

Consolidated Financial Results for the Nine Months Ended December 31, 2008

February 4, 2009

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

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

Stock Exchange Listings: Tokyo

Code Number: 6952

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1. Consolidated Financial Results for the Nine Months (From April 1, 2008 to December 31, 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
	%	%	%	%
Nine months ended December 31, 2008	386,963 -	10,750 -	7,662 -	1,375 -
Nine months ended December 31, 2007	449,402 0.6	24,052 (27.8)	20,409 (26.9)	10,884 (35.9)

	Net income per share (Yen)	Diluted net income per share (Yen)
Nine months ended December 31, 2008	4.97	4.66
Nine months ended December 31, 2007	39.45	39.43

(2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
As of December 31, 2008	449,624	216,051	46.3 %	750.25
As of March 31, 2008	451,835	231,213	49.4	808.28

(Reference) Equity: As of December 31, 2008: 208,108 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 December 31, 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.)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Fiscal 2009	540,000 (13.3)%	14,000 (62.9)%	8,000 (74.2)%	1,500 (87.7)%	5.41

(Note) Revision of consolidated results forecast made during the three months ended December 31, 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 noncurrent assets depreciation
 3. 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 December 31, 2008: 279,020,914 shares
 - As of March 31, 2008: 279,020,914 shares
 - (b) Number of treasury stock:
 - As of December 31, 2008: 1,635,550 shares
 - As of March 31, 2008: 3,064,461 shares
 - (c) Average number of shares outstanding:
 - As of Decemebr 31, 2008: 276,672,377 shares
 - As of December 31, 2007: 275,919,783 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 fiscal 2009, which it released on November 7, 2008. Please refer to Qualitative Information and Financial Statements, Qualitative Information about Consolidated Results Forecasts, on page from 5 to 6 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 three quarters of the current fiscal year, the Japanese real economy was significantly influenced by the turmoil in global financial markets brought on by the sub-prime loan problem in the United States. This drove sharp declines in corporate earnings and put the brakes on consumer spending, and the Japanese economy became increasingly distressed. Outside Japan, the same problems have produced a slowdown in the US economy, with repercussions in the economies of Europe and in emerging economies. With the prospect of a worldwide recession assuming serious proportions, there was a dramatic decline in demand.

The electronics industry faced sluggish demand as a result of the widening impact of the downturn in the global economy, bringing on intensified worldwide competition and falling merchandise prices. Overall, the business environment in which Casio operated grew significantly worse.

As a result, consolidated net sales for the first three quarters of the fiscal year fell 13.9% year-on-year to ¥386.9 billion.

To report on performance by segment, sales in the Electronics segment fell 9.3% year-on-year to ¥340.9 billion.

In the Consumer category, high-value-added model sales of Casio's industry-leading EX-word electronic dictionary were robust not only in Japan, but also in China. The positive results with the EX-word could not offset, however, the drop in digital camera sales. This was attributable to a rapid, drastic contraction in consumption reflecting the downturn in global economic conditions as well as declining product prices. As a result, total sales in this category fell 19.3% year-on-year to ¥136.4 billion.

Leveraging its advanced technologies that enable ultra-high speed burst shooting and high-speed movie recording, Casio continued to unveil new stylish and compact models in its HIGH SPEED EXILIM digital camera series. Building on its high-speed capabilities, the company also released the world's first digital camera that can make composite moving images. This exciting new camera features the Dynamic Photo function, which allows moving subjects to be cut and pasted onto still backgrounds or other images. With this innovation, Casio is creating a whole new photographic culture. Casio's technologies are fostering new avenues of enjoyment that go far beyond mere picture-taking, delivering greater creative and viewing pleasure. Looking ahead, Casio will continue to take full advantage of its capabilities in this way to secure a recovery in sales.

In the Timepiece category, Casio developed the high-performance, thin TOUGH MOVEMENT, a next-generation, radio-controlled, solar-powered watch movement. Featuring the Multi-Band 6 radio-wave receiver system, shock resistance, automatic correction of hand positions and other advanced functions, TOUGH MOVEMENT combines the very best in Casio's leading-edge timepiece technologies. The flagship OCEANUS and G-SHOCK watches now come with this new movement. Despite the negative impact of the harsh market environment, results in the Timepiece category held essentially steady from the corresponding period of the previous fiscal year. This was attributable to strong contributions from the aforementioned high-end models. As a result, Timepiece sales edged down only 1.8% year-on-year to ¥63.3 billion.

