,513**	**16,735**	**19,778**
Other	**2,077**	**834**	**1,243**	1,921	770	1,151	**17,752**	**7,128**	**10,624**
Total	**¥24,061**	**¥14,396**	**¥9,665**	¥23,273	¥11,941	¥11,332	**$205,650**	**$123,043**	**$82,607**

(2) Operating leases

The amount of outstanding future lease payments due at March 31, 2006 and 2005 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Future lease payments:			
Due within one year	**¥279**	¥161	**$2,385**
Due over one year	**79**	170	**675**
Total	**¥358**	¥331	**$3,060**

13. Segment Information

The business and geographical segment information and overseas sales for the Group for the years ended March 31, 2006 and 2005 were as follows:

(1) Business segments

	Millions of Yen				
For 2006	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales:					
Outside customers	**¥473,420**	**¥106,889**	**¥580,309**	**¥ —**	**¥580,309**
Inside Group	**453**	**33,477**	**33,930**	**(33,930)**	**—**
Total	**473,873**	**140,366**	**614,239**	**(33,930)**	**580,309**
Costs and expenses	**432,114**	**133,181**	**565,295**	**(28,100)**	**537,195**
Operating income (loss)	**¥ 41,759**	**¥ 7,185**	**¥ 48,944**	**¥ (5,830)**	**¥ 43,114**
Total assets	**¥257,759**	**¥106,591**	**¥364,350**	**¥137,610**	**¥501,960**
Depreciation	**¥ 18,988**	**¥ 7,327**	**¥ 26,315**	**¥ 314**	**¥ 26,629**
Capital expenditures	**¥ 22,128**	**¥ 9,013**	**¥ 31,141**	**¥ 385**	**¥ 31,526**

	Thousands of U.S. Dollars				
For 2006	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales:					
Outside customers	**$4,046,325**	**$ 913,581**	**$4,959,906**	**$ —**	**$4,959,906**
Inside Group	**3,872**	**286,128**	**290,000**	**(290,000)**	**—**
Total	**4,050,197**	**1,199,709**	**5,249,906**	**(290,000)**	**4,959,906**
Costs and expenses	**3,693,282**	**1,138,299**	**4,831,581**	**(240,171)**	**4,591,410**
Operating income (loss)	**$ 356,915**	**$ 61,410**	**$ 418,325**	**$ (49,829)**	**$ 368,496**
Total assets	**$2,203,068**	**$ 911,034**	**$3,114,102**	**$1,176,154**	**$4,290,256**
Depreciation	**$ 162,291**	**$ 62,624**	**$ 224,915**	**$ 2,683**	**$ 227,598**
Capital expenditures	**$ 189,128**	**$ 77,034**	**$ 266,162**	**$ 3,291**	**$ 269,453**

	Millions of Yen				
For 2005	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales:					
Outside customers	¥447,843	¥111,163	¥559,006	¥ —	¥559,006
Inside Group	1,107	32,363	33,470	(33,470)	—
Total	448,950	143,526	592,476	(33,470)	559,006
Costs and expenses	412,798	134,865	547,663	(27,697)	519,966
Operating income (loss)	¥ 36,152	¥ 8,661	¥ 44,813	¥ (5,773)	¥ 39,040
Total assets	¥248,809	¥103,956	¥352,765	¥142,978	¥495,743
Depreciation	¥ 16,117	¥ 6,570	¥ 22,687	¥ 240	¥ 22,927
Loss on impairment of fixed assets	¥ 267	¥ 1,227	¥ 1,494	¥ —	¥ 1,494
Capital expenditures	¥ 19,293	¥ 7,382	¥ 26,675	¥ 294	¥ 26,969

Notes: 1. Business segments were classified by the application or nature of each product, method of manufacturing and sales, profit management and related assets.

2. Major products in each business segment:
   (1) Electronics:
   Electronic calculators, Label printers, Electronic dictionaries, Digital cameras, Electronic musical instruments, Digital watches, Analog watches, Clocks, Cellular phones, Electronic cash registers, Office computers, Page printers, Data projectors, etc.
   (2) Electronic components and others:
   LCDs, Bump processing consignments, TCP assembly and processing consignments, Carrier tape, Factory automation, Molds, Toys, etc.
3. Elimination or unallocated amounts of costs and expenses principally consisted of administrative expenses and R&D expenses for fundamental research of the parent company, which amounted to ¥5,830 million ($49,829 thousand) and ¥5,773 million for the years ended March 31, 2006 and 2005, respectively.
4. Elimination or unallocated amounts of total assets principally consisted of cash and time deposits, marketable securities, investments in securities and administrative assets of the parent company, which amounted to ¥139,714 million ($1,194,137 thousand) and ¥147,145 million for the years ended March 31, 2006 and 2005, respectively.

