Consolidated Financial Results
for the Fiscal Year Ended March 31, 2008

English Translation of "*Kessan tanshin*"
(Summary for reference)

Company Name: **CASIO COMPUTER CO., LTD.**
(URL http://www.casio.co.jp)
May 1, 2008

Stock Exchange Listings: Tokyo (First Section)
Code Number: 6952
Head Office: 6-2, Hon-machi 1-chome, Shibuya-ku, Tokyo 151-8543, Japan
President and CEO: Kazuo Kashio
Inquiries: Akinori Takagi, Managing Director
Tel: (03) 5334-4852
Annual Shareholders' Meeting (Scheduled): June 27, 2008
Start of Distribution of Dividends (Scheduled): June 30, 2008
Filing of Securities Report (*Yuka shoken hokokusho*) (Scheduled): June 27, 2008

1. Consolidated Financial Results for the year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)
Monetary amounts are rounded to the nearest million yen.

(Millions of yen)

(1) Operating Results (Percentages indicate changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Year ended March 31, 2008	623,050	0.4	37,753	(21.5)	31,025	(25.1)	12,188	(51.5)
Year ended March 31, 2007	620,769	7.0	48,074	11.5	41,431	6.5	25,147	5.9

	Net income per share (Yen)	Diluted net income per share (Yen)	Net income/ Shareholders' equity	Ordinary income/Total assets	Operating income/Net sales
			%	%	%
Year ended March 31, 2008	44.17	44.15	5.5	6.3	6.1
Year ended March 31, 2007	92.67	90.30	12.2	8.1	7.7

(Reference) Equity in gains of affiliates:
Year ended March 31, 2008: 79 million yen
Year ended March 31, 2007: 135 million yen

(2) Financial Position (Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
			%	
As of March 31, 2008	451,835	231,213	49.4	808.28
As of March 31, 2007	525,483	236,669	42.6	811.69

(Reference) Equity
As of March 31, 2008: 223,049 million yen
As of March 31, 2007: 223,943 million yen

(3) Cash Flows (Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Year ended March 31, 2008	71,749	(36,102)	(42,485)	87,957
Year ended March 31, 2007	35,949	(37,679)	(28,713)	97,239

2. Dividends

(Record date)	Dividends per share (Yen) Interim	Year-end	Annual	Total dividends payment (Annual) (Millions of yen)	Payout ratio (Consolidated)	Net assets/ Dividends (Consolidated)
					%	%
Year ended March 31, 2007	—	23.00	23.00	6,346	24.8	3.0
Year ended March 31, 2008	—	33.00	33.00	9,107	74.7	4.1
Year ending March 31, 2009 (Forecast)	—	23.00	23.00		27.6	

Note: Details of a dividend for the year ended March 31, 2008
Ordinary dividend: 23.00 yen
Commemorative dividend: 10.00 yen

3. Consolidated Results Forecast for Fiscal 2009 (From April 1, 2008 to March 31, 2009)

(Millions of yen)

(Percentages indicate changes from the previous fiscal year for the full year and from the previous interim period for the interim period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
		%		%		%		%	
First Half	280,000	(4.9)	20,000	45.5	17,000	61.2	9,500	73.5	34.43
Fiscal 2009	630,000	1.1	47,000	24.5	41,000	32.2	23,000	88.7	83.35

4. Others

(1) Changes in consolidated subsidiaries (Changes in scope of consolidation): No

(2) Changes in accounting policies, procedures, presentation method, etc. for the consolidated financial statements

(a) Changes in accordance with revisions to accounting standards: Yes
The change of the depreciation methods in accordance with a revision to the Corporate Tax Law
(b) Changes other than (a) above: No

(3) Number of shares outstanding (common stock)

(a) Number of shares outstanding (including treasury stock):
As of March 31, 2008: 279,020,914 shares
As of March 31, 2007: 279,020,914 shares
(b) Treasury stock:
As of March 31, 2008: 3,064,461 shares
As of March 31, 2007: 3,123,881 shares

Proper Use of Business Results Forecasts and Other Notes

(Caution Concerning Forward-looking Statements)
The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors. Please refer to Operating Results, Analysis of Operating Results, on page from 3 to 5 for the suppositions that form the assumptions for business results and cautions concerning the use of business results forecasts.

Operating Results

Analysis of Operating Results

(Operating Results for Fiscal 2008)
In fiscal 2008, the Japanese economy maintained a trend of recovery with an increase in capital expenditure accompanying improved corporate earnings and a general rise in consumer spending and better employment situation. An uncertain outlook remained, however, due to factors such as the increasing price of crude oil, and financial instability resulting from the sub-prime loan problem starting in the second half of the fiscal year.

Overseas, the US economy displayed a slowing trend as a result of declining investment in housing, and concern about a slowdown in Europe grew stronger. Economic expansion continued in China and other Asian countries.

