

Consolidated Financial Results for the First Quarter Ended June 30, 2008

July 30, 2008

Company Name: **CASIO COMPUTER CO., LTD.**

(URL <http://www.casio.co.jp>)

Stock Exchange Listings: Tokyo

Code Number: 6952

President and CEO: Kazuo Kashio

Inquiries: Akinori Takagi, Managing Director

Tel: (03) 5334-4852

Filing of Securities Report (*Shihanki hokokusho*)(Scheduled): August 8, 2008

1. Consolidated Financial Results for the Three Months from April 1, 2008 to June 30, 2008

Monetary amounts are rounded to the nearest million yen.

(Millions of yen)

(1) Operating Results

(Percentages indicate changes from the same period of the previous fiscal year.)

	Net sales	Operating income	Ordinary income	Net income
	%	%	%	%
Three months ended June 30, 2008	116,032 -	4,164 -	5,508 -	3,946 -
Three months ended June 30, 2007	119,051 (5.9)	1,236 (77.7)	1,052 (76.4)	2,126 (20.0)

	Net income per share (Yen)	Diluted net income per share (Yen)
Three months ended June 30, 2008	14.30	14.12
Three months ended June 30, 2007	7.70	7.70

(2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
As of June 30, 2008	474,916	228,276	46.5 %	799.77
As of March 31, 2008	451,835	231,213	49.4	808.28

(Reference) Equity: As of June 30, 2008: 220,706 million yen

As of March 31, 2008: 223,049 million yen

2. Dividends

(Record date)	Dividends per share (Yen)				
	June 30	September 30	December 31	March 31	Annual
Year ended March 31, 2008	-	-	-	33.00	33.00
Year ending March 31, 2009	-	-	-	-	-
Year ending March 31, 2009 (Forecast)	-	-	-	23.00	23.00

(Note) Revision of dividends forecast made during the three months ended June 30, 2008: No

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	285,000 -	20,000 -	17,000 -	9,500 -	34.42
Fiscal 2009	630,000 1.1	47,000 24.5	41,000 32.2	23,000 88.7	83.34

(Note) Revision of consolidated results forecast made during the three months ended June 30, 2008: Yes

4. Others

- (1) Changes in significant subsidiaries (Changes in scope of consolidation): No
- (2) Application of the simplified accounting method and/or the special accounting method for quarterly consolidated financial statements: Yes
 1. Method of valuation of inventories
 2. Method of calculation of income taxes, etc. as well as deferred tax assets and deferred tax liabilities
- (3) Changes in accounting policies, procedures, presentation method, etc. for quarterly consolidated financial statements
 - (a) Changes in accordance with revisions to accounting standards: Yes
 1. Application of “Accounting Standard for Quarterly Financial Reporting” and related guidance
 2. Application of “Accounting Standard for Measurement of Inventories”
 3. Application of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”
 - (b) Changes other than (a) above: Yes
 1. Application of “Accounting Standard for Lease Transactions” and related guidance
- (4) Number of shares outstanding (common stock)
 - (a) Number of shares outstanding (including treasury stock):
 - As of June 30, 2008: 279,020,914 shares
 - As of March 31, 2008: 279,020,914 shares
 - (b) Number of treasury stock:
 - As of June 30, 2008: 3,058,611 shares
 - As of March 31, 2008: 3,064,461 shares
 - (c) Average number of shares outstanding:
 - As of June 30, 2008: 275,957,456 shares
 - As of June 30, 2007: 275,904,812 shares

Proper Use of Business Results Forecasts and Other Notes

Effective from the fiscal year ending March 2009, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and its Implementation Guidance, “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14) have been applied. Quarterly consolidated financial statements have been prepared in accordance with “Regulation for Quarterly Consolidated Financial Reporting.”

(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. Moreover, Casio has revised its financial forecasts for the first half of fiscal 2009, which it released on May 1, 2008. Please refer to Qualitative Information and Financial Statements, Qualitative Information about Consolidated Results Forecasts, on page from 3 to 4 for the suppositions that form the assumptions for business results and cautions concerning the use of business results forecasts.

