

Consolidated Financial Results for the Fiscal Year Ended March 31, 2010

English Translation of "Kessan tanshin"

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

(Summary for reference)

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

May 12, 2010

Stock Exchange Listings: Tokyo

Code Number: 6952

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Annual Shareholders' Meeting (Scheduled): June 29, 2010

Start of Distribution of Dividends (Scheduled): June 30, 2010

Filing of Securities Report (*Yuka shoken hokokusho*) (Scheduled): June 29, 2010

1. Consolidated Financial Results for the year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)

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, 2010	427,925 (17.4)	(29,309) -	(25,082) -	(20,968) -
Year ended March 31, 2009	518,036 (16.9)	4,016 (89.4)	(1,442) -	(23,149) -

	Net income per share (Yen)	Diluted net income per share (Yen)	Net income/Equity	Ordinary income/Total assets	Operating income/Net sales
			%	%	%
Year ended March 31, 2010	(75.58)	-	(12.2)	(5.7)	(6.8)
Year ended March 31, 2009	(83.62)	-	(11.4)	(0.3)	0.8

(Reference) Equity in gains of affiliates:

Year ended March 31, 2010: 99 million yen

Year ended March 31, 2009: 37 million yen

(2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
			%	
As of March 31, 2010	429,983	168,857	37.3	577.38
As of March 31, 2009	444,653	184,981	41.2	660.28

(Reference) Equity: As of March 31, 2010: 160,184 million yen

As of March 31, 2009: 183,157 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 period
Year ended March 31, 2010	5,834	(14,997)	18,155	113,784
Year ended March 31, 2009	23,461	(44,708)	38,807	104,248

2. Dividends

	Dividends per share (Yen)					Total dividends payment (Millions of yen)	Payout ratio (Consolidated)	Net assets/ Dividends (Consolidated)
	June 30	September 30	December 31	March 31	Total			
Year ended March 31, 2009	-	-	-	23.00	23.00	6,380	%	%
Year ended March 31, 2010	-	-	-	15.00	15.00	4,161	-	3.1
Year ending March 31, 2011 (Forecast)	-	-	-	15.00	15.00		59.5	

3. Consolidated Results Forecast for Fiscal 2011 (From April 1, 2010 to March 31, 2011)

(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	180,000 (8.8)	5,000 -	4,000 -	2,000 -	7.21
Fiscal 2011	375,000 (12.4)	15,000 -	13,000 -	7,000 -	25.23

4. Others

(1) Changes in significant 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

1. Application of "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)"
2. Application of "Accounting Standard for Construction Contracts" and its related guidance

(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, 2010: 279,020,914 shares

As of March 31, 2009: 279,020,914 shares

(b) Treasury stock:

As of March 31, 2010: 1,589,837 shares

As of March 31, 2009: 1,628,789 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 4 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 2010)

During fiscal 2010, the Japanese and global economies pulled out of the worst phase of the global recession and began to show signs of a gradual recovery, yet the outlook remains uncertain.

In this environment, consolidated net sales for fiscal 2010 fell 17.4% year-on-year to ¥427.9 billion. By segment, sales dropped 17.6% year-on-year to ¥380.5 billion in the Electronics segment and fell 15.7% year-on-year to ¥47.3 billion in the Electronic Components and Others segment.

The digital camera business was a strong performer in the Japanese market, as Casio launched a total of 14 new models, including the EXILIM ZOOM EX-Z2000, which comes with an even more advanced version of Casio's Dynamic Photo function for combining moving images right on the camera. Sales in markets outside of Japan languished in the first half of the fiscal year, but improved significantly in the second half, particularly in Europe and China. In the electronic dictionary business, sales of the EX-word series, which now features color LCD screens and completely updated flagship models, were firm, and Casio kept its top share of the market. In the timepiece business, sales of non-radio-controlled watches were affected by the harsh market environment in the first half, but sales of radio-controlled watches were strong, particularly Casio's high value-added brands such as G-SHOCK, OCEANUS, and EDIFICE. In the cellular phone business, Casio released a total of seven new models, including the EXILIM Keitai CA003 for au, which is equipped with a variety of digital camera functions including high-speed burst shooting and the Dynamic Photo function. Also newly released was the G'zOne ROCK, a waterproof, shock-resistant cellular phone for US-based Verizon Wireless. Sales lagged in the Japanese market, failing to recover from the unexpected decline in market share at the end of the second quarter. Sales in markets outside of Japan were also hurt by the postponement of the launch of a new model for Verizon Wireless. As a result of these factors, sales were sharply down in the cellular phone business. Sales in the Electronic Components segment were also down due to the impact of sluggish demand for digital cameras and cellular phones, as well as lower unit prices on TFT LCDs.

