1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of CASIO COMPUTER CO., LTD. ("the Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

As discussed in Note 3. (1), effective from the fiscal year ended March 31, 2009, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18) issued by the Accounting Standard Boards of Japan on May 17, 2006 has been applied. In accordance with this solution, required adjustments are made based on their accounting records for the preparation of consolidated financial statements.

The accompanying consolidated financial statements have been restructured and translated into English (with certain expanded disclosure) 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 Financial Instruments and Exchange Law. Certain 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 is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2010, which was ¥93 to U.S.$1. The convenience translation should not be construed as representation 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. Stocks of 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 assets 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 net assets as foreign currency translation adjustments.

Securities

Debt securities designated as held-to-maturity are carried at amortized cost. Other securities except for trading securities ("available-for-sale securities") for which fair value is readily determinable are stated at fair 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 net assets. The cost of such securities sold is determined primarily by the moving-average method. Available-for-sale securities for which fair 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

As discussed in Note 3. (2), effective April 1, 2008, the Company and its consolidated subsidiaries in Japan adopted the new accounting standard for measurement of inventories and stated the inventories at the lower of cost (first-in, first-out) or net realizable values at year-end.

Consolidated overseas subsidiaries state inventories at the lower of market or cost.

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. The depreciation period ranges from 2 years to 65 years for buildings and structures and 1 year to 20 years for machinery and equipment.

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.

(Additional information)

The Company has shortened the useful lives of metal molds and other manufacturing equipment as well as software used in our cell phone business to respond to the rapid shrinkage of cell phone markets and intensified competition. Accordingly, the Company has made a non-recurring depreciation in the amount of ¥11,345 million for non-recurring depreciation on noncurrent assets for the reporting period ended March 31, 2009. Loss before income taxes and minority interests increased by the same amounts.

Lease assets

(Finance leases which do not transfer ownership of the leased property to the lessee)

Lease assets are divided into the two principal categories of property, plant and equipment and intangible assets. The former consists primarily of facilities (machinery and equipment, tools, furniture and fixtures) while the latter consists of software. The assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and the residual value is zero.

Accounting for lease transactions as lessee

The Company and its consolidated subsidiaries in Japan account for finance leases commenced prior to the year ended March 31, 2009 which do not transfer the ownership of the leased property to the lessee as operating leases with disclosures of certain "as if capitalized" information. As discussed in Note 3. (3), the Company and its consolidated subsidiaries in Japan adopted the new accounting standards and capitalized finance leases which commenced on or after April 1, 2008 except for certain immaterial or short-term finance leases, which are accounted for as operating leases.

Provision for 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 in Japan are covered by two kinds of pension plans: defined benefit corporate pension fund plan and tax-qualified pension plan. And those of the Company and some of its consolidated subsidiaries in Japan are covered by lump-sum indemnities.

The Company and its consolidated subsidiaries in Japan received 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, the employees' pension fund plan was changed to defined benefit corporate pension fund plan.

The Company and some of its consolidated subsidiaries in Japan provide defined contribution plans. In addition, the Company has established an employee retirement benefits trust.

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

The Company and its consolidated subsidiaries in Japan provided liabilities for provision for 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") is recognized in expenses in equal amounts over 10 years commencing with the year ended March 31, 2001.

Provision for directors' retirement benefits

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.

Income taxes

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

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 loss 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).

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

Reclassifications

Certain reclassifications have been made in the 2009 consolidated financial statements to conform to the 2010 presentation.

3. Changes in Accounting Policies

(1) Unification of accounting policies applied to overseas subsidiaries for consolidated financial statements

On May 17, 2006, the Accounting Standards Board of Japan issued ASBJ Practical Issues Task Force No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF No. 18). PITF No. 18 requires that accounting policies and procedures applied by a parent company and its subsidiaries to similar transactions and events under similar circumstances should, in principle, be unified for the preparation of the consolidated financial statements. Accordingly, the Company carried out adjustments for the following six items with regard to overseas subsidiaries. In this case, adjustments for the following six items are required in the consolidation process so that their impacts on net income are accounted for in accordance with Japanese GAAP unless the impact is not material.

(a) Goodwill not subject to amortization
(b) Actuarial gains and losses of defined benefit plans recognized outside profit or loss
(c) Capitalized expenditures for research and development activities
(d) Fair value measurement of investment properties, and revaluation of property, plant and equipment, and intangible assets
(e) Retrospective treatment of a change in accounting policies
(f) Accounting for net income attributable to minority interests

The effect on net income of the adoption of the new accounting standards is not material.

(2) New accounting standards for inventories

On July 5, 2006, the Accounting Standards Board of Japan issued ASBJ Statement No. 9, "Accounting Standards for Measurement of Inventories." As permitted under the superseded accounting standards, the Company and consolidated subsidiaries in Japan previously stated inventories at the lower of cost (first-in, first-out) or market (replacement cost or net realizable value) unless the fair value of inventories has declined significantly and is not deemed recoverable; in such cases costs were reduced to recoverable amounts. The new accounting standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net realizable value. Replacement cost may be used in place of the net realizable value, if appropriate.

The effect on net income of the adoption of the new accounting standards is not material.

(3) New accounting standards for lease transactions as lessee

Prior to the year ended March 31, 2009, the Company and its consolidated subsidiaries in Japan accounted for finance leases which do not transfer ownership of the leased property to the lessee as operating leases with disclosure of certain "as if capitalized" information in a note to the consolidated financial statements.

On March 31, 2007, the Accounting Standards Board of Japan issued ASBJ Statement No. 13, "Accounting Standards for Lease Transactions" and ASBJ Guidance No. 16, "Guidance on Accounting Standards for Lease Transactions." The new accounting standards require that all finance lease transactions should be capitalized.

Effective from the year ended March 31, 2009 the Company and its consolidated subsidiaries in Japan adopted the new accounting standards for finance leases commencing on or after April 1, 2008 and capitalized assets used under such leases, except for certain immaterial or short-term finance leases, which are accounted for as operating leases. As permitted, finance leases which commenced prior to April 1, 2008 and have been accounted for as operating leases, continue to be accounted for as operating leases with disclosure of "as if capitalized" information.

The effect on net income of the adoption of the new accounting standards is not material.

(4) New accounting standards for retirement benefits

Effective from the year ended March 31, 2010, the Company and consolidated subsidiaries in Japan adopted ASBJ Statement No. 19, "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" issued by Accounting Standards Board of Japan on July 31, 2008.

The effect on net income of the adoption of the new accounting standards is not material.