Qualitative Information and Financial Statements

Qualitative Information about Consolidated Operating Results

During the first quarter of the current consolidated accounting period, the Japanese economy was influenced by a slowdown in the US economy brought on by the soaring price of crude oil and raw materials and the sub-prime loan problem. In an environment where corporate earnings were contracting and consumer spending and capital expenditure were both sluggish, the economic outlook became increasingly uncertain.

In this environment, Casio pursued its management goals by promoting and developing high value-added and differentiated products. At the same time, the company endeavored to improve its business structure and strengthen its management foundation, focusing on such areas as greater capital efficiency.

As a result, net sales for the first quarter of the consolidated accounting period were ¥116 billion, virtually maintaining the performance of the same quarter of the previous year.

To report on performance by segment, sales in the Electronics segment reached ¥96.5 billion, up ¥2.3 billion year-on-year, largely due to increasing sales of cellular phones, including the W61CA (a water-resistant 1seg-compatible phone with a 5.1 megapixel camera) and the W53H (a slim 1seg-compatible phone with an organic EL display). Sales in the Electronic Components and Others segment were ¥19.4 billion, down ¥5.4 billion year-on-year. Factors in this decline included falling unit prices for TFT LCDs and the decrease in sales that accompanied the transfer of the unprofitable business of Casio Micronics Co., Ltd.

Tuning now to a discussion of income, operating income for the Electronics segment was ¥4.6 billion, up ¥1.1 billion year-on-year, and for the Electronic Components and Others segment, it was ¥0.9 billion, up ¥1.8 billion year-on-year.

Total consolidated operating income, allowing for elimination or unallocated amount, stood at ¥4.1 billion, up ¥2.9 billion year-on-year. Electronic dictionaries and timepieces continued to be highly profitable, and a new genre of digital camera, the EX-F1, also began to show favorable results. Higher sales of cellular phones also brought in increased income, and profitability improved in the Electronic Components category, both contributing to operating income. Ordinary income was ¥5.5 billion, up ¥4.4 billion year-on-year, and net income for the quarter was ¥3.9 billion, up ¥1.8 billion year-on-year.

Qualitative Information about Consolidated Financial Position

Total assets at the end of the first quarter of the current consolidated accounting period stood at ¥474.9 billion, an increase of ¥23 billion compared to the end of the previous fiscal year, as a result of an issue of convertible bonds with stock acquisition rights, as well as a decrease in notes and accounts receivable-trade and other factors. Net assets totaled ¥228.2 billion, a decrease of ¥2.9 billion compared to the end of the previous fiscal year, as a result of an increase in net income for the quarter and dividend payments. As a result, the equity ratio stood at 46.5%.

In the future, Casio will continue with its painstaking pursuit of even more effective management of its business assets, aiming to build a completely strong, stable financial position.

Qualitative Information about Consolidated Results Forecasts

Casio continues to take steps to promote innovative product development, enhance its long-term earning capacity, and strengthen its management and financial structure. The company is working to achieve earnings growth and further improve its management practices.

Digital cameras, electronic dictionaries and radio-controlled watches in the Electronics segment are performing as expected, and there are no revisions to the results forecasts for fiscal 2009. On the other hand, in the Electronic Components and Others segment, some orders that had been expected in the second half of the fiscal year are likely to come in early, in the first half. To reflect this, the net sales forecast for the first half has been revised upwards by ¥5 billion. As a result, the total consolidated net sales forecast for the first half is now ¥285 billion. Forecasts for first half operating income, ordinary income, and net income, and for full year results, all remain unchanged.

Notes concerning results forecasts

- 1) Exchange rates are estimated at US\$ 1 = ¥100 and Euro 1 = ¥158
- 2) The forward-looking statements including business results forecasts 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. Key factors affecting actual business results may include, but are not limited to, the economic circumstances surrounding the company's business, fluctuations in the exchange rates of major currencies including the yen-dollar rate, and significant changes in product prices.

Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2008	As of March 31, 2008
Assets		
Current assets		
Cash and deposits	46,070	45,688
Notes and accounts receivable-trade	71,514	100,752
Short-term investment securities	62,155	42,714
Finished goods	39,608	33,218
Work in process	11,112	9,251
Raw materials and supplies	14,698	13,474
Other	69,275	40,450
Allowance for doubtful accounts	(806)	(937)
Total current assets	313,626	284,610
Noncurrent assets		
Property, plant and equipment	81,099	86,552
Intangible assets	18,810	18,629
Investments and other assets		
Investment securities	43,596	42,772
Other	17,929	19,417
Allowance for doubtful accounts	(144)	(145)
Total investments and other assets	61,381	62,044
Total noncurrent assets	161,290	167,225
Total assets	474,916	451,835

(Millions of yen)

	As of June 30, 2008	As of March 31, 2008
Liabilities		
Current liabilities		
Notes and accounts payable-trade	78,098	98,027
Current portion of long-term loans payable	26,500	16,500
Current portion of bonds	10,000	10,000
Provision for product warranties	1,901	1,891
Other	55,143	60,750
Total current liabilities	171,642	187,168
Noncurrent liabilities		
Bonds with subscription rights to shares	50,000	-
Long-term loans payable	10,950	20,950
Provision for retirement benefits	6,398	6,177
Provision for directors' retirement benefits	2,627	2,565
Other	5,023	3,762
Total noncurrent liabilities	74,998	33,454
Total liabilities	246,640	220,622
Net assets		
Shareholders' equity		
Capital stock	48,592	48,592
Capital surplus	66,643	66,655
Retained earnings	110,422	115,473
Treasury stock	(6,811)	(6,825)
Total shareholders' equity	218,846	223,895
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,264	4,815
Deferred gains or losses on hedges	(745)	(619)
Foreign currency translation adjustment	(3,659)	(5,042)
Total valuation and translation adjustments	1,860	(846)
Minority interests	7,570	8,164
Total net assets	228,276	231,213
Total liabilities and net assets	474,916	451,835

Consolidated Statement of Income

(Millions of yen)

	Three months ended June 30, 2008
Net sales	116,032
Cost of sales	82,433
Gross profit	33,599
Selling, general and administrative expenses	
Salaries, allowances and bonuses	9,110
Other	20,325
Total selling, general and administrative expenses	29,435
Operating income	4,164
Non-operating income	
Foreign exchange gains	1,897
Other	1,085
Total non-operating income	2,982
Non-operating expenses	
Loss on valuation of interest swap	510
Other	1,128
Total non-operating expenses	1,638
Ordinary income	5,508
Extraordinary income	
Gain on sales of noncurrent assets	6
Total extraordinary income	6
Extraordinary loss	
Loss on retirement of noncurrent assets	25
Loss on valuation of investment securities	69
Other	24
Total extraordinary losses	118
Income before income taxes and minority interests	5,396
Income taxes	2,086
Minority interests in income	(636)
Net income	3,946

Consolidated Statement of Cash Flows

(Millions of yen)