(2) Geographical segments

For 2006	Millions of Yen Japan	North America	Europe	Asia	Total	Elimination	Consolidated
Net sales:							
Outside customers	¥438,321	¥50,779	¥70,997	¥ 20,212	¥580,309	¥ —	¥580,309
Inside Group	103,434	28	125	91,553	195,140	(195,140)	—
Total	541,755	50,807	71,122	111,765	775,449	(195,140)	580,309
Costs and expenses	504,783	48,696	69,853	109,450	732,782	(195,587)	537,195
Operating income (loss)	¥ 36,972	¥ 2,111	¥ 1,269	¥ 2,315	¥ 42,667	¥ 447	¥ 43,114
Total assets	¥463,403	¥23,475	¥26,123	¥ 39,034	¥552,035	¥(50,075)	¥501,960

For 2006	Thousands of U.S. Dollars Japan	North America	Europe	Asia	Total	Elimination	Consolidated
Net sales:							
Outside customers	$3,746,333	$434,009	$606,812	$172,752	$4,959,906	$ —	$4,959,906
Inside Group	884,051	239	1,069	782,504	1,667,863	(1,667,863)	—
Total	4,630,384	434,248	607,881	955,256	6,627,769	(1,667,863)	4,959,906
Costs and expenses	4,314,385	416,205	597,034	935,470	6,263,094	(1,671,684)	4,591,410
Operating income (loss)	$ 315,999	$ 18,043	$ 10,847	$ 19,786	$ 364,675	$ 3,821	$ 368,496
Total assets	$3,960,709	$200,641	$223,274	$333,624	$4,718,248	$ (427,992)	$4,290,256

For 2005	Millions of Yen Japan	North America	Europe	Asia	Total	Elimination	Consolidated
Net sales:							
Outside customers	¥437,461	¥38,734	¥67,592	¥15,219	¥559,006	¥ —	¥559,006
Inside Group	90,021	35	79	73,181	163,316	(163,316)	—
Total	527,482	38,769	67,671	88,400	722,322	(163,316)	559,006
Costs and expenses	492,869	37,738	66,720	86,470	683,797	(163,831)	519,966
Operating income (loss)	¥ 34,613	¥ 1,031	¥ 951	¥ 1,930	¥ 38,525	¥ 515	¥ 39,040
Total assets	¥464,742	¥18,385	¥23,087	¥28,898	¥535,112	¥ (39,369)	¥495,743

Notes: 1. Segments of countries and areas were classified by the geographical factor.
2. The main countries and the areas which belong to each segment except for Japan were as follows:
(1) North America .........U.S.A., Canada, Mexico
(2) Europe.....................U.K., Germany, France
(3) Asia ....Taiwan, Hong Kong, South Korea, Malaysia, Singapore, China, India, Indonesia, Thailand

(3) Overseas sales

For 2006	Millions of Yen North America	Europe	Asia	Others	Total
Overseas net sales	¥58,868	¥78,822	¥70,370	¥27,519	¥235,579
Net sales (consolidated)					580,309
Share of overseas net sales	10.2%	13.6%	12.1%	4.7%	40.6%

For 2006	Thousands of U.S. Dollars North America	Europe	Asia	Others	Total
Overseas net sales	$503,145	$673,693	$601,453	$235,205	$2,013,496
Net sales (consolidated)					4,959,906
Share of overseas net sales	10.2%	13.6%	12.1%	4.7%	40.6%

For 2005	Millions of Yen North America	Europe	Asia	Others	Total
Overseas net sales	¥46,698	¥74,796	¥75,400	¥25,749	¥222,643
Net sales (consolidated)					559,006
Share of overseas net sales	8.3%	13.4%	13.5%	4.6%	39.8%

Notes: 1. Segments of countries and areas were classified by the geographical factor.
2. The main countries and the areas which belong to each segment were as follows:
(1) North America .........U.S.A., Canada
(2) Europe.....................U.K., Germany, France
(3) Asia ....Hong Kong, Singapore, China, South Korea, Taiwan
3. The above overseas net sales represent net sales made outside Japan by the parent company and consolidated subsidiaries.

14. Contingent Liabilities

At March 31, 2006, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥2,504 million ($21,402 thousand) and as guarantor of others for bank loans in the amount of ¥220 million ($1,880 thousand).