In the Mobile Network Solution (MNS) category, Casio enjoyed healthy sales of the EXILIM Keitai W63CA, a stylish cellular phone with an 8.1-megapixel camera, and the Wooo Keitai W63H, which boasts a 3.1-inch wide VGA organic EL display and high-definition engine, both produced for au. Also selling well were Casio's first cellular phone for SOFTBANK MOBILE Corp. the 830CA, which features the "Bidori" engine, a face detection and adjustment system that produces beautiful portraits, and its G'zOne for US-based Verizon Wireless. Thanks to these strong products, sales in this category edged up 1.0% year-on-year to ¥111.8 billion.

In the Systems Equipment category, despite the upswing in sales of such products as the Super Slim Projector with a thickness of 32mm at its thinnest point, and a very environmentally friendly, A3-capable, high-speed color printer using toner with an accompanying carbon offset, sales contracted 7.8% year-on-year to ¥29.2 billion. This was mainly attributable to the decline in IT product prices and lackluster interest in information equipment and system investment by the corporate sector.

In the Electronic Components and Others segment, sales dropped 37.2% year-on-year to ¥46.0 billion. Sales in the Electronic Component category fell 47.5% year-on-year to ¥28.1 billion owing to deteriorating demand for consumer devices including TFT LCD digital cameras and cellular phones and the falling unit prices for TFT LCDs, as well as the elimination of unprofitable operations at Casio Micronics Co., Ltd. Sales in the Others category also decreased 9.3% year-on-year to ¥17.9 billion.

Turning now to income for the first three quarters of the fiscal year, total consolidated operating income, allowing for elimination or unallocated amounts, fell 55.3% year-on-year to ¥10.7 billion. Ordinary income dropped 62.5% year-on-year to ¥7.6 billion, while net income declined 87.4% to ¥1.3 billion.

In the Electronics segment, cellular phone income improved along with growing sales, and radio-controlled timepieces and electronic dictionaries maintained their high-profit structure thanks to their improved capabilities. Operating income, however, was down 42.5% year-on-year to ¥17.5 billion, buffeted by a downturn in the global economy, which triggered substantial deterioration in market conditions and a drop in unit prices for digital cameras, as well as depreciation in the value of European currencies.

Despite the positive effects produced by the elimination of unprofitable operations, the Electronic Components and Others segment incurred an operating loss of ¥2.4 billion. This was mainly attributable to weak TFT LCD results due to the drop in demand for such consumer devices as digital cameras and cellular phones and falling TFT LCD unit prices.

Note: Comparisons with the corresponding period of the previous fiscal year are provided for reference purposes only.

Qualitative Information about Consolidated Financial Position

Total assets on a consolidated basis at the end of the third quarter of the current fiscal year stood at ¥449.6 billion, down ¥2.2 billion compared to the end of the previous fiscal year. Net assets contracted ¥15.1 billion compared to the end of the previous fiscal year to ¥216.0 billion, reflecting the decrease in shareholders' equity due mainly to dividend payments and lower valuation and translation adjustments. Accounting for these factors, the equity ratio was 46.3%.

Net cash used in operating activities was ¥5.4 billion, net cash used in investment activities was ¥44.2 billion, and net cash provided by financing activities was ¥33.7 billion. On this basis, consolidated cash and cash equivalents at the end of the third quarter of the current fiscal year stood at ¥70.1 billion, a decrease of ¥17.8 billion from the end of the previous fiscal year.

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

The current global economy is likely to continue suffering from the financial unrest driven by the turmoil among financial institutions in the United States. This will have substantial effects on the real economy, and worldwide deterioration in economic conditions and declining demand are forecasted. In addition, drastic swings in the exchange rates of major currencies, and falling product prices due to the sudden, dramatic drop in demand will make Casio's business environment even more challenging.

In light of these anticipated conditions, the forecasts of consolidated performance for the fiscal year ending March 31, 2009, released on November 7, 2008, have been revised as shown below.

Forecasts of Consolidated Performance

	(Billions of yen)			
	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A) (Released on November 7, 2008)	580.0	30.0	26.0	13.5
Current revised forecast (B)	540.0	14.0	8.0	1.5
Amount of change (B-A)	-40.0	-16.0	-18.0	-12.0

The lower net sales forecast is due primarily to a drop in product prices for digital cameras and electronic components. The lower operating income forecast is primarily prompted by reduced incomes brought about by the lower sales anticipated in digital cameras and electronic components and by the expected depreciation of European currencies.