In income for fiscal 2010, the Electronics segment posted a ¥19.9 billion operating loss, primarily due to the sharp decline in sales of cellular phones. However, timepieces and electronic dictionaries remained highly profitable, and the profitability of digital cameras steadily improved from the second half. The Electronic Components and Others segment recorded a ¥4.8 billion operating loss. As a result, Casio posted a total consolidated operating loss of ¥29.3 billion, allowing for elimination or unallocated amounts. Casio also posted an ordinary loss of ¥25.0 billion and a net loss of ¥20.9 billion for the fiscal year.

(Forecast for Fiscal 2011)

Casio will confront today's unpredictable business environment with a proactive global strategy that will raise earnings substantially. This strategy is based on popularizing new products that leverage Casio's original, global-standard technology. The main strategies are outlined below.

- (a) In the digital camera business, Casio will work to expand sales in Europe and China, and aggressively launch new products equipped with cutting-edge technology that combines GPS with motion sensors.
- (b) Casio intends its new business in Digital Art Frames and Art Clocks to contribute quickly to overall performance and aims to expand this new business. In addition, the company will drive a transformation from stand-alone units to full-featured main products with Internet connectivity.
- (c) Casio will further expand its timepiece business by reinforcing the G-SHOCK brand with aggressive promotions in global markets and expanding its lineup of radio-controlled analog products for women.
- (d) In the electronic dictionary business, Casio will work to become the top brand in the global education market by maintaining its top market share and high profitability in the Japanese market, and actively building up sales in the Chinese market by launching color models and expanding the target market.
- (e) Casio will merge its cellular phone business and TFT LCD business with other companies as planned to launch its global expansion on a full scale. This will capitalize on each company's strengths to create synergies that will result in a stable business structure.

Currently, the forecasts for fiscal 2011 are as follows.

(Consolidated results forecasts)

Net sales:	¥375.0 billion	(down 12.4% year-on-year)
Operating income:	¥15.0 billion	(—)
Ordinary income:	¥13.0 billion	(—)
Net income:	¥7.0 billion	(—)

Exchange rates for fiscal 2011 are estimated at US\$ 1 = ¥90 and Euro 1 = ¥120.

Analysis of Financial Position

Total assets on a consolidated basis at the end of fiscal 2010 stood at ¥429.9 billion, down ¥14.6 billion compared to the end of the previous fiscal year, owing to a decline in short-term investment securities. Net assets fell ¥16.1 billion compared to the end of the previous fiscal year to ¥168.8 billion due to the net loss and dividend payments. As a result, the equity ratio was 37.3%.

Net cash provided by operating activities was ¥5.8 billion, net cash used in investing activities was ¥14.9 billion, and net cash provided by financing activities was ¥18.1 billion. As a result, consolidated cash and cash equivalents at the end of fiscal 2010 stood at ¥113.7 billion, an increase of ¥9.5 billion compared to the end of the previous fiscal year.

Moving forward, Casio remains determined to pursue effective management of its business assets, aiming to build a completely strong, stable financial structure.

Basic Policy on Allocation of Profit and Dividends for Fiscal 2010 and 2011

Casio has positioned the maintenance and expansion of returns for all of its shareholders as an important management issue. The company's dividend policy is based on maintaining stable dividends, and Casio decides the allocation of profit by taking into account all factors such as profit levels, financial position, the dividend payout ratio, and future business forecasts.

Considering the above policy and forecasts for fiscal 2011, Casio plans to pay dividends of ¥15 per share in fiscal 2010.

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 50 consolidated subsidiaries and 3 equity-method subsidiaries, as of March 31, 2010. 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 consignment	Kofu Casio Co., Ltd. Kochi Casio Co., Ltd. Casio Micronics Co., Ltd. Casio Computer (Hong Kong) Ltd. Casio Singapore Pte., Ltd.
	Others	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.