(5) New accounting standards for construction contracts

Prior to the year ended March 31, 2010, the Company and consolidated subsidiaries in Japan recognized revenues and costs of construction contracts using the completed-contract method. Effective from the year ended March 31, 2010, the Company and consolidated subsidiaries in Japan adopted the ASBJ Statement No. 15, "Accounting Standard for Construction Contracts" and ASBJ Guidance No. 18, "Guidance on Accounting Standard for Construction Contracts" issued by Accounting Standards Board of Japan on December 27, 2007 respectively. Accordingly, with respect to construction contracts whose activity commenced in the year ended March 31, 2010, the percentage-of-completion method has been applied if the outcome of the construction activity is deemed certain during the course of the activity, otherwise the completed-contract method has been applied. The percentage of completion as of the end of the reporting period is estimated based on the percentage of the cost incurred to the estimated total cost.

The effect on net income of the adoption of the new accounting standards is not material.

4. Cash and Cash Equivalents

(1) Cash and cash equivalents at March 31, 2010 and 2009 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Cash and deposits	**¥ 52,756**	¥ 32,982	**$ 567,269**
Time deposits over three months	**(1,048)**	(1,712)	**(11,269)**
Marketable securities within three months	**50,408**	62,839	**542,022**
Short-term loans receivable with resale agreement	**11,668**	10,139	**125,462**
Cash and cash equivalents	**¥113,784**	¥104,248	**$1,223,484**

(2) Breakdown of decrease in assets and liabilities resulting from transfer of business in the previous year

Details are provided below of changes in assets and liabilities as a result of the transfer during the year ended March 31, 2009 to Hitachi Cable, Ltd. of the Film Device Business of Casio Micronics Co., Ltd., a consolidated subsidiary, and of the transfer amount and the proceeds from the transfer.

	Millions of Yen
	2009
Current assets	¥1,369
Noncurrent assets	5,260
Current liabilities	(443)
Noncurrent liabilities	(198)
Compensation for share transfer	¥5,988
Cash and cash equivalents	(0)
Proceeds from transfer of business	¥5,988

(3) Significant non-cash transactions

The values of assets and obligations relating to finance lease transactions newly stated for the reporting fiscal year amounted to ¥4,552 million ($48,946 thousand) and ¥4,699 million ($50,527 thousand), respectively. The figures for the previous year were ¥7,040 million and ¥7,334 million, respectively.

5. Inventories

Inventories at March 31, 2010 and 2009 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Finished goods	**¥32,794**	¥33,100	**$352,624**
Work in process	**5,700**	4,612	**61,290**
Raw materials and supplies	**12,128**	13,572	**130,409**
Total	**¥50,622**	¥51,284	**$544,323**

6. Fair Value of Financial Instruments

Effective from the year ended March 31, 2010, the Company adopted Accounting Standards Board of Japan ("ASBJ") Statement No. 10, "Accounting Standard for Financial Instruments" and ASBJ Guidance No. 19, "Guidance on Disclosures about Fair Value of Financial Instruments" both revised by ASBJ on March 10, 2008. Information on financial instruments for the year ended March 31, 2010 required pursuant to the revised accounting standards is as follows:

(1) Qualitative information on financial instruments

1) Policies for using financial instruments

The Group invests surplus funds in highly secure financial assets, and funds required for working capital and capital investments are raised through the issuance of bonds or loans from financial institutions such as banks. Derivatives are used to avoid the risks described hereinafter and no speculative transactions are entered.

2) Details of financial instruments used and risks involved, and how they are managed

Notes and accounts receivable-trade are exposed to customers' credit risk. To minimize that risk, the Group periodically monitors the due date and the balance of the accounts.

Short-term investment securities and investment securities are primarily highly secure and highly-rated bonds and include shares in companies with which the Group has business relations, and are exposed to market price fluctuation risk. The Group periodically monitors the market price and reviews the status of these holdings.

Notes and accounts payable-trade and accounts payable-other have the due date of within one year.

Operating payables, loans payable, and bonds payable are subject to liquidity risk (the risk of an inability to pay by the due date). However, the Group manages liquidity risk by maintaining short-term liquidity in excess of a certain level of consolidated sales or by other means.

The Group use derivative transactions of forward currency exchange contracts to hedge currency fluctuation risks arising from assets and liabilities denominated in foreign currencies, as well as interest rate swap contracts to fix the cash flows associated with loans payable and bonds payable or to offset market fluctuation risks. The Group utilizes and manages derivative transactions following the internal regulation for them, which stipulates policy, objective, scope, organization, procedures and financial institutions to deal with, and has an implementation and reporting system for derivative transactions reflecting proper internal control functions.

3) Supplemental information on fair values

The fair value of financial instruments is calculated based on quoted market price or, in case where there is no market price, by making a reasonable estimation. Because the preconditions applied include a floating element, estimation of fair value may vary. The contracted amounts, as presented in Note 8 "Derivative Transactions," do not reflect market risk.

(2) Fair values of financial instruments

The following table summarizes book value and fair value of the financial instruments, and the difference between them as of March 31, 2010. Items for which fair value is difficult to estimate are not included in the following table (see Note 2 below).

	Millions of Yen			Thousands of U.S. Dollars		
	Book value	Fair value	Difference	Book value	Fair value	Difference
Assets						
(1) Cash and deposits	¥ 52,756	¥ 52,756	¥ —	$ 567,269	$ 567,269	$ —
(2) Notes and accounts receivable–trade	75,565	75,565	—	812,527	812,527	—
(3) Short-term investment securities and investment securities						
a. Held-to-maturity debt securities	17,860	17,884	24	192,043	192,301	258
b. Available-for-sale securities	85,533	85,533	—	919,709	919,709	—
Total assets	¥231,714	¥231,738	¥ 24	$2,491,548	$2,491,806	$ 258
Liabilities						
(1) Notes and accounts payable–trade	¥ 66,219	¥ 66,219	¥ —	$ 712,032	$ 712,032	$ —
(2) Short-term loans payable	15,846	15,846	—	170,387	170,387	—
(3) Accounts payable–other	38,422	38,422	—	413,140	413,140	—
(4) Bonds payable	10,000	10,139	139	107,527	109,022	1,495
(5) Bonds with subscription rights to shares	50,000	49,019	(981)	537,634	527,086	(10,548)
(6) Long-term loans payable	28,450	28,659	209	305,914	308,161	2,247
Total liabilities	¥208,937	¥208,304	¥(633)	$2,246,634	$2,239,828	$ (6,806)
Derivative transactions*	¥ 31	¥ 31	¥ —	$ 333	$ 333	$ —

* Derivative transactions are presented net of receivables and liabilities.