In this environment, Casio pursued its management goals by aggressively promoting and developing strategic businesses (digital cameras, timepieces, electronic dictionaries, and cellular phones). Accompanying this, the company focused on realizing greater management efficiency, including strong efforts to reform its business structure and improve profit ratios and capital efficiency.

As a result, total net sales for fiscal 2008 rose 0.4% year-on-year to ¥623.0 billion, making this the sixth consecutive year of sales growth.

Turning to a report of results by segment, sales in the Electronics segment were ¥526.6 billion, down 0.1% year-on-year. Digital cameras again turned in a solid performance, with Casio aggressively developing new models boasting a range of stronger differentiated functions, including the EXILIM CARD EX-S10, the world's smallest, thinnest camera in the 10 megapixel class. Performance was also strong for both the EX-word electronic dictionary, which holds the No.1 market share in the industry, and the OCEANUS solar-powered radio-controlled watch, which is firmly established as a premium brand, as they substantially improved their respective market shares. Solar-powered radio-controlled models in the higher price range performed particularly well. These models feature a full-metal case, and are compatible with standard radio waves from five transmitters around the world (two in Japan and one each in the United States, Germany and the United Kingdom). As a result, solar-powered radio-controlled models now hold a 50% share of total net sales of timepieces. Sales of cellular phones also rose sharply in the second half, as the EXILIM Keitai W53CA, which makes the most of Casio's digital camera technology, and the Wooo Keitai W53H, which features a 2.8-inch wide QVGA organic EL display, became major hit products.

Sales in the Electronic Components and Others segment rose 3.0% year-on-year, to ¥96.3 billion. With the recovery of demand for TFT LCDs, the unit price has stopped falling, and Casio has increased its share in applications for cellular phones and GPS equipment, recording healthy sales. In March 2008, Casio Micronics Co., Ltd., and Hitachi Cable, Ltd., entered into a share transfer agreement in connection with the transfer of the former's film device business, and Casio Micronics worked to achieve a radical innovation in business structure.

Turning now to a discussion of income, operating income in the Electronics segment declined 13.6% to ¥46.5 billion, and the operating income margin was 8.8%. Improving product strength in radio-controlled timepieces, electronic dictionaries, and cellular phones brought increases in added value, and heightened efficiency in development and business operations resulted in higher productivity. As a result, income in this segment improved markedly in the second half. The Components and Others segment recorded a deficit of ¥3.2 billion, due to the impact of falling unit prices for TFT LCDs and the decline in incomes at Casio Micronics. As a result, total consolidated operating income, allowing for elimination or unallocated amounts, stood at ¥37.7 billion, down 21.5% year-on-year, and the operating income margin was 6.1%. Ordinary income was ¥31.0 billion, down 25.1% year-on-year. Due in part to an extraordinary loss posted in connection with the transfer of Casio Micronics' film device business, net income fell 51.5% year-on-year to ¥12.1 billion for fiscal 2008.

(Forecast for Fiscal 2009)
The future operating environment is expected to remain unpredictable due to various uncertainties, including the slowdown in the US economy and anxiety about the effect of rising crude oil prices on the global economy. In this environment, the company will draw on its core technologies for creating products that are compact, lightweight, slim, and energy efficient to continue strengthening its strategic businesses. The following are the strategies for the main business areas.

(a) For digital cameras, in addition to stylish models that always feature differentiated technologies with excellent basic performance, Casio will work to expand its lineup around the EXILIM PRO EX-F1, which offers the world's fastest burst shooting capability: 60 frames per second. Going forward, in addition to the Japanese market, the company will focus strongly on expanding sales in the overseas markets where major growth is expected.
(b) For radio-controlled watches, Casio will expand its lineup and market share of mid-range and higher priced products for men and women by strengthening its G-Shock and OCEANUS brands. These brands will feature the latest technologies supporting standard radio waves from six transmitters worldwide (two in Japan, one in the United States, one in Germany, one in the United Kingdom and one in China). By using a common module in all regions— Japan, the United States, Europe, and China—Casio will achieve cost reductions that are expected to bring further growth in sales and profitability.
(c) For electronic dictionaries, in addition to South Korea, Germany, and the Spanish-speaking countries, Casio will reinforce its sales system in Europe and Asia, including China, and improve its overseas market share. Casio aims to become the top brand, not only in the Japanese market, but in the world education market as well.
(d) For cellular phones, with the shift to third-generation phones now in full swing, Casio will work to maintain its top share of the domestic KDDI "au" market with competitive products that draw on the company's outstanding technologies in "toughness, cameras, and imaging." In addition, the company is seeking to increase the stability and profitability of its business by entering new markets with the development of a W-CDMA system, in response to the prospect of stiffening competition among domestic carriers. Casio will also step up its efforts to expand in overseas markets by reinforcing its lineup of products for Verizon Wireless of the United States and other measures.
(e) In the electronic components business, since the business environment is on a recovering trend, the company is striving to improve sales and profits through the introduction of new, high-value-added technologies. The company will standardize management decision making at Casio Micronics, which is slated to become a wholly owned consolidated subsidiary. Casio will deploy the systems needed to swiftly and flexibly execute a radical strategy that encompasses alliances with other firms in the BUMP business, including Wafer Level Chip Size Packages (W-CSP). Through these measures, Casio will maximize the corporate value of the entire Casio Group.