Notes

- Casio Hitachi Mobile Communications, Co., Ltd., will be integrated with NEC Casio Mobile Communications, Ltd., in June 2010 with the merger of its mobile terminal business, and as a result, NEC Casio Mobile Communications, Ltd., will become an equity-method affiliate.
- As a result of its integration with the TFT LCD business of Toppan Printing Co., Ltd., Kochi Casio Co., Ltd., was removed from the scope of consolidation in April 2010.

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

To achieve continuous growth in corporate value despite today's difficult economic environment, 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) Creating New Genres

Casio will develop new product genres that generate high profitability in each business. This will be accomplished by integrating Casio's unique technology with its product planning skills, which pinpoint the market's changing needs.

(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. To achieve steady growth in the future, Casio is determined not only to succeed in existing businesses, but also to create value in new business fields—which leverage Casio technologies that cannot be imitated by other companies. 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 quickly establishing businesses that can realize a stable highly profitable structure.

(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. The uncertainty in the outlook for financial conditions in the market today has reaffirmed Casio's conviction that securing financial liquidity is a key financial priority for the growth funds needed for future

business expansion and future repayment of interest-bearing liabilities. Accordingly, Casio will flexibly adapt as it monitors changes in the external environment.

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 preservation of global environment and development of society, 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.

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, 2009	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	32,982	52,756
Notes and accounts receivable-trade	79,150	75,565
Short-term investment securities	65,830	53,428
Finished goods	33,100	32,794
Work in process	4,612	5,700
Raw materials and supplies	13,572	12,128
Deferred tax assets	10,917	11,979
Short-term loans receivable with resale agreement	10,139	11,668
Accounts receivable-other	23,554	15,000
Other	5,201	5,059
Allowance for doubtful accounts	(858)	(627)
Total current assets	278,199	275,450
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	63,770	63,624
Accumulated depreciation	(39,440)	(40,910)
Buildings and structures, net	24,330	22,714
Machinery, equipment and vehicles	54,311	54,312
Accumulated depreciation	(51,105)	(51,205)
Machinery, equipment and vehicles, net	3,206	3,107
Tools, furniture and fixtures	55,929	52,974
Accumulated depreciation	(50,403)	(49,159)
Tools, furniture and fixtures, net	5,526	3,815
Land	38,733	38,702
Lease assets	6,023	10,247
Accumulated depreciation	(4,115)	(7,606)
Lease assets, net	1,908	2,641
Construction in progress	983	678
Total property, plant and equipment	74,686	71,657
Intangible assets		
Software	13,042	11,940
Other	764	1,408
Total intangible assets	13,806	13,348
Investments and other assets		
Investment securities	54,564	53,155
Long-term loans receivable	32	235
Long-term prepaid expenses	5,204	4,480
Deferred tax assets	15,276	9,061
Other	3,005	2,658
Allowance for doubtful accounts	(119)	(61)
Total investments and other assets	77,962	69,528
Total noncurrent assets	166,454	154,533
Total assets	444,653	429,983

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	83,577	66,219
Short-term loans payable	16,634	15,846
Current portion of long-term loans payable	10,500	450
Accounts payable-other	32,210	38,422
Accrued expenses	12,270	12,786
Income taxes payable	2,085	3,481
Provision for product warranties	1,611	1,946
Provision for business structure improvement	-	3,100
Other	10,714	10,865
Total current liabilities	169,601	153,115
Noncurrent liabilities		
Bonds payable	10,000	10,000
Bonds with subscription rights to shares	50,000	50,000
Long-term loans payable	10,450	28,000
Deferred tax liabilities	1,975	1,881
Provision for retirement benefits	7,378	10,012
Provision for directors' retirement benefits	2,640	2,666
Other	7,628	5,452
Total noncurrent liabilities	90,071	108,011
Total liabilities	259,672	261,126
Net assets		
Shareholders' equity		
Capital stock	48,592	48,592
Capital surplus	65,503	65,704
Retained earnings	83,327	55,712
Treasury stock	(3,612)	(3,519)
Total shareholders' equity	193,810	166,489
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(1,304)	3,131
Deferred gains or losses on hedges	(501)	(287)
Foreign currency translation adjustment	(8,848)	(9,149)
Total valuation and translation adjustments	(10,653)	(6,305)
Minority interests	1,824	8,673
Total net assets	184,981	168,857
Total liabilities and net assets	444,653	429,983