Note 1: Method for calculating the fair value of financial instruments and matters related to investment securities and derivative transactions

Assets

(1) Cash and deposits, (2) Notes and accounts receivable–trade

Since these items are short-term and the fair value approximates the book value, the book value is used as fair value.

(3) Short-term investment securities and investment securities

The fair value of shares is the market price, while the fair value of bonds is the market price or the price quoted by the correspondent financial institution. Since certificates of deposit and commercial paper are short-term, and the fair value approximates the book value, the book value is used as fair value.

See Note 7 "Securities" for information on short-term investment securities categorized by holding purposes.

Liabilities

(1) Notes and accounts payable–trade, (2) Short-term loans payable, (3) Accounts payable–other

Since these items are short-term, and the fair value approximates the book value, the book value is used as fair value.

(4) Bonds payable, (5) Bonds with subscription rights to shares

The fair value of these items is calculated based on quoted market price or, in case where there is no market price, by using the discounted cash flow, based on the sum of the principal and total interest over the remaining period and credit risk.

(6) Long-term loans payable

The fair value of long-term loans payable is the sum of the principal and total interest discounted by the rate that is applied if a new loan is made. The fair value of long-term loans payable with floating rates is measured by reference to the related interest rate swap transactions (see Note 8 "Derivative Transactions"), and is the sum of the principal and total interest associated with the interest rate swap, discounted by the rate that is reasonably estimated and applied if a new loan is made.

Derivative transactions

See Note 8 "Derivative transactions."

Note 2: Financial instruments of which fair value is difficult to estimate

	Millions of Yen	Thousands of U.S. Dollars
	2010	2010
	Book value	Book value
Unlisted shares	¥3,190	$34,301

The market price of the above shares are not available and the future cash flow cannot be estimated. Therefore, the fair value is difficult to estimate. Hence, these are not included in "(3) Short-term investment securities and investment securities" above.

Note 3: Monetary claims, short-term investment securities and investment securities with repayment due dates after March 31, 2010 are as follows:

	Millions of Yen				Thousands of U.S. dollars			
	Within one year	Within five years	Within ten years	Over ten years	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 52,756	¥ —	¥—	¥ —	$ 567,269	$ —	$—	$ —
Notes and accounts receivable-trade	75,565	—	—	—	812,527	—	—	—
Short-term investment securities and investment securities								
1. Held-to-maturity debt-securities								
(1) Government bonds	—	—	—	—	—	—	—	—
(2) Corporate bonds	3,020	—	—	—	32,473	—	—	—
(3) Others	14,840	—	—	—	159,570	—	—	—
2. Available-for-sale securities with maturities								
(1) Bonds								
a. Government bonds	—	—	—	—	—	—	—	—
b. Corporate bonds	35,578	14,500	—	—	382,559	155,914	—	—
c. Others	—	15,210	—	—	—	163,548	—	—
(2) Others	—	—	—	434	—	—	—	$4,667
Total	¥181,759	¥29,710	¥—	¥434	$1,954,398	$319,462	$—	$4,667

7. Securities

(1) Securities with available fair values at March 31, 2010 and 2009.

(a) Held-to-maturity debt securities

	Millions of Yen						Thousands of U.S. Dollars		
	2010			2009			2010		
	Book value	Fair value	Difference	Book value	Fair value	Difference	Book value	Fair value	Difference
Securities with available fair values exceeding book values	¥17,860	¥17,884	¥24	¥—	¥—	¥—	$192,043	$192,301	$258
Securities other than the above	—	—	—	—	—	—	—	—	—
Total	¥17,860	¥17,884	¥24	¥—	¥—	¥—	$192,043	$192,301	$258

(b) Available-for-sale securities

Securities with book values exceeding acquisition costs:

	Millions of Yen						Thousands of U.S. Dollars		
	2010			2009			2010		
	Book value	Acquisition cost	Difference	Book value	Acquisition cost	Difference	Book value	Acquisition cost	Difference
Equity securities	¥14,080	¥ 7,404	¥6,676	¥ 9,318	¥ 7,558	¥1,760	$151,398	$ 79,613	$71,785
Bonds	50,776	50,652	124	10,430	10,376	54	545,978	544,645	1,333
Others	—	—	—	1,006	1,003	3	—	—	—
Total	¥64,856	¥58,056	¥6,800	¥20,754	¥18,937	¥1,817	$697,376	$624,258	$73,118

Securities others than the above:

	Millions of Yen						Thousands of U.S. Dollars		
	2010			2009			2010		
	Book value	Acquisition cost	Difference	Book value	Acquisition cost	Difference	Book value	Acquisition cost	Difference
Equity securities	¥ 6,128	¥ 7,187	¥(1,059)	¥12,468	¥14,157	¥(1,689)	$ 65,892	$ 77,280	$(11,388)
Bonds	14,539	15,000	(461)	25,872	28,198	(2,326)	156,333	161,290	(4,957)
Others	10	11	(1)	255	257	(2)	108	118	(10)
Total	¥20,677	¥22,198	¥(1,521)	¥38,595	¥42,612	¥(4,017)	$222,333	$238,688	$(16,355)

(2) Securities with no available fair values at March 31, 2009.

(a) Held-to-maturity debt securities

	Millions of Yen
	2009
	Book value
Certificates of deposit	¥19,800

(b) Available-for-sale securities

	Millions of Yen
	2009
	Book value
Commercial papers	¥37,149
Unlisted equity securities	2,202
Unlisted bonds	—
Total	¥39,351

(3) Available-for-sale securities sold in the years ended March 31, 2010 and 2009 were as follows:

	Millions of Yen			Thousands of U.S. Dollars		
	2010			2010		
	Sales amount	Gross realized gains	Gross realized losses	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥8,839	¥1,669	¥ 2	$95,043	$17,946	$22
Bonds	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	¥8,839	¥1,669	¥ 2	$95,043	$17,946	$22

	Millions of Yen		
	2009		
	Sales amount	Gross realized gains	Gross realized losses
Total	¥0	¥—	¥1

(4) Redemption schedule of available-for-sale securities with maturities and held-to-maturity debt securities at March 31, 2009 were as follows:

	Millions of Yen				
	2009				
	Within one year	Within five years	Within ten years	Over ten years	Total
Bonds					
Government bonds	¥ —	¥ —	¥—	¥ —	¥ —
Corporate bonds	8,890	14,500	—	—	23,390
Others	56,949	15,280	—	—	72,229
Others	—	487	—	761	1,248
Total	¥65,839	¥30,267	¥—	¥761	¥96,867

8. Derivative Transactions

Status of derivative transactions

See notes below:

Note 2 "Significant Accounting Policies"