Casio is continuing to pursue measures to promote innovative product development, enhance its long-term earning capacity, and strengthen its management and financial structure. The company is also actively implementing a variety of measures in all business segments with a view to improving the long-term health of its businesses, and is working to achieve earnings growth and further improve its management practices.

Currently, the forecasts for fiscal 2009 are as follows.
(Consolidated results forecasts)

Net sales:	¥630 billion	(up 1.1% year-on-year)
Operating income:	¥47 billion	(up 24.5% year-on-year)
Ordinary income:	¥41 billion	(up 32.2% year-on-year)
Net income:	¥23 billion	(up 88.7% year-on-year)

Exchange rates for fiscal 2009 are estimated at US$ 1 = ¥100 and Euro 1 = ¥150.

Analysis of Financial Position

Net cash provided by operating activities in fiscal 2008 was ¥71.7 billion in income, up ¥35.8 billion year-on-year. The main components of this were ¥23.8 billion in income before income taxes and minority interests, ¥33.9 billion in depreciation expenses, a decrease of ¥26.6 billion in working capital (notes and accounts receivable, inventories, notes and accounts payable), and ¥14.2 billion in income taxes paid. Net cash used in investing activities rose ¥1.5 billion to ¥36.1 billion in expenditure. The main components of this were ¥22.5 billion in payments for acquisitions of tangible fixed assets, including plant and equipment, and ¥15.5 billion in payments for acquisitions of intangible fixed assets. In addition, net payments for purchase, sales and redemption of investment securities and payments for acquisitions of consolidated subsidiaries and affiliates resulted in expenditures of ¥4.8 billion. Net cash used in financing activities declined ¥13.7 billion to ¥42.4 billion in expenditure. The main components of this were ¥30.0 billion in proceeds from long-term borrowings, and ¥10.0 billion in the redemption of bonds.

As a result, cash and cash equivalents at the end of fiscal 2008 stood at ¥87.9 billion, down ¥9.2 billion over the end of the previous fiscal year, and the balance of interest-bearing debts dropped ¥36.1 billion to ¥47.4 billion. The debt/equity ratio (interest-bearing debts/shareholder’s equity) improved significantly, to 0.21 times from 0.37 times at the end of the preceding fiscal year.

Basic Policy on Allocation of Profit and Dividends for Fiscal 2008

Casio has positioned the maintenance and expansion of profits for all of its shareholders as an important management issue, and is striving to improve business performance and strengthen its financial structure. The company’s dividend policy is based on maintaining stable dividends, improving the allocation of profit by taking factors such as profit levels, financial position and the dividend payout ratio into overall consideration, and strengthening returns for shareholders. The company will improve business performance and strengthen its management structure by allocating internal reserves to the research and development and investment required for corporate stability and growth.

Taking factors such as business performance into consideration, Casio plans to issue total dividends of ¥33 per share in fiscal 2008, composed of ¥23 per share and a 50th anniversary commemorative dividend of ¥10 per share.

Business Risks

The main risks that may affect Casio's business performance, financial position and share price are described below. Casio endeavors to prevent the occurrence of these risks and to respond when they do occur. Information on risks is current as of the end of the fiscal year under review.

(1) Personal consumption trends in each country of the world
(2) Sharp price fluctuations in the short term
(3) Inability to launch popular new products on a timely and regular basis
(4) Strategy changes, product specification changes, and order cancellations by major customers, and schedule changes to and cancellations of major orders
(5) Obsolescence of Casio's products due to rapid technological change and radical change of market needs, etc.
(6) Overseas political and economic conditions and unexpected changes in regulations and applications of legislation
(7) A view that Casio's potential products or technology infringes the intellectual property rights of another company
(8) The loss of social trust and liability for damages due to data leaks
(9) Foreign exchange risk and interest rate risk
(10) The occurrence of a disaster related to the environment, such as fire or earthquake, or of an accident in operations
(11) Social unrest due to factors such as war, terrorism or infectious disease

The Casio Group

The Casio Group consists of Casio Computer Co., Ltd., and its 49 consolidated subsidiaries and 3 equity-method subsidiaries, as of March 31, 2008. The business activities of these companies range from development and production to sales and service in the categories of Consumer, Timepieces, MNS (Mobile Network Solutions), System Equipment, Electronic Components and Others.