Consolidated Statements of Operations

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Net sales	518,036	427,925
Cost of sales	387,701	330,417
Gross profit	130,335	97,508
Selling, general and administrative expenses	126,319	126,817
Operating income (loss)	4,016	(29,309)
Non-operating income		
Interest income	1,862	1,152
Dividends income	523	281
Equity in earnings of affiliates	37	99
Foreign exchange gains	-	1,499
Gain on valuation of interest-rate swaps	-	984
Other	863	2,257
Total non-operating income	3,285	6,272
Non-operating expenses		
Interest expenses	853	848
Loss on abandonment of inventories	2,522	-
Foreign exchange losses	2,810	-
Other	2,558	1,197
Total non-operating expenses	8,743	2,045
Ordinary loss	(1,442)	(25,082)
Extraordinary income		
Gain on sales of noncurrent assets	8	35
Gain on sales of investment securities	-	1,669
Other	2	-
Total extraordinary income	10	1,704
Extraordinary loss		
Loss on retirement of noncurrent assets	536	758
Impairment loss	630	289
Loss on valuation of investment securities	3,764	1,002
Business structure improvement expenses	10,845	3,100
Non-recurring depreciation on noncurrent assets	11,345	-
Loss on valuation of golf club membership	11	54
Special retirement expenses	106	637
Other	379	340
Total extraordinary losses	27,616	6,180
Loss before income taxes and minority interests	(29,048)	(29,558)
Income taxes-current	3,041	4,273
Income taxes-deferred	(2,622)	1,853
Total income taxes	419	6,126
Minority interests in loss	(6,318)	(14,716)
Net loss	(23,149)	(20,968)

Consolidated Statements of Shareholders' Equity

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	48,592	48,592
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	48,592	48,592
Capital surplus		
Balance at the end of previous period	66,655	65,503
Changes of items during the period		
Disposal of treasury stock	(1,152)	(66)
Transfer from retained earnings to additional paid-in capital for merger of consolidated subsidiaries	-	267
Total changes of items during the period	(1,152)	201
Balance at the end of current period	65,503	65,704
Retained earnings		
Balance at the end of previous period	115,473	83,327
Effect of changes in accounting policies applied to foreign subsidiaries	110	-
Changes of items during the period		
Dividends from surplus	(9,107)	(6,380)
Net loss	(23,149)	(20,968)
Transfer from retained earnings to additional paid-in capital for merger of consolidated subsidiaries	-	(267)
Total changes of items during the period	(32,256)	(27,615)
Balance at the end of current period	83,327	55,712
Treasury stock		
Balance at the end of previous period	(6,825)	(3,612)
Changes of items during the period		
Purchase of treasury stock	(16)	(4)
Disposal of treasury stock	3,229	97
Total changes of items during the period	3,213	93
Balance at the end of current period	(3,612)	(3,519)
Total shareholders' equity		
Balance at the end of previous period	223,895	193,810
Effect of changes in accounting policies applied to foreign subsidiaries	110	-
Changes of items during the period		
Dividends from surplus	(9,107)	(6,380)
Net loss	(23,149)	(20,968)
Purchase of treasury stock	(16)	(4)
Disposal of treasury stock	2,077	31
Transfer from retained earnings to additional paid-in capital for merger of consolidated subsidiaries	-	-
Total changes of items during the period	(30,195)	(27,321)
Balance at the end of current period	193,810	166,489

(Millions of yen)

Year ended March 31, 2009 Year ended March 31, 2010

Valuation and translation adjustments**Valuation difference on available-for-sale securities**

Balance at the end of previous period	4,815	(1,304)
Changes of items during the period		
Net changes of items other than shareholders' equity	(6,119)	4,435
Total changes of items during the period	(6,119)	4,435
Balance at the end of current period	(1,304)	3,131

Deferred gains or losses on hedges

Balance at the end of previous period	(619)	(501)
Changes of items during the period		
Net changes of items other than shareholders' equity	118	214
Total changes of items during the period	118	214
Balance at the end of current period	(501)	(287)