Note 6 "Fair Value of Financial Instruments" (1) Qualitative information on financial instruments 2) Details of financial instruments used, risks, and policies and systems for risk management

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, 2010 and 2009 were as follows:

Derivative transactions not subject to hedge accounting

(1) Currency-related derivatives:

	Millions of Yen								Thousands of U.S. Dollars			
	2010				2009				2010			
	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	¥ 9	¥—	¥ 9	¥ (0)	¥ 35	¥—	¥ 38	¥ (3)	$97	$—	$97	$ (0)
Euros	—	—	—	—	7,607	—	8,347	(740)	—	—	—	—
Sterling pounds	—	—	—	—	261	—	275	(14)	—	—	—	—
Total	¥—	¥—	¥—	¥ (0)	¥ —	¥—	¥ —	¥(757)	$—	$—	$—	$ (0)

(2) Interest rate swap and option-related derivatives:

	Millions of Yen								Thousands of U.S. Dollars			
	2010				2009				2010			
	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)
Interest rate swaps:												
Receive fix/ Pay float	¥20,000	¥20,000	¥(176)	¥984	¥20,000	¥20,000	¥(1,160)	¥(427)	$215,054	$215,054	$(1,892)	$10,581
Total	¥20,000	¥20,000	¥(176)	¥984	¥20,000	¥20,000	¥(1,160)	¥(427)	$215,054	$215,054	$(1,892)	$10,581

Notes: 1. Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.

2. Interest rate swaps that no longer meet hedging criteria are stated separately. Amounts corresponding to fair values are included in "other long-term liabilities" in consolidated balance sheets. The net deferred amounts to be paid or received under the said interest rate swaps are periodically charged to expenses or income over the remaining contract periods.

Derivative transactions subject to hedge accounting

(1) Currency-related derivatives

			Millions of Yen			Thousands of U.S. Dollars		
			2010			2010		
			Contract amount			Contract amount		
Hedge accounting method	Type	Main hedged items	Total	Due after one year	Fair value	Total	Due after one year	Fair value
Currency swaps that are subject to appropriated treatment	Currency swaps: Receive in yen/ Pay in U.S. dollars	Foreign-currency bond	¥3,020	¥—	Note 2	$32,473	$—	Note 2
Total			¥3,020	¥—	¥—	$32,473	$—	$—

(2) Interest rate-related derivatives

			Millions of Yen			Thousands of U.S. Dollars		
			2010			2010		
			Contract amount			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value	Total	Due after one year	Fair value
Principle accounting method	Interest rate swaps: Receive fix/ Pay float	Long-term loans payable, etc.	¥10,000	¥10,000	¥207	$107,527	$107,527	$2,226
Interest rate swap subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	8,000	8,000	Note 3	86,021	86,021	Note 3
Total			¥18,000	¥18,000	¥ —	$193,548	$193,548	$ —

Notes: 1. Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.

2. Since currency swaps that are subject to appropriated treatment are accounted for together with short-term investment securities, which are hedged items, their fair value is included in the fair value of the said short-term investment securities.

3. Since those interest rate swaps that are subject to special treatment are accounted for with long-term loans payable, which are hedged items, their fair value is included in the fair value of the said long-term loans payable.

9. Short-term Loans Payable, and Long-term Debt

Short-term loans payable represent unsecured bank loans and its average interest rates were 0.8% and 1.0% per annum at March 31, 2010 and 2009, respectively.

Bonds and long-term loans payable at March 31, 2010 and 2009 consisted of:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	2010
Euro-yen convertible bonds with stock warrants due in 2015*	¥50,000	¥50,000	$537,634
1.32% unsecured bonds due in 2014	10,000	10,000	107,527
Unsecured loans principally from banks at interest rates of 1.55% to 1.83% maturing through 2012	28,450	20,950	305,914
Total	88,450	80,950	951,075
Less amount due within one year	450	10,500	4,839
	¥88,000	¥70,450	$946,236

* Details of issuances of share subscription rights attached to bonds (“warrants”):
Type of shares involved: ordinary shares of common stock
Price of warrant: gratis
Share issue price: ¥1,952
Total issue amount: ¥50,000 million
Total value of new shares issued upon exercise of warrants: —
Warrant-linked: 100%
Period of exercise of warrants: July 3, 2008 to March 17, 2015
Upon request to exercise warrants in question, payments usually required for the issuance of the corresponding number of shares shall be exempted as the issuer of bonds in question, in return, will be automatically exempted from obligation of redemption of the bonds in lump-sum.
Exercise of warrants in question shall be regarded as eligible request for exercise of share subscription rights.

The annual maturities of bonds and long-term loans payable at March 31, 2010 were as follows:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2011	¥ 450	$ 4,839
2012	10,000	107,527
2013	—	—
2014	10,000	107,527
2015	68,000	731,182

The annual maturities of lease obligations at March 31, 2010 were as follows:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2011	¥3,489	$37,516
2012	1,577	16,957
2013	718	7,720
2014	449	4,828
2015	144	1,548
Thereafter	192	2,065

The line of credit with the main financial institutions agreed as of March 31, 2010 and 2009 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Line of credit	**¥61,725**	¥63,510	**$663,710**
Unused	**61,725**	63,510	**663,710**

10. Income Taxes

Significant components of deferred tax assets and liabilities as of March 31, 2010 and 2009 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Deferred tax assets:			
Net operating loss carryforwards	**¥22,004**	¥11,430	**$236,602**
Intangible assets	**8,543**	7,693	**91,860**
Provision for retirement benefits	**7,575**	6,612	**81,452**
Inventories	**4,188**	3,298	**45,032**
Property, plant and equipment	**3,384**	4,107	**36,387**
Accrued expenses (bonuses to employees)	**2,483**	2,538	**26,699**
Other	**10,677**	10,134	**114,807**
Gross deferred tax assets	**58,854**	45,812	**632,839**
Valuation allowance	**(34,774)**	(18,634)	**(373,914)**
Total deferred tax assets	**24,080**	27,178	**258,925**
Deferred tax liabilities:			
Unrealized holding gain	**(2,766)**	(1,878)	**(29,742)**
Valuation difference on available-for-sale securities	**(1,878)**	(729)	**(20,193)**
Reserve for advanced depreciation of noncurrent assets	**(183)**	(194)	**(1,968)**
Other	**(94)**	(159)	**(1,011)**
Total deferred tax liabilities	**(4,921)**	(2,960)	**(52,914)**
Net deferred tax assets	**¥19,159**	¥24,218	**$206,011**

The significant differences between the statutory tax rate and the Company's effective tax rate for financial statement purposes for the year ended March 31, 2010 and 2009 are not disclosed because the Company recognized a loss before income taxes and minority interests.