The Casio Group's development efforts are primarily the responsibility of Casio Computer Co., Ltd., which conducts basic research and development, and also develops new products and new production technologies. Further development of production technologies is largely conducted by the companies involved in production.

In terms of production, Casio Micronics Co., Ltd., and Kochi Casio Co., Ltd., are responsible for electronic components, and Casio Computer Co., Ltd. supplies other production subsidiaries with primary components. They carry out fabrication and processing of products using these main components and other components they procure, then supplying the respective products to Casio Computer Co., Ltd.

The main production subsidiaries by product category are as shown below.

Product category		Principal products	The main production subsidiaries
Electronics	Consumer	Electronic calculators Label printers Electronic dictionaries Digital cameras Electronic musical instruments	Yamagata Casio Co., Ltd. Casio Computer (Hong Kong) Ltd. Casio Electronic Technology (Zhongshan) Co., Ltd.
	Timepieces	Digital watches Analog watches Clocks	Yamagata Casio Co., Ltd. Casio Electronics (Shenzhen) Co., Ltd. Casio (Thailand) Co., Ltd.
	MNS	Cellular phones Handy terminals	Yamagata Casio Co., Ltd. Kofu Casio Co., Ltd. Casio Hitachi Mobile Communications, Co., Ltd.
	System Equipment	Electronic cash registers (including POS) Office computers Page printers Data projectors	Casio Electronic Manufacturing Co., Ltd. Kofu Casio Co., Ltd.
Electronic Components and Others	Electronic Components	LCDs BUMP processing consignments TCP assembly and processing consignments Carrier tape	Kofu Casio Co., Ltd. Kochi Casio Co., Ltd. Casio Micronics Co., Ltd. Casio Computer (Hong Kong) Ltd. Casio Singapore Pte., Ltd.
	Others	Factory automation Molds	Yamagata Casio Co., Ltd. Kofu Casio Co., Ltd.

In domestic sales, products other than system equipment are mainly marketed through distributors. Moreover, Casio Computer Co., Ltd. sells system equipment directly to some customers, such as central and local government offices, although some sales of system equipment are conducted through sales affiliates in leading regions and distributors. Overseas, the company sells its products through direct or indirect export by Casio America, Inc. to North America, by Casio Electronics Co., Ltd., Casio Europe GmbH, and Casio France S.A. to Europe, and through distributors to other regions.

Casio Techno Co., Ltd. mainly carries out maintenance and servicing for the Group’s products.

Casio changed the name of its consolidated subsidiary from Casio, Inc. to Casio America, Inc.

Management Policy

Basic Management Policy of the Company

Since Casio's foundation, its corporate creed has been "Creativity and Contribution." Casio's mission is to pursue growth as a company and increase corporate value by contributing to society. The company is accomplishing this by introducing innovative ideas going from 0 to 1, and outstanding solutions based on its proprietary advanced technologies.

Casio will continue to deliver the values of "function, quality, economy, speed, productivity, ethics, safety, and compatibility with the environment" in its products and services. In the months and years ahead, the company looks forward to providing all of its stakeholders with more "excitement" than they anticipate, and greater "inspiration" than ever before.

Medium- and Long-Term Management Strategy and Issues to Be Addressed

The fiscal year ended March 31, 2008 marked the 50th anniversary of Casio's founding, and served as a year of consolidation ahead of the company's "second birth," which will feature the full-scale pursuit of business expansion. To achieve continuous growth in corporate value, Casio is improving global cost competitiveness in every business to build a robust earnings base that will allow the company to secure high profits, while also strengthening its financial structure. Casio also firmly recognizes that better performance in the area of corporate social responsibility (CSR) is an important issue. To achieve these aims, Casio is working as one to execute the following strategies.

(1) Establishing Robust Profitability
Casio aims to secure an operating income margin of 10% or more, executing management that allows it to ensure stable growth and earning capacity.

In addition to weathering changes in various factors in the business environment, the stable conduct of business operations requires that all business fields maintain an operating income margin of 10% or more. Moreover, Casio is striving to further reduce the cost of sales ratio by optimizing costs and radically reviewing expenses with a focus on productivity, in order to make these businesses even more profitable.

Casio is also investing even more resources into overseas expansion in order to enlarge its market share on a global scale.

(2) Creating New Strategic Businesses
In the past, Casio has drawn on unique ideas and advanced technology to bring the world a range of exciting new products. As it charts a radical course of growth in the lead-up to the company's second birth following its 50th anniversary, Casio believes that, in addition to succeeding in existing businesses, creating value in new business fields—which leverage Casio technologies that cannot be imitated by other companies—will be essential. In order to achieve this, Casio will focus its management resources on new business fields even more than in the past, with the aim of establishing businesses that can quickly deliver robust earnings.