15. Stock Option

By special resolution at the 46th annual shareholders' meeting held on June 27, 2002, the Company introduced a stock option plan in accordance with Article 280-20, 21 of the Commercial Code in Japan, and granted stock purchase rights at advantageous terms to directors, corporate auditors and employees of the Company and subsidiaries, as of June 27, 2002.

The stock purchase rights can be exercised at a price of ¥699 ($5.97) per share in the period from July 1, 2004 to June 30, 2009, and a total of 303 thousand shares of common stock could be issued by the exercise of these rights. The exercise price of stock purchase rights would be adjusted, if the Company issues new shares at a price below the market price.

By special resolution at the 47th annual shareholders' meeting held on June 27, 2003, the Company introduced a stock option plan in accordance with Article 280-20, 21 of the Commercial Code in Japan, and granted stock purchase rights at advantageous terms to directors, corporate auditors and employees of the Company and subsidiaries, as of June 27, 2003.

The stock purchase rights can be exercised at a price of ¥1,221 ($10.44) per share in the period from July 1, 2005 to June 30, 2010, and a total of 140 thousand shares of common stock could be issued by the exercise of these rights. The exercise price of stock purchase rights would be adjusted, if the Company issues new shares at a price below the market price.

By special resolution at the 48th annual shareholders' meeting held on June 29, 2004, the Company introduced a stock option plan in accordance with Article 280-20, 21 of the Commercial Code in Japan, and granted stock purchase rights at advantageous terms to directors, corporate auditors and employees of the Company and subsidiaries, as of June 29, 2004.

The stock purchase rights can be exercised at a price of ¥1,575 ($13.46) per share in the period from July 1, 2006 to June 30, 2011, and a total of 264 thousand shares of common stock could be issued by the exercise of these rights. The exercise price of stock purchase rights would be adjusted, if the Company issues new shares at a price below the market price.

16. Loss on Impairment of Fixed Assets

During the fiscal year ended March 31, 2005, the Company and its domestic consolidated subsidiaries recognized loss on impairment of fixed assets on following group of assets.

Use	Type of assets	Location
Warehouse used for other business	Buildings, land	Kojimachi Bussan Co., Ltd. (Saitama City, Saitama)
Idle properties	Buildings and structures, machinery and equipment, land, and other	Public health facilities of Casio Computer Co., Ltd. (Tachikawa City, Tokyo), and other

The Company and its domestic consolidated subsidiaries classified fixed assets into groups mainly by the type of managerial accounting segments whose cash flows were grasped continually, and classified idle properties into groups by the type of respective properties.

Carrying amounts of other warehouse used for business were devalued to their recoverable amounts, owing to substantial decline in the fair market value. Carrying amounts of idle properties were devalued to their recoverable amounts, owing to no possibilities of using in the future.

As a result, the Company and its domestic consolidated subsidiaries recognized loss on impairment of fixed assets in the amount of ¥1,494 million, which consisted of land ¥1,007 million, buildings and structures ¥257 million, machinery and equipment ¥189 million and other ¥41 million.

Recoverable amounts of this group of assets were the amount of net selling price (fair value less costs to sell). The Company and its domestic consolidated subsidiaries mainly used estimated value of the respective firms and appraisal value prepared by real estate appraisers for calculating net selling price.

17. Subsequent Events

At the annual shareholders' meeting held on June 29, 2006, the Company's shareholders approved the payment of a cash dividend of ¥20.00 ($0.17) per share aggregating ¥5,319 million ($45,462 thousand) to shareholders of record as of March 31, 2006 and the payments of bonuses to directors and corporate auditors totaling ¥155 million ($1,325 thousand).

Independent Auditors' Report

To the Shareholders and Board of Directors of CASIO COMPUTER CO., LTD.:

We have audited the accompanying consolidated balance sheets of CASIO COMPUTER CO., LTD. (a Japanese corporation) and subsidiaries as of March 31, 2006 and 2005, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CASIO COMPUTER CO., LTD. and subsidiaries as of March 31, 2006 and 2005, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements, effective from the year ended March 31, 2005, CASIO COMPUTER CO., LTD. adopted the accounting standard for impairment of fixed assets.

The consolidated financial statements as of and for the year ended March 31, 2006 have been translated into United States dollars solely for the convenience of the reader. We have recomputed the translation and, in our opinion, the consolidated financial statements expressed in Japanese yen have been translated into United States dollars on the basis set forth in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.