11. Provision for Retirement Benefits

The liabilities for the provision for retirement benefits included in the liability section of the consolidated balance sheets at March 31, 2010 and 2009 consists of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	2010
Projected benefit obligation	¥71,808	¥69,517	$772,129
Unrecognized prior service costs	7,025	7,896	75,538
Unrecognized actuarial differences	(17,089)	(23,426)	(183,753)
Less fair value of pension assets*	(51,753)	(45,490)	(556,484)
Less unrecognized net transition obligation	—	(1,170)	—
Prepaid pension cost	21	51	226
Liabilities for the provision for retirement benefits	¥10,012	¥ 7,378	$107,656

* Including employee retirement benefit trust

Included in the consolidated statements of operations for the years ended March 31, 2010 and 2009 are provision for retirement benefit expenses comprised of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	2010
Service cost—benefits earned during the year	¥3,565	¥3,567	$38,333
Interest cost on projected benefit obligation	1,647	1,597	17,710
Expected return on plan assets	(1,296)	(1,527)	(13,935)
Amortization of prior service costs	(871)	(871)	(9,366)
Amortization of actuarial differences	2,295	1,474	24,677
Amortization of net transition obligation	1,170	1,170	12,581
Other	163	152	1,753
Provision for retirement benefit expenses	¥6,673	¥5,562	$71,753

The discount rate and the rate of expected return on plan assets used by the Group are 2.5% and 3.0% respectively in both 2010 and 2009.

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).

12. Net Assets

Under the Japanese Corporation Law ("the Law") and regulations, the entire amount paid for new shares is required to be designated as capital stock. However, 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, which is included in capital surplus.

In cases where dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of capital stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Law.

13. Lease Transactions

(1) Finance lease transactions which do not transfer the ownership of the leased property to the lessee, and that were concluded prior to the first year for which the new accounting standards were applied

The amounts of outstanding future lease payments due at March 31, 2010 and 2009 and total lease expenses (including reversal of accumulated impairment loss on lease assets, total assumed depreciation cost, total assumed interest cost and impairment loss) as lessee for the years ended March 31, 2010 and 2009 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Future lease payments:			
Due within one year	**¥1,747**	¥2,726	**$18,785**
Due over one year	**1,718**	3,466	**18,473**
Total	**¥3,465**	¥6,192	**$37,258**
Year-end balance of accumulated impairment loss on lease assets	**¥2,149**	¥3,561	**$23,108**
Total lease expenses	**¥2,881**	¥4,451	**$30,978**
Reversal of accumulated impairment loss on lease assets	**¥1,413**	¥ —	**$15,194**
Total assumed depreciation cost	**¥ 909**	¥4,167	**$ 9,774**
Total assumed interest cost	**¥ 151**	¥ 270	**$ 1,624**
Total assumed impairment loss	**¥ —**	¥3,561	**$ —**

Assumed data as to acquisition cost, accumulated depreciation, impairment loss and net book value of the lease assets under the finance lease contracts as lessee at March 31, 2010 and 2009 were summarized as follows:

	Millions of Yen								Thousands of U.S. Dollars			
	2010				2009				**2010**			
	Acquisition cost	Accumulated depreciation	Impairment loss	Net book value	Acquisition cost	Accumulated depreciation	Impairment loss	Net book value	Acquisition cost	Accumulated depreciation	Impairment loss	Net book value
Machinery	**¥7,342**	**¥3,385**	**¥3,326**	**¥ 631**	¥ 8,892	¥4,477	¥3,442	¥ 973	**$ 78,946**	**$36,397**	**$35,764**	**$ 6,785**
Equipment	**1,202**	**886**	**19**	**297**	3,853	3,132	119	602	**12,925**	**9,527**	**204**	**3,194**
Other	**895**	**657**	**—**	**238**	1,384	897	—	487	**9,624**	**7,065**	**—**	**2,559**
Total	**¥9,439**	**¥4,928**	**¥3,345**	**¥1,166**	¥14,129	¥8,506	¥3,561	¥2,062	**$101,495**	**$52,989**	**$35,968**	**$12,538**

(2) Operating leases

The amount of outstanding future noncancellable lease payments due at March 31, 2010 and 2009 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Future lease payments:			
Due within one year	**¥32**	¥58	**$344**
Due over one year	**59**	5	**634**
Total	**¥91**	¥63	**$978**

14. Segment Information

The business and geographical segment information and overseas sales for the Group for the years ended March 31, 2010 and 2009 were as follows:

(1) Business segments

	Millions of Yen				
For 2010	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales:					
Outside customers	¥380,590	¥47,335	¥427,925	¥ —	¥427,925
Inside Group	651	19,036	19,687	(19,687)	—
Total	381,241	66,371	447,612	(19,687)	427,925
Costs and expenses	401,194	71,172	472,366	(15,132)	457,234
Operating loss	¥ (19,953)	¥ (4,801)	¥ (24,754)	¥ (4,555)	¥ (29,309)
Total assets	¥232,254	¥62,508	¥294,762	¥135,221	¥429,983
Depreciation	¥ 26,743	¥ 2,281	¥ 29,024	¥ 220	¥ 29,244
Impairment loss	¥ 282	¥ 7	¥ 289	¥ 0	¥ 289
Capital expenditures	¥ 27,232	¥ 1,968	¥ 29,200	¥ 211	¥ 29,411

	Thousands of U.S. Dollars				
For 2010	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales:					
Outside customers	$4,092,366	$508,978	$4,601,344	$ —	$4,601,344
Inside Group	7,000	204,688	211,688	(211,688)	—
Total	4,099,366	713,666	4,813,032	(211,688)	4,601,344
Costs and expenses	4,313,914	765,290	5,079,204	(162,709)	4,916,495
Operating loss	$ (214,548)	$ (51,624)	$ (266,172)	$ (48,979)	$ (315,151)
Total assets	$2,497,355	$672,129	$3,169,484	$1,453,989	$4,623,473
Depreciation	$ 287,559	$ 24,527	$ 312,086	$ 2,366	$ 314,452
Impairment loss	$ 3,032	$ 76	$ 3,108	$ 0	$ 3,108
Capital expenditures	$ 292,817	$ 21,161	$ 313,978	$ 2,269	$ 316,247

	Millions of Yen				
For 2009	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales:					
Outside customers	¥461,868	¥56,168	¥518,036	¥ —	¥518,036
Inside Group	398	24,242	24,640	(24,640)	—
Total	462,266	80,410	542,676	(24,640)	518,036
Costs and expenses	446,660	86,260	532,920	(18,900)	514,020
Operating income (loss)	¥ 15,606	¥ (5,850)	¥ 9,756	¥ (5,740)	¥ 4,016
Total assets	¥242,793	¥61,333	¥304,126	¥140,527	¥444,653
Depreciation	¥ 25,829	¥ 4,184	¥ 30,013	¥ 441	¥ 30,454
Impairment loss	¥ 532	¥ 9,177	¥ 9,709	¥ 25	¥ 9,734
Capital expenditures	¥ 30,151	¥ 6,716	¥ 36,867	¥ 199	¥ 37,066

Notes: 1. Business segments are 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, Handy terminals, Electronic cash registers (including POS), Office computers, Page printers, Data projectors
   (2) Electronic components and others:
   LCDs, Bump processing consignments, Factory automation, Molds, 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 ¥4,555 million ($48,978 thousand) and ¥5,740 million for the years ended March 31, 2010 and 2009, respectively.