Notes concerning results forecasts

- 1) Exchange rates are estimated at US\$ 1 = ¥90 and Euro 1 = ¥115
- 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 December 31, 2008	As of March 31, 2008
Assets		
Current assets		
Cash and deposits	36,168	45,688
Notes and accounts receivable-trade	77,541	100,752
Short-term investment securities	36,370	42,714
Finished goods	45,758	33,218
Work in process	8,340	9,251
Raw materials and supplies	15,239	13,474
Other	47,794	40,450
Allowance for doubtful accounts	(845)	(937)
Total current assets	266,365	284,610
Noncurrent assets		
Property, plant and equipment	80,825	86,552
Intangible assets	23,539	18,629
Investments and other assets		
Investment securities	57,209	42,772
Other	21,801	19,417
Allowance for doubtful accounts	(115)	(145)
Total investments and other assets	78,895	62,044
Total noncurrent assets	183,259	167,225
Total assets	449,624	451,835

(Millions of yen)

	As of December 31, 2008	As of March 31, 2008
Liabilities		
Current liabilities		
Notes and accounts payable-trade	75,203	98,027
Current portion of long-term loans payable	20,500	16,500
Current portion of bonds	10,000	10,000
Income taxes payable	1,795	7,567
Provision for product warranties	1,758	1,891
Other	48,137	53,183
Total current liabilities	157,393	187,168
Noncurrent liabilities		
Bonds with subscription rights to shares	50,000	-
Long-term loans payable	10,700	20,950
Provision for retirement benefits	6,684	6,177
Provision for directors' retirement benefits	2,635	2,565
Other	6,161	3,762
Total noncurrent liabilities	76,180	33,454
Total liabilities	233,573	220,622
Net assets		
Shareholders' equity		
Capital stock	48,592	48,592
Capital surplus	65,517	66,655
Retained earnings	107,851	115,473
Treasury stock	(3,630)	(6,825)
Total shareholders' equity	218,330	223,895
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(485)	4,815
Deferred gains or losses on hedges	(550)	(619)
Foreign currency translation adjustment	(9,187)	(5,042)
Total valuation and translation adjustments	(10,222)	(846)
Minority interests	7,943	8,164
Total net assets	216,051	231,213
Total liabilities and net assets	449,624	451,835

Consolidated Statement of Income

(Millions of yen)

	Nine months ended December 31, 2008
Net sales	386,963
Cost of sales	281,572
Gross profit	105,391
Selling, general and administrative expenses	
Salaries, allowances and bonuses	26,722
Other	67,919
Total selling, general and administrative expenses	94,641
Operating income	10,750
Non-operating income	
Interest income	1,450
Other	1,058
Total non-operating income	2,508
Non-operating expenses	
Loss on abandonment of inventories	1,327
Foreign exchange losses	1,827
Other	2,442
Total non-operating expenses	5,596
Ordinary income	7,662
Extraordinary income	
Gain on sales of noncurrent assets	8
Other	1
Total extraordinary income	9
Extraordinary loss	
Loss on retirement of noncurrent assets	324
Impairment loss	332
Loss on valuation of investment securities	2,813
Other	49
Total extraordinary losses	3,518
Income before income taxes and minority interests	4,153
Income taxes	2,988
Minority interests in loss	(210)
Net income	1,375

Consolidated Statement of Cash Flows

(Millions of yen)

