

Third Quarter Results Briefing for Year Ending March 31, 2010



CASIO COMPUTER CO., LTD

February 5, 2010

Forward-looking Statements

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

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

FY2010 Third Quarter Results Highlight

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(billions of yen)

Consolidated	FY2009	FY2010 (ending March 2010)	
	Q1 - Q3 (Apr.1 - Dec.31)	Q1 - Q3 (Apr.1 - Dec.31)	Change
Net sales	387.0	306.2	-80.8
Operating income	10.8	(20.5)	-31.2
Ordinary income	7.7	(17.5)	-25.2
Net income	1.4	(14.5)	-15.8

FY2010 Third Quarter Results Highlight

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(billions of yen)

Consolidated	FY2009	FY2010 (ending March 2010)	
	Q3 (Oct.1 - Dec.31)	Q3 (Oct.1 - Dec.31)	Change
Net sales	114.6	108.9	-5.7
Operating income	(7.5)	(5.5)	+2.0
Ordinary income	(10.0)	(4.6)	+5.4
Net income	(8.3)	(3.6)	+4.8

Year-on-Year Summary of Net Sales and Operating Income

Net sales: ¥114.6 bil → ¥108.9 bil (-5.7 bil)

➤ **Cell phones: -12.4 billion yen**

- Market share down in Japan; a new product launch delayed overseas

➤ **Digital cameras: +4.8 billion yen**

- Sales rose in and outside Japan

➤ **Timepieces: +1.3 billion yen**

Operating income: ¥-7.5 bil → ¥-5.5 bil (+2.0 bil)

➤ **Cell phones: -4.7 billion yen**

- Profit down due to decreased sales

➤ **Digital cameras: +2.8 billion yen**

- Profit rose as sales expanded, plus lower development costs

➤ **System equipment: +1.6 billion yen**

➤ **Electronic components and others: +2.3 billion yen**

FY 2010 Full Year Financial Forecasts

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(billions of yen)

Consolidated	FY2010 (ending March 31, 2010)				
	1st half	2nd half		Full year	
	Results	Revised	Year-on-year change	Revised	Year-on-year change
Net sales	197.3	237.7	-7.9	435.0	-83.0
Operating income	(15.0)	(15.0)	-0.8	(30.0)	-34.0
Ordinary income	(13.0)	(15.0)	+4.1	(28.0)	-26.6
Net income	(10.9)	(11.1)	+21.8	(22.0)	+1.1

Summary of 2nd Half Forecasts Revisions

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Net sales: ¥279.7 bil → ¥237.7 bil (-42 bil)

➤ **Main cause for the revision: Cell phones**

- **Domestic market share falls short of expectations**
(Q3: 20% → 12%, Q4: 20% → 17%)
- **Overseas sales suffer from delay in new product launch**
(due to changes to software and lagging inspection/approval procedure)

Operating income: ¥10.0 bil → ¥-15.0 bil (-25 bil)

➤ **Main cause for the revision: Cell phones**

- **Profit down due to revised sales forecasts**
- **Additional software development costs for new overseas model**
- **Loss on inventory write-down of overseas handsets**
- **Loss associated with changes to domestic handsets development plan**

Priorities Going Forward

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➤ Significant reduction of risk factors

- Cell phones: Alliance with NEC
- Liquid crystal displays: Alliance with Toppan Printing for small/mid-size display business (including TFT-LCDs and organic LED)

➤ Bolster overseas lineup of digital camera

- Complete the lineup within this term by front-loading investment in R&D

➤ Contribution from new business

- Start digital art frame business (announced at CES 2010)
 - start full-fledged business of digitalized paintings
- Big shift to network product from stand-alone photo product

➤ Strengthen earning power of Stable Businesses

- Electronic dictionaries: launch of high value-added color-display models
 - boast industry's longest battery life of 150 hours, plus many novels bundled
- Timepieces: lower production costs by using common watch modules for key, global models → the scheme successful with G-SHOCKs, will now be applied to other brands such as Baby-G, OCEANUS and EDIFICE
- World's first launch of mercury-free, high brightness projectors

➤ Drastic reinforcement of cost competitiveness

- Renew challenges to lower cost of sales, by focusing on product design stage
 - all products will become highly cost-competitive

Net Sales and Operating Income by Segment

<FYI>

(billions of yen)

Consolidated	FY2010 (54th term)			
	Q3 results	YOY change	Full year	YOY change
Net Sales				
Consumer	41.3	+4.8	169.5	-8.5
Timepieces	20.7	+1.3	78.5	-1.9
MNS	27.7	-12.5	102.0	-61.2
System equipment	7.2	-0.5	41.0	+0.7
Electronic components	5.1	-0.4	19.7	-12.8
Others	6.9	+1.6	24.3	+0.6
TOTAL	108.9	-5.7	435.0	-83.0
Operating Income				
Electronics	(4.3)	-0.7	(19.8)	-35.4
Electronic components & others	(0.2)	+2.3	(4.7)	+1.2
Elimination	(1.0)	+0.4	(5.5)	+0.2
TOTAL	(5.5)	+2.0	(30.0)	-34.0

END