4. Elimination or unallocated amounts of total assets principally consisted of cash and deposits, short-term investment securities, investment securities and administrative assets of the parent company, which amounted to ¥137,454 million ($1,478 million) and ¥142,374 million for the years ended March 31, 2010 and 2009, respectively.

5. Impairment loss amounts include impairment loss represented as business structure improvement expenses for the year ended March 31, 2009.

6. As disclosed in Note 3. (2), effective from the fiscal year ended March 31, 2009, ASBJ Statement No. 9, “Accounting Standard for Measurement of Inventories” issued on July 5, 2006 has been applied. The effects of adopting the new standard on net income are not material.

7. As disclosed in Note 3. (1), effective from the fiscal year ended March 31, 2009, ASBJ Practical Issues Task Force No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" ("PITF No. 18") issued on May 17, 2006 has been applied. The effects of adopting the new standard on net income are not material.
8. As disclosed in Note 3. (3), effective from the fiscal year ended March 31, 2009, ASBJ Statement No. 13, "Accounting Standard for Lease Transactions" and ASBJ Guidance No. 16, "Guidance on Accounting Standard for Lease Transactions" revised on March 30, 2007 have been applied. The effects of adopting the new standard on net income are not material.
9. As disclosed in Note 3. (5), effective from the fiscal year ended March 31, 2010, ASBJ Statement No. 15, "Accounting Standard for Construction Contracts" and ASBJ Guidance No. 18, "Guidance on Accounting Standard for Construction Contracts" issued on December 27, 2007 have been applied. The effects of adopting the new standard on net income are not material.

(2) Geographical segments

	Millions of Yen						
For 2010	Japan	Americas	Europe	Asia	Total	Elimination	Consolidated
Net sales:							
Outside customers	¥307,488	¥35,047	¥59,373	¥ 26,017	¥427,925	¥ —	¥427,925
Inside Group	80,038	449	6	87,085	167,578	(167,578)	—
Total	387,526	35,496	59,379	113,102	595,503	(167,578)	427,925
Costs and expenses	420,512	33,304	60,404	110,786	625,006	(167,772)	457,234
Operating income (loss)	¥ (32,986)	¥ 2,192	¥ (1,025)	¥ 2,316	¥ (29,503)	¥ 194	¥ (29,309)
Total assets	¥393,238	¥15,476	¥26,189	¥ 37,783	¥472,686	¥ (42,703)	¥429,983

	Thousands of U.S. Dollars						
For 2010	Japan	Americas	Europe	Asia	Total	Elimination	Consolidated
Net sales:							
Outside customers	$3,306,323	$376,849	$638,419	$ 279,753	$4,601,344	$ —	$4,601,344
Inside Group	860,623	4,828	65	936,398	1,801,914	(1,801,914)	—
Total	4,166,946	381,677	638,484	1,216,151	6,403,258	(1,801,914)	4,601,344
Costs and expenses	4,521,634	358,107	649,506	1,191,248	6,720,495	(1,804,000)	4,916,495
Operating income (loss)	$ (354,688)	$ 23,570	$ (11,022)	$ 24,903	$ (317,237)	$ 2,086	$ (315,151)
Total assets	$4,228,365	$166,409	$281,602	$ 406,269	$5,082,645	$ (459,172)	$4,623,473

	Millions of Yen						
For 2009	Japan	Americas	Europe	Asia	Total	Elimination	Consolidated
Net sales:							
Outside customers	¥384,270	¥41,474	¥68,020	¥ 24,272	¥518,036	¥ —	¥518,036
Inside Group	98,158	329	1	103,303	201,791	(201,791)	—
Total	482,428	41,803	68,021	127,575	719,827	(201,791)	518,036
Costs and expenses	479,574	42,572	69,646	125,272	717,064	(203,044)	514,020
Operating income (loss)	¥ 2,854	¥ (769)	¥ (1,625)	¥ 2,303	¥ 2,763	¥ 1,253	¥ 4,016
Total assets	¥409,669	¥13,246	¥28,861	¥ 30,515	¥482,291	¥ (37,638)	¥444,653

Notes: 1. Segments of countries and areas are classified by geographical location.
2. The main countries and the areas which belong to each segment except for Japan were as follows:
(1) Americas.......... U.S.A., Canada, Mexico, Brazil
(2) Europe............ U.K., Germany, France, Spain, Netherlands, Norway, Russia, Italy
(3) Asia .... Taiwan, Hong Kong, South Korea, Singapore, China, India, Indonesia, Thailand
3. The Brazilian subsidiary, Casio Brasil Comercio de Produtos Electronicos Ltda., was included in the scope of consolidation in the year ended March 31, 2009. Accordingly, the "North America" geographical segment has been renamed the "Americas."
4. As disclosed in Note 3. (2), effective from the fiscal year ended March 31, 2009, ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories" issued on July 5, 2006 has been applied. The effects of adopting the new standard on net income are not material.
5. As disclosed in Note 3. (1), effective from the fiscal year ended March 31, 2009, ASBJ Practical Issues Task Force No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" ("PITF No. 18") issued on May 17, 2006 has been applied. The effects of adopting the new standard on net income are not material.
6. As disclosed in Note 3. (3), effective from the fiscal year ended March 31, 2009, ASBJ Statement No. 13, "Accounting Standard for Lease Transactions" and ASBJ Guidance No. 16, "Guidance on Accounting Standard for Lease Transactions" revised on March 30, 2007 have been applied. The effects of adopting the new standard on net income are not material.
7. As disclosed in Note 3. (5), effective from the fiscal year ended March 31, 2010, ASBJ Statement No. 15, "Accounting Standard for Construction Contracts" and ASBJ Guidance No. 18, "Guidance on Accounting Standard for Construction Contracts" issued on December 27, 2007 have been applied. The effects of adopting the new standard on net income are not material.