Nine months ended
December 31, 2008

Net cash provided by (used in) operating activities:	
Income before income taxes and minority interests	4,153
Depreciation and amortization	20,859
Impairment loss	332
Loss (gain) on sales and retirement of property, plant and equipment	316
Loss (gain) on valuation of investment securities	2,813
Increase (decrease) in provision for retirement benefits	657
Increase (decrease) in provision for directors' retirement benefits	70
Interest and dividends income	(1,739)
Interest expenses	622
Foreign exchange losses (gains)	(791)
Decrease (increase) in notes and accounts receivable-trade	19,646
Decrease (increase) in inventories	(18,064)
Increase (decrease) in notes and accounts payable-trade	(21,787)
Other, net	(1,815)
Subtotal	5,272
Interest and dividends income received	1,864
Interest expenses paid	(557)
Income taxes paid	(12,051)
Net cash provided by (used in) operating activities	(5,472)
Net cash provided by (used in) investment activities:	
Payments into time deposits	(1,583)
Proceeds from withdrawal of time deposits	3,725
Purchase of property, plant and equipment	(8,289)
Proceeds from sales of property, plant and equipment	75
Purchase of intangible assets	(14,168)
Purchase of investment securities	(41,562)
Proceeds from sales and redemption of investment securities	11,625
Proceeds from transfer of business	5,988
Other, net	(47)
Net cash provided by (used in) investment activities	(44,236)
Net cash provided by (used in) financing activities:	
Net increase (decrease) in short-term loans payable	56
Repayment of long-term loans payable	(6,250)
Proceeds from issuance of bonds	49,907
Repayments of finance lease obligations	(869)
Cash dividends paid	(9,107)
Other, net	(6)
Net cash provided by (used in) financing activities	33,731
Effect of exchange rate change on cash and cash equivalents	(1,842)
Net increase (decrease) in cash and cash equivalents	(17,819)
Cash and cash equivalents at beginning of period	87,957
Cash and cash equivalents at end of period	70,138

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Notes on Premise of Going Concern

For three months ended December 31, 2008

Not applicable.

Segment Information

Business Segments

Nine months ended December 31, 2008

(Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales					
(1) Outside customers	340,904	46,059	386,963	-	386,963
(2) Inside Group	312	18,933	19,245	(19,245)	-
Total	341,216	64,992	406,208	(19,245)	386,963
Operating income (loss)	17,552	(2,459)	15,093	(4,343)	10,750

Notes on Significant Changes in Shareholders' Equity

For nine months ended December 31, 2008

On August 1, 2008, consolidated subsidiary Casio Micronics Co., Ltd., became a wholly owned subsidiary of Casio Computer Co., Ltd., through a share exchange in which treasury stock of Casio Computer Co., Ltd., was allocated to shareholders of Casio Micronics. For the nine months ended December 31, as a result, the capital surplus declined ¥1,122 million and treasury stock dropped ¥3,184 million.

[Reference]**Consolidated Financial Statements for the Same Period of the Previous Fiscal Year****(1) (Summary) Consolidated Statement of Income**

(Millions of yen)

	Nine months ended December 31, 2007
	Amount
Net sales	449,402
Cost of sales	326,846
Gross profit	122,556
Selling, general and administrative expenses	98,504
Operating income	24,052
Non-operating income	3,606
Non-operating expenses	7,249
Ordinary income	20,409
Extraordinary income	597
Extraordinary loss	2,481
Income before income taxes and minority interests	18,525
Income taxes	8,504
Minority interests	863
Net income	10,884

(2) (Summary) Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2007
Net cash provided by (used in) operating activities:	
Income before income taxes and minority interests	18,525
Depreciation and amortization	24,916
Decrease in notes and accounts receivable-trade	16,940
Increase in inventories	(2,179)
Decrease in notes and accounts payable-trade	(12,116)
Income taxes paid	(13,742)
Other, net	(10,231)
Net cash provided by (used in) operating activities	22,113
Net cash provided by (used in) investment activities:	
Purchase of property, plant and equipment	(17,477)
Purchase of intangible assets	(13,632)
Net proceeds from purchases, sales and redemption of investment securities	1,626
Other, net	(1,528)
Net cash provided by (used in) investment activities	(31,011)
Net cash provided by (used in) financing activities:	
Net decrease in borrowings	(5,737)
Proceeds from issuance of commercial paper	10,000
Redemption of bonds	(10,000)
Cash dividends paid	(6,346)
Other, net	(5)
Net cash provided by (used in) financing activities	(12,088)
Effect of exchange rate change on cash and cash equivalents	651
Net decrease in cash and cash equivalents	(20,335)
Cash and cash equivalents at beginning of period	97,239
Cash and cash equivalents at end of period	76,904

(3) Segment Information

Business Segments

Nine months ended December 31, 2007

(Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
Net sales					
(1) Outside customers	376,057	73,345	449,402	-	449,402
(2) Inside Group	280	19,483	19,763	(19,763)	-
Total	376,337	92,828	469,165	(19,763)	449,402
Costs and expenses	345,816	95,351	441,167	(15,817)	425,350
Operating income (loss)	30,521	(2,523)	27,998	(3,946)	24,052