(3) Strengthening the Financial Structure
Casio is moving ahead strongly with improvements in its equity ratio and debt/equity (D/E) ratio with the aim of strengthening its financial foundations for future growth.

In the future, the company will continue to pursue even more thoroughly efficient cash flow management and strive to generate free cash flow, aiming to build a completely strong, stable financial structure.

(4) CSR-focused Management
Casio understands that sustainable corporate growth will only come about with the sustainable development of the global community, and is actively managing its corporate social responsibility (CSR).

Based on the Charter of Creativity for Casio, which articulates the code of conduct for employees, Casio is striving to improve corporate governance and compliance by ensuring that all employees and officers understand and comply with laws and regulations, maintain social order, and contribute to society.

Japan’s new Financial Instruments and Exchange Law required the establishment of internal control reporting systems in April 2008. To comply, companies must strengthen their accounting audit systems and corporate internal controls. Casio has launched cross-cutting projects that involve the entire group, and has built an internal controls system focused on the clear documentation of business processes.

In the future, as the release of quarterly financial statements is systemized, in addition to the appropriateness of financial statements, Casio will ensure that the optimal process is used to prepare financial statements, and will bolster information security.

Through the execution of the four strategies described above, Casio seeks to deliver original products and services with high added value, increase corporate value, and contribute to the building of a society of abundant creativity.

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2007	As of March 31, 2008	Increase (Decrease)
Assets			
Current assets	330,136	284,610	(45,526)
Cash and time deposits	52,768	45,688	(7,080)
Notes and accounts receivable-trade	126,117	100,752	(25,365)
Marketable securities	36,305	42,714	6,409
Inventories	65,857	55,943	(9,914)
Deferred tax assets	11,531	9,981	(1,550)
Short-term loans receivable with resale agreement	10,650	10,535	(115)
Accounts receivable-other	22,286	14,569	(7,717)
Other current assets	5,991	5,365	(626)
Allowance for doubtful accounts	(1,369)	(937)	432
Fixed assets	195,347	167,225	(28,122)
Property, plant and equipment	102,647	86,552	(16,095)
Buildings and structures	34,400	31,283	(3,117)
Machinery and vehicles	17,192	8,007	(9,185)
Tools and equipment	12,936	8,812	(4,124)
Land	37,326	38,163	837
Construction in progress	793	287	(506)
Intangibles	19,223	18,629	(594)
Investments and other assets	73,477	62,044	(11,433)
Investment securities	51,511	42,772	(8,739)
Deferred tax assets	8,552	9,655	1,103
Long-term time deposits	3,000	—	(3,000)
Other assets	10,666	9,762	(904)
Allowance for doubtful accounts	(252)	(145)	107
Total assets	525,483	451,835	(73,648)

(Millions of yen)

	As of March 31, 2007	As of March 31, 2008	Increase (Decrease)
Liabilities			
Current liabilities	227,562	187,168	(40,394)
Notes and accounts payable-trade	103,616	98,027	(5,589)
Short-term borrowings	4,196	46	(4,150)
Long-term borrowings due within one year	22,000	16,500	(5,500)
Bonds due within one year	10,000	10,000	—
Accounts payable-other	41,835	32,791	(9,044)
Accrued expenses	16,034	14,431	(1,603)
Income taxes payable	11,328	7,567	(3,761)
Warranty reserve	2,058	1,891	(167)
Other current liabilities	16,495	5,915	(10,580)
Long-term liabilities	61,252	33,454	(27,798)
Bonds	10,000	—	(10,000)
Long-term borrowings	37,450	20,950	(16,500)
Deferred tax liabilities	1,911	1,906	(5)
Employees' severance and retirement benefits	6,995	6,177	(818)
Retirement benefits for directors and corporate auditors	2,495	2,565	70
Other long-term liabilities	2,401	1,856	(545)
Total liabilities	288,814	220,622	(68,192)
Net assets			
Shareholders' equity	218,019	223,895	5,876
Common stock	48,592	48,592	—
Additional paid-in capital	66,737	66,655	(82)
Retained earnings	109,654	115,473	5,819
Treasury stock, at cost	(6,964)	(6,825)	139
Valuation and translation adjustments	5,924	(846)	(6,770)
Net unrealized holding gains on securities	8,615	4,815	(3,800)
Deferred losses on hedges	(1,082)	(619)	463
Foreign currency translation adjustments	(1,609)	(5,042)	(3,433)
Minority interests	12,726	8,164	(4,562)
Total net assets	236,669	231,213	(5,456)
Total liabilities and net assets	525,483	451,835	(73,648)

	(March 31, 2007)	(March 31, 2008)
Accumulated depreciation on property, plant and equipment	143,506	147,494