Foreign currency translation adjustment

Balance at the end of previous period	(5,042)	(8,848)
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,806)	(301)
Total changes of items during the period	(3,806)	(301)
Balance at the end of current period	(8,848)	(9,149)

Total valuation and translation adjustments

Balance at the end of previous period	(846)	(10,653)
Changes of items during the period		
Net changes of items other than shareholders' equity	(9,807)	4,348
Total changes of items during the period	(9,807)	4,348
Balance at the end of current period	(10,653)	(6,305)

Minority interests

Balance at the end of previous period	8,164	1,824
Changes of items during the period		
Net changes of items other than shareholders' equity	(6,340)	6,849
Total changes of items during the period	(6,340)	6,849
Balance at the end of current period	1,824	8,673

Total net assets

Balance at the end of previous period	231,213	184,981
Effect of changes in accounting policies applied to foreign subsidiaries	110	-
Changes of items during the period		
Dividends from surplus	(9,107)	(6,380)
Net loss	(23,149)	(20,968)
Purchase of treasury stock	(16)	(4)
Disposal of treasury stock	2,077	31
Net changes of items other than shareholders' equity	(16,147)	11,197
Total changes of items during the period	(46,342)	(16,124)
Balance at the end of current period	184,981	168,857

Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(29,048)	(29,558)
Depreciation and amortization	30,213	29,039
Impairment loss	630	289
Loss (gain) on sales and retirement of noncurrent assets	528	723
Loss (gain) on sales of investment securities	1	(1,667)
Loss (gain) on valuation of investment securities	3,764	1,002
Increase (decrease) in provision for retirement benefits	1,350	2,680
Interest and dividends income	(2,385)	(1,433)
Interest expenses	853	848
Foreign exchange losses (gains)	(1,165)	(946)
Business structure improvement expenses	10,845	3,100
Non-recurring depreciation on noncurrent assets	11,345	-
Decrease (increase) in notes and accounts receivable-trade	19,229	3,070
Decrease (increase) in inventories	819	265
Increase (decrease) in notes and accounts payable-trade	(13,443)	(17,188)
Other, net	1,029	14,812
Subtotal	34,565	5,036
Interest and dividends income received	2,218	1,687
Interest expenses paid	(836)	(884)
Income taxes paid	(12,486)	(5)
Net cash provided by (used in) operating activities	23,461	5,834
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,841)	(2,175)
Proceeds from withdrawal of time deposits	3,700	2,878
Purchase of property, plant and equipment	(12,316)	(6,044)
Proceeds from sales of property, plant and equipment	76	57
Purchase of intangible assets	(18,762)	(19,146)
Purchase of investment securities	(41,564)	(3,067)
Proceeds from sales and redemption of investment securities	20,077	12,722
Purchase of stocks of subsidiaries and affiliates	(5)	(7)
Proceeds from transfer of business	5,988	-
Other, net	(61)	(215)
Net cash provided by (used in) investing activities	(44,708)	(14,997)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	16,215	(598)
Proceeds from long-term loans payable	-	18,000
Repayment of long-term loans payable	(16,500)	(10,500)
Proceeds from issuance of bonds	59,732	-
Redemption of bonds	(10,000)	-
Purchase of treasury stock	(16)	(4)
Proceeds from sales of treasury stock	15	31
Repayments of finance lease obligations	(1,532)	(3,932)
Cash dividends paid	(9,107)	(6,380)
Proceeds from stock issuance to minority shareholders	-	21,560
Other, net	-	(22)
Net cash provided by (used in) financing activities	38,807	18,155
Effect of exchange rate change on cash and cash equivalents	(1,269)	544
Net increase (decrease) in cash and cash equivalents	16,291	9,536
Cash and cash equivalents at beginning of period	87,957	104,248
Cash and cash equivalents at end of period	104,248	113,784

Notes on Premise of Going Concern

Not applicable.