(3) Overseas sales

	Millions of Yen				
For 2010	North America	Europe	Asia	Others	Total
Overseas net sales	¥64,916	¥60,467	¥54,159	¥25,548	¥205,090
Net sales (consolidated)	—	—	—	—	427,925
Share of overseas net sales	15.2%	14.1%	12.6%	6.0%	47.9%

	Thousands of U.S. Dollars				
For 2010	North America	Europe	Asia	Others	Total
Overseas net sales	$698,021	$650,183	$582,355	$274,710	$2,205,269
Net sales (consolidated)	—	—	—	—	4,601,344
Share of overseas net sales	15.2%	14.1%	12.6%	6.0%	47.9%

	Millions of Yen				
For 2009	North America	Europe	Asia	Others	Total
Overseas net sales	¥85,312	¥71,212	¥64,922	¥28,842	¥250,288
Net sales (consolidated)	—	—	—	—	518,036
Share of overseas net sales	16.5%	13.7%	12.5%	5.6%	48.3%

Notes: 1. Segments of countries and areas are classified by geographical location.
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.

15. Commitments and Contingent Liabilities

At March 31, 2010 and 2009, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥1,811 million ($19,473 thousand) and ¥1,522 million, respectively.

16. 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, as of June 27, 2002.

The stock purchase rights could be exercised at a price of ¥699 ($7.52) per share in the period from July 1, 2004 to June 30, 2009, and a total of 113 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 employees of the Company and directors of subsidiaries, as of June 27, 2003.

The stock purchase rights can be exercised at a price of ¥1,221 ($13.13) per share in the period from July 1, 2005 to June 30, 2010, and a total of 70 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 employees of the Company and directors of affiliates, as of June 29, 2004.

The stock purchase rights can be exercised at a price of ¥1,575 ($16.94) per share in the period from July 1, 2006 to June 30, 2011, and a total of 141.1 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.

17. Business Structure Improvement Expenses and Impairment Loss

1. Business structure improvement expenses

For 2010:

The expected amount of the said losses was posted in the provision for business structure improvement to provide against the accrual of losses following the subsidiary merger resulting from the business integration of its mobile terminal business.

For 2009:

The Company and its consolidated subsidiaries have posted an impairment loss of noncurrent assets used in the Electronic Components business and related costs with the aim of improving profitability of the business.

2. Impairment loss

For 2009:

The Company and its consolidated subsidiaries have posted an impairment loss. Details are as follows:

Use	Type of assets	Location
Production facilities used in the Electronic Components business	Machinery and equipment, lease assets, goodwill, accrued lease payments	Nankoku City, Kochi Pref. Ome City, Tokyo
Idle assets	Buildings and structures	Fussa City, Tokyo

The Company and its consolidated subsidiaries carry out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation. Idle assets are managed on an individual basis. The Company and its subsidiaries have applied impairment accounting to assets used in the Electronic Components business whose values are deemed to have significantly declined due to a deteriorating business environment and idle assets to make optimal use of these assets in the future.

Book-value of these assets was reduced to recoverable amounts and the reduced amounts (¥9,734 million) were recognized as "business structure improvement expenses" and "impairment loss."

The breakdown of the losses is: ¥315 million for buildings and structures, ¥2,365 million for machinery and equipment, ¥931 million for lease assets, ¥1,753 million for goodwill, ¥3,624 million for accrued lease payments, and ¥746 million for others.

Recoverable amounts are estimated using net selling prices which are reasonably estimated, primarily on the basis of appraisal land prices as determined by real estate appraiser.

18. Business Combination and Corporate Separation

For 2009:

1. Sale of operations

(1) Name of purchaser of business, nature of operations, principal reason for sale, date and outline of method of sale

1) Name of purchaser of business

Hitachi Cable, Ltd.

2) Nature of operations of business sold

The Film Device Business of Casio Micronics Co., Ltd. a consolidated subsidiary of the Company.

3) Principal reason for sale

Without collaboration with other companies, Casio Micronics had only limited capabilities in terms of raising funds, cutting costs, enhancing price competitiveness and strengthening marketing in its various businesses. It was judged necessary to consider ways of reducing the costs of investment and strengthening the fundamentals of the Film Device Business, such as alliances with other companies including a transfer of the business.

After close consultations with Hitachi Cable, it was recognized that synergies could be maximized through a business integration since both companies had separate customer bases but complementary technological competencies. In discussing how to effect this integration it was decided that the best option was to transfer to Hitachi Cable all Film Device Business operations, that is to say its chip-on-film (COF) businesses (chip-on-film for LCD, and COF semiconductor mounting).

4) Date of sale

June 1, 2008

5) Summary of total spin-off and sale process, including its legal form

The Film Device Business of Casio Micronics was transferred to a new company established by Casio Micronics for that purpose. All shares in the new company were then sold to Hitachi Cable.

(2) Summary of accounting procedures

1) Transfer of gain (loss): ¥0 million

2) Proper book-value of assets and liabilities employed in the business transferred:

	Millions of Yen
Current assets	¥1,506
Noncurrent assets	5,258
Total assets	¥6,764
Current liabilities	¥ 562
Noncurrent liabilities	211
Total liabilities	¥ 773

(3) Income generated from and expenses used for the operations transferred posted in the consolidated statement of operations of the Company for the year ended March 31, 2009:

	Millions of Yen
Net sales	¥1,416
Operating income	0

2. Accounting procedures applied to intra-group transactions

Casio Micronics Co., Ltd. became a wholly-owned subsidiary of the Company through share exchange.

(1) Name of the company subject to intra-group transactions and the lines of the business carried out by the company; legal form of the transaction, name of the company after transaction and outline of the transaction including the transaction purpose

1) Name of company subject to intra-group transaction

Casio Micronics Co., Ltd.

2) Lines of business

Research, development, manufacture and sale of electronics components

(2) Legal form

Share exchange with the purpose of making Casio Micronics a wholly-owned subsidiary of the Company

(3) Name of the company after transaction

Unchanged

(4) Outline of the transaction including the transaction purpose

1) Purpose of the intra-group transaction

The Company believed that the conversion of Casio Micronics into a wholly owned subsidiary through share exchange would create a framework for rapid and flexible operational reform including possible alliances with other companies in the Bump-processing business and would benefit the enterprise value of the entire group.