Tokyo, Japan
June 29, 2006

Principal Subsidiaries

(As of March 31, 2006)

Overseas Subsidiaries

Europe

- *Casio Europe GmbH*
  Germany
  Sales of Casio products
- *Casio Electronics Co., Ltd.*
  U.K.
  Sales of Casio products
- *Casio France S.A.*
  France
  Sales of Casio products

Asia

- *Casio Computer (Hong Kong) Ltd.*
  Hong Kong
  Production of electronic calculators
- *Casio Korea Co., Ltd.*
  The Republic of Korea
  Production of electronic timepieces
- *Casio Taiwan Ltd.*
  Taiwan
  Production of timepiece cases
- *Casio Singapore Pte., Ltd.*
  Singapore
  Production of electronic components and sales of Casio products
- *Casio India Co., Pvt. Ltd.*
  India
  Production and sales of electronic calculators and electronic timepieces
- *Casio Electronic Technology (Zhongshan) Co., Ltd.*
  The People's Republic of China
  Production and sales of electronic calculators, electronic dictionaries and electronic musical instruments
- *Casio Electronics (Shenzhen) Co., Ltd.*
  The People's Republic of China
  Production of electronic timepieces
- *Casio Electronics (Guangzhou) Co., Ltd.*
  The People's Republic of China
  Production and sales of electronic timepieces
- *Casio (Thailand) Co., Ltd.*
  Thailand
  Production of electronic timepieces
- *Casio (Shanghai) Co., Ltd.*
  The People's Republic of China
  Sales of Casio products
- *Taiwan Casio Marketing Co., Ltd.*
  Taiwan
  Sales of Casio products

North America

- *Casio, Inc.*
  U.S.A.
  Sales of Casio products
- *Casio Canada Ltd.*
  Canada
  Sales of Casio products
- *Casio Holdings, Inc.*
  U.S.A.
  Holding company

Domestic Subsidiaries

- *Yamagata Casio Co., Ltd.*
  Production of digital cameras, electronic timepieces, and cellular phones
- *Casio Micronics Co., Ltd.*
  Production and sales of electronic components
- *Casio Electronic Manufacturing Co., Ltd.*
  Production of page printers
- *Kochi Casio Co., Ltd.*
  Production of LCDs
- *Kofu Casio Co., Ltd.*
  Production of handy terminals, system equipments, and LCDs
- *Casio Hitachi Mobile Communications Co., Ltd.*
  Development, design, and production of cellular phones
- *Casio Techno Co., Ltd.*
  Customer service for Casio products
- *Casio Information Systems Co., Ltd.*
  Sales of system equipment
- *Casio Electronic Devices Co., Ltd.*
  Sales of electronic components
- *CCP Co., Ltd.*
  Production and sales of toys and home appliances

(56 consolidated subsidiaries and 4 equity-method affiliates)

* On April 1, 2006, Casio Taiwan Ltd. and Taiwan Casio Marketing Co., Ltd. merged to form Casio Taiwan Co., Ltd.

Directors and Corporate Auditors

(As of June 29, 2006) *Corporate officers

Chairman and Representative Director

Toshio Kashio

President and CEO

Kazuo Kashio*

Executive Vice President and Representative Director

Yukio Kashio*

Managing Directors

Yozo Suzuki*
Akinori Takagi*
Yoshio Ono*
Fumitsune Murakami*

Directors

Tadashi Takasu*
Atsushi Mawatari*
Kouichi Takeichi*
Akira Kashio*
Susumu Takashima*

Corporate Auditors

Takeshi Honda
Yoshinobu Yamada
Hironori Daitoku

Corporate Officers

Naomitsu Satoh
Tomimoto Umeda
Eiichi Takeuchi
Harunori Fukase
Isamu Shimozato
Ichiro Ohno
Yuichi Masuda
Osamu Ohno
Atsushi Yazawa

Corporate Data

(As of March 31, 2006)

Established: June 1957
Paid-in Capital: ¥41,549 million
Employees: 12,673
Home Page Address: http://world.casio.com/

Domestic Offices

Head Office

6-2, Hon-machi 1-chome,
Shibuya-ku, Tokyo 151-8543

Accounting Department

Tel: (03) 5334-4852

R&D Centers

Hamura Research & Development Center

3-2-1, Sakae-cho,
Hamura City, Tokyo 205-8555
Tel: (042) 579-7111

Hachioji Research & Development Center

2951-5, Ishikawa-cho,
Hachioji City, Tokyo 192-8556
Tel: (042) 639-5111

Overseas Offices

Casio, Inc.