Notes to Consolidated Financial Statements

Notes to Consolidated Statements of Shareholders' Equity

Year ended March 31, 2009

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	3,064	15	1,450	1,629

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 27, 2008	Common stock	9,107	33	March 31, 2008	June 30, 2008

(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 26, 2009	Common stock	Retained earnings	6,380	23	March 31, 2009	June 29, 2009

Year ended March 31, 2010

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	1,629	5	44	1,590

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 26, 2009	Common stock	6,380	23	March 31, 2009	June 29, 2009

(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 29, 2010	Common stock	Retained earnings	4,161	15	March 31, 2010	June 30, 2010

Notes to Consolidated Statements of Cash Flows

(Millions of yen)

Year ended March 31, 2009		Year ended March 31, 2010	
Cash and cash equivalents at March 31, 2009 consisted of the following: (as of March 31, 2009)		Cash and cash equivalents at March 31, 2010 consisted of the following: (as of March 31, 2010)	
Cash and deposits	32,982	Cash and deposits	52,756
Time deposits over three months	(1,712)	Time deposits over three months	(1,048)
Marketable securities within three months	62,839	Marketable securities within three months	50,408
Short-term loans receivable with resale agreement	10,139	Short-term loans receivable with resale agreement	11,668
Cash and cash equivalents	104,248	Cash and cash equivalents	113,784

Segment Information

1. Business Segments

Year ended March 31, 2009

(Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
I Net sales and operating income (loss)					
Net sales					
(1) Outside customers	461,868	56,168	518,036	-	518,036
(2) 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
II Total assets, depreciation, impairment loss and capital expenditures					
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

Year ended March 31, 2010

(Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amount	Consolidated
I Net sales and operating income (loss)					
Net sales					
(1) Outside customers	380,590	47,335	427,925	-	427,925
(2) 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)
II Total assets, depreciation, impairment loss and capital expenditures					
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

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 consist of administrative expenses and R&D expenses for fundamental research of the parent company, which amounted to 5,740 million yen, 4,555 million yen for the years ended March 31, 2009 and 2010, respectively.

4. Elimination or unallocated amounts of total assets principally consist of cash and deposits, short-term investment securities, investments securities and administrative assets of the parent company, which amounted to 142,374 million yen and 137,454 million yen for the years ended March 31, 2009 and 2010, respectively.

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

2. Geographical Segments

Year ended March 31, 2009

(Millions of yen)

	Japan	Americas	Europe	Asia	Total	Elimination	Consolidated
I Net sales and operating income (loss)							
Net sales							
(1) Outside customers	384,270	41,474	68,020	24,272	518,036	-	518,036
(2) 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
II Total assets	409,669	13,246	28,861	30,515	482,291	(37,638)	444,653

Year ended March 31, 2010

(Millions of yen)

	Japan	Americas	Europe	Asia	Total	Elimination	Consolidated
I Net sales and operating income (loss)							
Net sales							
(1) Outside customers	307,488	35,047	59,373	26,017	427,925	-	427,925
(2) 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)
II Total assets	393,238	15,476	26,189	37,783	472,686	(42,703)	429,983

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) 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. Overseas Sales

Year ended March 31, 2009

(Millions of yen)

	North America	Europe	Asia	Others	Total
I Overseas net sales	85,312	71,212	64,922	28,842	250,288
II Net sales (consolidated)	-	-	-	-	518,036
III Share of overseas net sales	16.5%	13.7%	12.5%	5.6%	48.3%

Year ended March 31, 2010

(Millions of yen)

	North America	Europe	Asia	Others	Total
I Overseas net sales	64,916	60,467	54,159	25,548	205,090
II Net sales (consolidated)	-	-	-	-	427,925
III Share of overseas net sales	15.2%	14.1%	12.6%	6.0%	47.9%

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.

(Reference)

Sales by Product Category

(Millions of yen)

	Year ended March 31, 2009		Year ended March 31, 2010		
	Amount	% of total	Amount	% of total	% change
Consumer	177,950	34.4	161,718	37.8	(9.1)
Timepieces	80,350	15.5	78,074	18.2	(2.8)
MNS (Mobile Network Solutions)	163,223	31.5	105,685	24.7	(35.3)
System equipment	40,345	7.8	35,113	8.2	(13.0)
Electronics	461,868	89.2	380,590	88.9	(17.6)
Electronic components	32,452	6.2	20,388	4.8	(37.2)
Others	23,716	4.6	26,947	6.3	13.6
Electronic components and others	56,168	10.8	47,335	11.1	(15.7)
Total	518,036	100.0	427,925	100.0	(17.4)