2) Summary of the intra-group transaction

Based on the share exchange contract signed on May 16, 2008, the Company, with August 1, 2008, as date of entry into effect, arranged the transfer to the Company of all Casio Micronics shares held by Casio Micronics shareholders as of July 31 (excluding the Company). In return, Casio Micronics's shareholders (excluding the Company) received allocations of common shares in the Company, and Casio Micronics became a wholly owned subsidiary of the Company.

3. Accounting procedures for the intra-group transaction

In line with the stipulations in the "Accounting Standard for Business Combinations" and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (regarding intra-group transactions)," the Company carried out share exchanges with minority shareholders of Casio Micronics.

4. Additional investments in the subsidiary

(1) Acquisition cost

	Millions of Yen
Ordinary shares of the Company	¥2,062
Acquisition cost	2,062

(2) Share exchange ratio

The Company has allocated 0.4 share of its common stock for every one share of Casio Micronics common stock. There was no allocation of common stock in Casio Micronics held by the Company.

(3) Calculation of the share exchange ratio

The Company and Casio Micronics made separate requests for the assessment of the fair value of the shares issued by Casio Micronics to independent third parties (the Company made a request to Ernst & Young Transaction Advisory Services Co., Ltd., and Casio Micronics to Daiwa Securities SMBC Co., Ltd.). Taking into full consideration the interests of the minority shareholders, the Company carried out extensive negotiations with Casio Micronics to determine the appropriate exchange rate within the ranges calculated by the third-party organizations. As a result, the two parties reached an agreement.

(4) Number of shares of the Company to be delivered and their value

1,430,374 shares worth ¥2,062 million

(5) Goodwill generated from the share exchange deals

1) Value of goodwill: ¥2,006 million

2) Reason for the recognition of goodwill

A goodwill amount of ¥2,006 million was recognized, as the acquisition cost for the ordinary shares of Casio Micronics exceeded the value of shares held by minority shareholders.

3) Method and period for amortization of goodwill

Amortized on a straight-line basis over five years

19. Subsequent Events

(1) At the annual shareholders' meeting held on June 29, 2010, the Company's shareholders approved the payment of a cash dividend of ¥15.00 ($0.16) per share aggregating ¥4,161 million ($44,742 thousand) to registered shareholders as of March 31, 2010.

(2) Spin-off of the small and medium-size display business and partial transfer of shares in Ortus Technology Co., Ltd.

On April 1, 2010, through absorption and spin-off, Ortus Technology Co., Ltd., a wholly-owned subsidiary of the Company, took over the Company's small and medium-size display business, and Toppan Printing Co., Ltd. acquired 80% of the shares in Ortus Technology Co., Ltd. from the Company on the same aforementioned date.

Summary of business spin-off

1) Name of company absorbing spun-off business

Toppan Printing Co., Ltd.

2) Business summary of spun-off business

Small and medium-size display business

3) Reason for business spin-off

Seeking early commercialization of organic light-emitting diode (OLED) displays jointly developed by the Company and Toppan Printing, the two companies decided that the collaboration would be the best for the small and medium-size display business.

4) Date of spin-off

April 1, 2010

Summary of accounting procedures

1) Transfer of gain (loss)

Not applicable

2) Proper book-value of assets and liabilities employed in the business transferred:

	Millions of Yen	Thousands of U.S. Dollars
Current assets	¥6,145	$66,075
Noncurrent assets	1,154	12,409
Total assets	¥7,299	$78,484
Current liabilities	¥5,049	$54,290
Noncurrent liabilities	1,001	10,764
Total liabilities	¥6,050	$65,054

3) Business segment included in the spun-off business

Electronic components and others

4) Estimated total income of spun-off business in the consolidated statement of operations for the year ended March 31, 2010

Net sales: ¥15,162 million ($163,032 thousand)

(3) Merger between NEC Corporation's mobile terminal unit and Casio Hitachi Mobile Communications Co., Ltd.
The Company, NEC Corporation (NEC), and Hitachi, Ltd. (Hitachi) agreed to integrate and operate their respective mobile terminal businesses as a joint-venture company. On March 24, 2010, Casio Hitachi Mobile Communications Co., Ltd. (CHMC), a consolidated subsidiary of the Company, concluded a merger agreement with NEC CASIO Mobile Communications, Ltd. On April 20, 2010, a memorandum was signed to change the effective date of the integration to June 1, 2010. On June 1, 2010, CHMC merged with NEC CASIO Mobile Communications, Ltd.

Summary of business combination performed by subsidiary

1) Name and business of business combination including subsidiary

a. Surviving company
Company Name: NEC CASIO Mobile Communications, Ltd.
Business Summary: Mobile terminal development, production, sales and maintenance

b. Merging company
Company Name: Casio Hitachi Mobile Communications Co., Ltd. (a consolidated subsidiary)
Business Summary: Mobile terminal development, design, production, procurement, quality control, sales and maintenance

2) Reason for the business combination

The Company, NEC and Hitachi agreed to integrate and operate their respective mobile terminal businesses as a joint-venture company.

NEC CASIO Mobile Communications, Ltd. completely integrated NEC's Mobile Terminal Operations Unit with CHMC's entire business including sales, development, production and maintenance. The new company boasts a highly competitive range of products that merges the advanced technologies and product development capabilities of each company. Furthermore, combination of NEC's IT/Network technology supported by product development capabilities linked to service business for enterprises and consumers, and CHMC's consumer product technologies and planning strength, is expected to result in the creation of innovative synergies and the development of appealing new products, in addition to future growth area.

The Company, NEC and Hitachi integrate their mobile terminal business in order to strengthen both domestic and international business while increasing competitive strength and capitalizing on each company's brand recognition by (1) achieving synergies in a variety of fields, including sales expansion, procurement and customer service, and (2) reinforcing product development by unifying technological assets, know-how and resources.

3) Date of business combination

June 1, 2010

4) Summary of business combination including its legal form

a. Merger method
Absorption-type merger where NEC CASIO Mobile Communications, Ltd. is the surviving company and CHMC is dissolved.

b. Allocation of shares
In this merger, NEC CASIO Mobile Communications, Ltd. issues 3,400 shares of common stock in NEC CASIO Mobile Communications, Ltd., which then allocate the shares of common stock to the registered shareholders of CHMC on a day before the effective date of the merger in accordance with the percentage of share ownership of CHMC's shareholders on the same date.

Summary of accounting procedures

Accounting procedures are based on ASBJ Statement No. 7, "Accounting Standard for Business Divestitures" (Revised on December 26, 2008) and ASBJ Guidance No. 10, "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Revised on December 26, 2008).

Business segment included in the spun-off business

Electronics

Estimated total income of the subsidiary in the consolidated statement of operations for the year ended March 31, 2010

Net sales: ¥99,623 million ($1,071,215 thousand)