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2007		Year ended March 31, 2008		Increase (Decrease)
	Amount	% of Net sales	Amount	% of Net sales	
Net sales	620,769	100.0	623,050	100.0	2,281
Cost of sales	436,548	70.3	453,255	72.7	16,707
Gross income	184,221	29.7	169,795	27.3	(14,426)
Selling, general and administrative expenses	136,147	22.0	132,042	21.2	(4,105)
Operating income	48,074	7.7	37,753	6.1	(10,321)
Non-operating income	4,420	0.7	5,941	0.9	1,521
Interest and dividends income	2,713		2,882		169
Other	1,707		3,059		1,352
Non-operating expenses	11,063	1.7	12,669	2.0	1,606
Interest expense	1,607		1,380		(227)
Other	9,456		11,289		1,833
Ordinary income	41,431	6.7	31,025	5.0	(10,406)
Extraordinary gains	2,202	0.4	4,197	0.6	1,995
Gain on sales of fixed assets	361		3,638		3,277
Gain on sales of investment securities	1,247		17		(1,230)
Gain on sales of consolidated subsidiaries and affiliates	231		—		(231)
Government grants	360		540		180
Other	3		2		(1)
Extraordinary losses	2,250	0.4	11,334	1.8	9,084
Loss on disposal and sales of fixed assets	1,112		1,368		256
Loss on devaluation of investment securities	145		591		446
Provision for accrued retirement benefits for directors and corporate auditors	459		—		(459)
Loss on disposal of inventories	295		—		(295)
Loss on dissolution of a consolidated subsidiary	—		1,160		1,160
Loss on transfer of business	—		7,922		7,922
Other	239		293		54
Income before income taxes and minority interests	41,383	6.7	23,888	3.8	(17,495)
Income taxes-current	16,407	2.6	11,157	1.8	(5,250)
Income taxes-deferred	(1,424)	(0.2)	2,652	0.4	4,076
Minority interests	(1,253)	(0.2)	2,109	0.4	3,362
Net income	25,147	4.1	12,188	2.0	(12,959)

Consolidated Statements of Shareholders' Equity

Year ended March 31, 2007 (Millions of yen)

	Shareholders' equity					Valuation and translation adjustments					
	Common stock	Additional paid - in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains on securities	Deferred losses on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance at March 31, 2006	41,549	57,523	90,236	(4,990)	184,318	9,861	—	(3,168)	6,693	12,034	203,045
Changes during the current year											
Conversion of bonds with stock acquisition rights	7,043	7,042			14,085						14,085
Cash dividends paid*			(5,319)		(5,319)						(5,319)
Bonuses to directors and corporate auditors*			(208)		(208)						(208)
Net income			25,147		25,147						25,147
Acquisitions of treasury stock				(6,557)	(6,557)						(6,557)
Sales of treasury stock		1,970		4,583	6,553						6,553
Transfer from retained earnings to additional paid-in capital for merger of consolidated subsidiaries		202	(202)		—						—
Net changes other than shareholders' equity						(1,246)	(1,082)	1,559	(769)	692	(77)
Net total changes during the current year	7,043	9,214	19,418	(1,974)	33,701	(1,246)	(1,082)	1,559	(769)	692	33,624
Balance at March 31, 2007	48,592	66,737	109,654	(6,964)	218,019	8,615	(1,082)	(1,609)	5,924	12,726	236,669

* Note: Appropriation of retained earnings resolved at the annual shareholders' meeting held in June, 2006.

1. Type and number of shares outstanding and treasury stock

(Thousands of shares)

	Beginning of the year	Increase during the year	Decrease during the year	End of the year
Shares outstanding				
Common stock	270,443	8,578	—	279,021
Treasury stock				
Common stock	4,478	2,721	4,075	3,124

2. Dividends

(1) Dividends paid

Resolution	Type of stock	Total dividends paid (Millions of yen)	Dividends per share (Yen)	Dividends record date	Effective date
Annual shareholders' meeting on June 29, 2006	Common stock	5,319	20	March 31, 2006	June 30, 2006

(2) Dividends recorded in this fiscal year but effective in the next fiscal year

Resolution	Type of stock	Source	Total dividends paid (Millions of yen)	Dividends per share (Yen)	Dividends record date	Effective date
Annual shareholders' meeting on June 28, 2007	Common stock	Retained earnings	6,346	23	March 31, 2007	June 29, 2007

Year ended March 31, 2008 (Millions of yen)