570 Mt. Pleasant Avenue,
Dover, New Jersey 07801,
United States
Tel: 973-361-5400

Casio Europe GmbH

Bornbarch 10,
22848 Norderstedt, Germany
Tel: 040-528-65-0

Investor Information

(As of March 31, 2006)

Stock Exchange Listings

Tokyo

Transfer Agent

The Sumitomo Trust and Banking Corporation
Stock Transfer Agency Dept.
4-4, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-8233, Japan

Number of Shares

Authorized: 471,693,000 shares
Issued: 270,442,868 shares

Number of Shareholders

28,876

Principal Shareholders

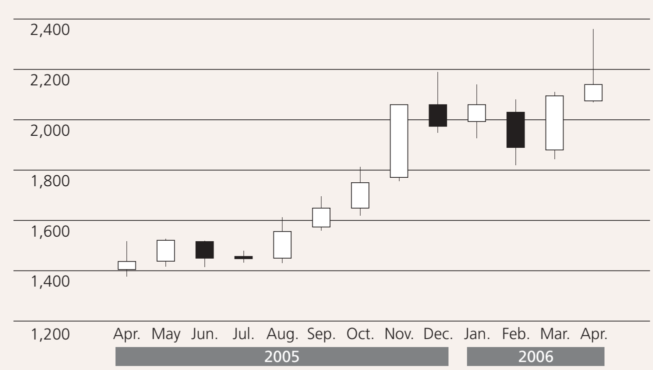
	Shareholdings (thousands)	Outstanding voting share
Japan Trustee Services Bank, Ltd. (Trust Account)	21,164	7.97%
The Master Trust Bank of Japan, Ltd. (Trust Account)	19,841	7.47
Nippon Life Insurance Company	13,669	5.15
Casio Bros. Corp.	10,000	3.77
Japan Trustee Services Bank, Ltd. (The Sumitomo Trust and Banking Co., Ltd. Retrust Portion, Sumitomo Mitsui Banking Corp. Pension Trust Account)	9,865	3.71
Sumitomo Mitsui Banking Corp.	6,789	2.56
Toshio Kashio	5,344	2.01
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,077	1.91
Mitsui Sumitomo Insurance Co., Ltd.	4,122	1.55
Yukio Kashio	3,683	1.39

Share Price Range

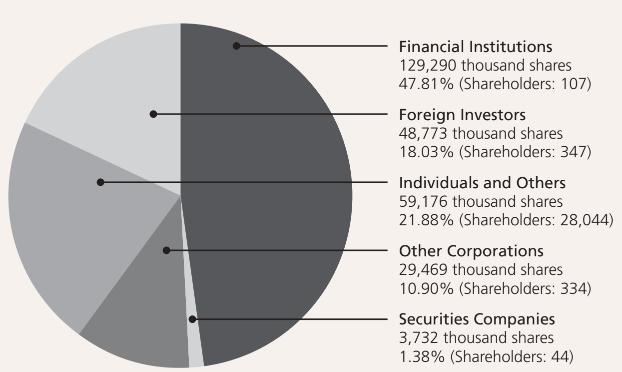
Year	Month	Yen High	Yen Low
2005	Apr.	¥1,517	¥1,377
	May	1,526	1,416
	Jun.	1,520	1,416
	Jul.	1,480	1,434
	Aug.	1,613	1,432
	Sep.	1,695	1,559
	Oct.	1,813	1,620
	Nov.	2,060	1,756
	Dec.	2,190	1,948
2006	Jan.	2,140	1,927
	Feb.	2,080	1,820
	Mar.	2,110	1,843
	Apr.	2,360	2,070

Share Price

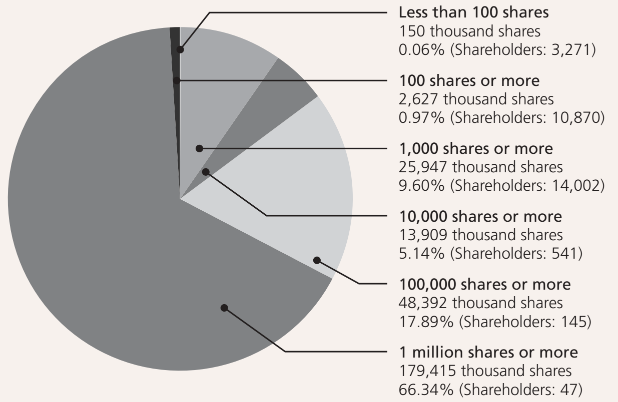
(Yen)



Breakdown of Shareholders



Breakdown of Shareholdings by Size



CASIO COMPUTER CO., LTD.

6-2, Hon-machi 1-chome, Shibuya-ku, Tokyo 151-8543, Japan
http://world.casio.com/

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