Three months ended
June 30, 2008

Net cash provided by (used in) operating activities:	
Income before income taxes and minority interests	5,396
Depreciation and amortization	5,667
Loss (gain) on sales and retirement of property, plant and equipment	19
Loss (gain) on valuation of investment securities	69
Increase (decrease) in provision for retirement benefits	237
Increase (decrease) in provision for directors' retirement benefits	63
Interest and dividends income	(507)
Interest expenses	205
Foreign exchange losses (gains)	(1,069)
Decrease (increase) in notes and accounts receivable-trade	31,283
Decrease (increase) in inventories	(9,589)
Increase (decrease) in notes and accounts payable-trade	(19,975)
Other, net	(7,209)
Subtotal	4,590
Interest and dividends income received	881
Interest expenses paid	(136)
Income taxes paid	(6,831)
Net cash provided by (used in) operating activities	(1,496)
Net cash provided by (used in) investment activities:	
Payments into time deposits	(76)
Proceeds from withdrawal of time deposits	3,372
Purchase of property, plant and equipment	(2,249)
Proceeds from sales of property, plant and equipment	18
Purchase of intangible assets	(3,098)
Purchase of investment securities	(3)
Proceeds from sales and redemption of investment securities	2,730
Proceeds from transfer of business	5,991
Other, net	(15)
Net cash provided by (used in) investment activities	6,670
Net cash provided by (used in) financing activities:	
Proceeds from issuance of bonds	50,000
Repayments of finance lease obligations	(101)
Cash dividends paid	(9,107)
Other, net	43
Net cash provided by (used in) financing activities	40,835
Effect of exchange rate change on cash and cash equivalents	1,517
Net increase (decrease) in cash and cash equivalents	47,526
Cash and cash equivalents at beginning of period	87,957
Cash and cash equivalents at end of period	135,483

Effective from the fiscal year ending March 2009, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and its Implementation Guidance, “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14) have been applied. Quarterly consolidated financial statements have been prepared in accordance with “Regulation for Quarterly Consolidated Financial Reporting.”

Notes on premise of going concern

For three months ended June 30, 2008
Not applicable.

Segment Information

Business Segments

Three months ended June 30, 2008

(Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales					
(1) Outside customers	96,595	19,437	116,032	-	116,032
(2) Inside Group	104	6,916	7,020	(7,020)	-
Total	96,699	26,353	123,052	(7,020)	116,032
Operating income (loss)	4,664	985	5,649	(1,485)	4,164

Notes on significant changes in Shareholders' Equity

For three months ended June 30, 2008
Not applicable.

[Reference]

(Summary)

Consolidated Statement of Income of the same period of the previous fiscal year

(Millions of yen)

	Three months ended June 30, 2007
	Amount
Net sales	119,051
Cost of sales	87,744
Gross profit	31,307
Selling, general and administrative expenses	30,071
Operating income	1,236
Non-operating income	1,238
Non-operating expenses	1,422
Ordinary income	1,052
Extraordinary income	19
Extraordinary loss	64
Income before income taxes and minority interests	1,007
Income taxes	450
Minority interests in income	(1,569)
Net income	2,126

(Summary)**Consolidated Statement of Cash Flows of the same period of the previous fiscal year**

(Millions of yen)

	Three months ended June 30, 2007
Net cash provided by (used in) operating activities:	
Income before income taxes and minority interests	1,007
Depreciation and amortization	8,246
Decrease in notes and accounts receivable-trade	34,261
Increase in inventories	(9,448)
Decrease in notes and accounts payable-trade	(21,466)
Income taxes paid	(8,983)
Other, net	(10,177)
Net cash provided by (used in) operating activities	(6,560)
Net cash provided by (used in) investment activities:	
Purchase of property, plant and equipment	(5,228)
Purchase of intangible assets	(5,804)
Net proceeds from purchases, sales and redemption of investment securities	2,714
Other, net	177
Net cash provided by (used in) investment activities	(8,141)
Net cash provided by (used in) financing activities:	
Net decrease in loans payable	(1,220)
Cash dividends paid	(6,346)
Other, net	(26)
Net cash provided by (used in) financing activities	(7,592)
Effect of exchange rate change on cash and cash equivalents	2,013
Net decrease in cash and cash equivalents	(20,280)
Cash and cash equivalents at beginning of period	97,239
Cash and cash equivalents at end of period	76,959

Segment Information

Business Segments

Three months ended June 30, 2007

(Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales					
(1) Outside customers	94,208	24,843	119,051	-	119,051
(2) Inside Group	94	5,745	5,839	(5,839)	-
Total	94,302	30,588	124,890	(5,839)	119,051
Costs and expenses	90,821	31,475	122,296	(4,481)	117,815
Operating income (loss)	3,481	(887)	2,594	(1,358)	1,236