	Shareholders' equity					Valuation and translation adjustments					
	Common stock	Additional paid - in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains on securities	Deferred losses on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance at March 31, 2007	48,592	66,737	109,654	(6,964)	218,019	8,615	(1,082)	(1,609)	5,924	12,726	236,669
Changes during the current year											
Cash dividends paid			(6,346)		(6,346)						(6,346)
Net income			12,188		12,188						12,188
Acquisitions of treasury stock				(25)	(25)						(25)
Sales of treasury stock		(105)		164	59						59
Transfer from retained earnings to additional paid-in capital for merger of consolidated subsidiaries		23	(23)		—						—
Net changes other than shareholders' equity						(3,800)	463	(3,433)	(6,770)	(4,562)	(11,332)
Net total changes during the current year	—	(82)	5,819	139	5,876	(3,800)	463	(3,433)	(6,770)	(4,562)	(5,456)
Balance at March 31, 2008	48,592	66,655	115,473	(6,825)	223,895	4,815	(619)	(5,042)	(846)	8,164	231,213

1. Type and number of shares outstanding and treasury stock

(Thousands of shares)

	Beginning of the year	Increase during the year	Decrease during the year	End of the year
Shares outstanding				
Common stock	279,021	—	—	279,021
Treasury stock				
Common stock	3,124	14	74	3,064

2. Dividends

(1) Dividends paid

Resolution	Type of stock	Total dividends paid (Millions of yen)	Dividends per share (Yen)	Dividends record date	Effective date
Annual shareholders' meeting on June 28, 2007	Common stock	6,346	23	March 31, 2007	June 29, 2007

(2) Dividends recorded in this fiscal year but effective in the next fiscal year

The resolution was planned as follows:

Resolution	Type of stock	Source	Total dividends paid (Millions of yen)	Dividends per share (Yen)	Dividends record date	Effective date
Annual shareholders' meeting on June 27, 2008	Common stock	Retained earnings	9,107	33	March 31, 2008	June 30, 2008

Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2008
Cash flows from operating activities:		
Income before income taxes and minority interests	41,383	23,888
Depreciation (including software)	31,613	33,959
Loss (Gain) on disposal and sales of fixed assets	751	(2,270)
Gain on sales of investment securities	(1,247)	(15)
Loss on devaluation of investment securities	145	591
Gain on sales of consolidated subsidiaries and affiliates	(231)	—
Government grants	(360)	(540)
Decrease in liabilities for the employees' severance and retirement benefits	(411)	(772)
Interest and dividends income	(2,713)	(2,882)
Interest expense	1,607	1,380
Foreign exchange loss (gain)	(1,158)	619
Loss on transfer of business	—	7,922
Decrease (Increase) in notes and accounts receivable	(21,208)	22,988
Decrease (Increase) in inventories	(7,652)	8,150
Increase (Decrease) in notes and accounts payable	10,076	(4,531)
Other	(1,539)	(3,942)
Total	49,056	84,545
Interest and dividends received	2,737	3,007
Interest paid	(1,636)	(1,559)
Income taxes paid	(14,208)	(14,244)
Net cash provided by operating activities	35,949	71,749
Cash flows from investing activities:		
Deposits in time deposits	(1,135)	(1,282)
Withdrawals from time deposits	1,132	1,232
Payments for acquisitions of tangible fixed assets	(16,865)	(22,538)
Proceeds from sales of tangible fixed assets	595	6,539
Payments for acquisitions of intangible fixed assets	(17,942)	(15,521)
Net payments for purchases, sales and redemption of investment securities	(4,322)	(2,954)
Payments for acquisitions of consolidated subsidiaries and affiliates	—	(1,900)
Proceeds from sales of consolidated subsidiaries and affiliates	319	—
Other	539	322
Net cash used in investing activities	(37,679)	(36,102)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	4,285	(4,150)
Proceeds from long-term borrowings	—	8,000
Payments for long-term borrowings	(20,747)	(30,000)
Redemption of bonds	—	(10,000)
Payments for acquisitions of treasury stock	(6,557)	(25)
Proceeds from sales of treasury stock	338	59
Payments for cash dividends	(5,319)	(6,346)
Proceeds from minority shareholders	—	600
Other	(713)	(623)
Net cash used in financing activities	(28,713)	(42,485)
Effect of exchange rate changes on cash and cash equivalents	2,450	(2,444)
Net decrease in cash and cash equivalents	(27,993)	(9,282)
Cash and cash equivalents at beginning of year	125,232	97,239
Cash and cash equivalents at end of year	97,239	87,957

Note: Cash and cash equivalents at March 31, 2007 and 2008 for the Consolidated Statements of Cash Flows consist of the followings:

	(March 31, 2007)	(March 31, 2008)
Cash and time deposits	52,768	45,688
Time deposits over three months	(784)	(3,800)
Marketable securities within three months	34,605	35,534
Short-term loans receivable with resale agreement	10,650	10,535
Cash and cash equivalents	97,239	87,957

Segment Information

1. Business Segments

Year ended March 31, 2007 (Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
I Net sales and operating income					
Net sales					
(1) Outside customers	527,216	93,553	620,769	—	620,769
(2) Inside Group	673	34,648	35,321	(35,321)	—
Total	527,889	128,201	656,090	(35,321)	620,769
Costs and expenses	473,998	128,986	602,984	(30,289)	572,695
Operating income (loss)	53,891	(785)	53,106	(5,032)	48,074
II Total assets, depreciation and capital expenditures					
Total assets	287,998	124,427	412,425	113,058	525,483
Depreciation	23,692	7,520	31,212	401	31,613
Capital expenditures	29,331	14,225	43,556	1,197	44,753

Year ended March 31, 2008 (Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
I Net sales and operating income					
Net sales					
(1) Outside customers	526,652	96,398	623,050	—	623,050
(2) Inside Group	366	28,185	28,551	(28,551)	—
Total	527,018	124,583	651,601	(28,551)	623,050
Costs and expenses	480,481	127,842	608,323	(23,026)	585,297
Operating income (loss)	46,537	(3,259)	43,278	(5,525)	37,753
II Total assets, depreciation and capital expenditures					
Total assets	252,316	90,182	342,498	109,337	451,835
Depreciation	25,418	7,866	33,284	675	33,959
Capital expenditures	24,687	3,853	28,540	496	29,036

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, TCP assembly and processing consignments, Carrier tape, Factory automation, Molds, Toys, etc.

3. Elimination or unallocated amounts of costs and expenses principally consist of administrative expenses and R&D expenses for fundamental research of the parent company, which amounted to 5,032 million yen, 5,525 million yen for the years ended March 31, 2007 and 2008, respectively.

4. Elimination or unallocated amounts of total assets principally consist of cash and time deposits, marketable securities, investments in securities and administrative assets of the parent company, which amounted to 114,864 million yen and 111,201 million yen for the years ended March 31, 2007 and 2008, respectively.

2. Geographical Segments

Year ended March 31, 2007 (Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination	Consolidated
I Net sales and operating income							
Net sales							
(1) Outside customers	450,762	61,095	84,029	24,883	620,769	—	620,769
(2) Inside Group	127,274	87	48	120,826	248,235	(248,235)	—
Total	578,036	61,182	84,077	145,709	869,004	(248,235)	620,769
Costs and expenses	538,543	57,986	80,599	143,253	820,381	(247,686)	572,695
Operating income (loss)	39,493	3,196	3,478	2,456	48,623	(549)	48,074
II Total assets	475,494	24,205	35,359	42,977	578,035	(52,552)	525,483

Year ended March 31, 2008 (Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination	Consolidated
I Net sales and operating income							
Net sales							
(1) Outside customers	448,686	55,280	90,583	28,501	623,050	—	623,050
(2) Inside Group	133,354	374	3	130,051	263,782	(263,782)	—
Total	582,040	55,654	90,586	158,552	886,832	(263,782)	623,050
Costs and expenses	549,867	55,870	87,533	156,077	849,347	(264,050)	585,297
Operating income (loss)	32,173	(216)	3,053	2,475	37,485	268	37,753
II Total assets	409,516	17,710	32,570	41,040	500,836	(49,001)	451,835

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

3. Overseas Sales

Year ended March 31, 2007 (Millions of yen)

	North America	Europe	Asia	Others	Total
I Overseas net sales	83,951	90,902	70,301	29,825	274,979
II Net sales (consolidated)	—	—	—	—	620,769
III Share of overseas net sales	13.5%	14.7%	11.3%	4.8%	44.3%

Year ended March 31, 2008 (Millions of yen)

	North America	Europe	Asia	Others	Total
I Overseas net sales	80,790	94,333	86,711	33,217	295,051
II Net sales (consolidated)	—	—	—	—	623,050
III Share of overseas net sales	13.0%	15.2%	13.9%	5.3%	47.4%

Notes: 1. Segments of countries and areas are classified by the geographical factor.
2. The main countries and the areas which belong to each segment are 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.

Sales by Product Category

(Millions of yen)

	Year ended March 31, 2007		Year ended March 31, 2008		
	Amount	% of total	Amount	% of total	% change
Consumer	229,352	36.9	228,634	36.7	(0.3)
Timepieces	77,948	12.6	86,922	13.9	11.5
MNS (Mobile Network Solutions)	171,314	27.6	165,800	26.6	(3.2)
System equipment	48,602	7.8	45,296	7.3	(6.8)
Electronics	527,216	84.9	526,652	84.5	(0.1)
Electronic components	62,790	10.1	68,368	11.0	8.9
Others	30,763	5.0	28,030	4.5	(8.9)
Electronic components and others	93,553	15.1	96,398	15.5	3.0
Total	620,769	100.0	623,050	100.0	0.4