

Annual Report
2002

For the year ended March 31, 2002

CASIO[®]



Our
Script
for
Success

Since its establishment, it has been the mission of Casio Computer Co., Ltd., to pursue "creation and contribution." The Company aims to spur corporate growth, increase corporate value, and continue to be a highly visible and attractive company to shareholders and customers by using ingenious concepts and state-of-the-art technology to create products and services that will make the lives of people throughout the world more enjoyable and comfortable.

In fiscal 2002, ended March 31, 2002, severer-than-predicted changes in the operating environment led to a reluctant divergence from the fulfillment of the Company's aims. The Company will create new products in accordance with the Casio mission and enhance across-the-board cost-reduction measures to promote a return to profitability.

Investor Information

Corporate Data

Directors and Corporate Auditors

Principal Subsidiaries

Report of Independent Public Accountants

Notes to Consolidated Financial Statements

Consolidated Statements of Cash Flows

Consolidated Statements of Shareholders' Equity

Consolidated Statements of Operations

Consolidated Balance Sheets

Consolidated Six-Year Summary

Consolidated Financial Review

Principal Products

Social Activities

Our Script for Change

Consolidated Financial Highlights

To Our Shareholders

Contents

TO OUR **Shareholders**

Performance

The fiscal year ended March 31, 2002, saw Casio's operating environment change rapidly, sparked by worse-than-predicted economic doldrums, which in turn paralyzed consumer demand. As a result, consolidated net sales fell 13.9%, to ¥382,154 million. These conditions resulted in a divergence from our original projections, with operating loss logging in at ¥10,418 million. Moreover, after calculating such strategic restructuring charges as the disposal and devaluation of inventories and investment securities and structural reform charges, net loss for the period was ¥24,928 million. The operating loss was mainly a result of steep drops in the prices of digital cameras and consumer PDAs brought about by intensified global competition. In addition,

sluggish demand worldwide for cellular phones, PCs, and other IT-related items led to decreased sales and income in our electronic components category.

One of our fundamental policies, however, is to maintain stable dividends, and we continued to pay a ¥12.50 dividend per share for the year.

Return to Profitable Growth

We aim to return to profitable growth by reemphasizing our management creed, "To use ingenious concepts and state-of-the-art technology to create products and services that will delight people throughout the world;" developing original products with a competitive edge; and cutting costs.

CONSOLIDATED **Financial Highlights**

Years ended March 31, 2002 and 2001
Casio Computer Co., Ltd. and Subsidiaries

	Millions of yen		Thousands of U.S. dollars*
	2002	2001	2002
For the year:			
Net sales	¥382,154	¥443,930	\$2,873,338
Operating income (loss)	(10,418)	17,905	(78,331)
Net income (loss)	(24,928)	6,547	(187,429)
Capital investment	15,737	30,278	118,323
Depreciation	14,465	22,065	108,759
Research and development expenses	14,085	11,968	105,902
At year-end:			
Shareholders' equity	134,317	162,375	1,009,902
Total assets	449,224	445,883	3,377,624
Amounts per share of common stock (in yen and U.S. dollars):			
Net income (loss)	¥(91.82)	¥24.11	\$(0.69)
Diluted net income	—	23.72	—
Cash dividends applicable to the year	12.50	12.50	0.09

* U.S. dollar amounts have been translated from Japanese yen at the rate of ¥133 to U.S.\$1.00, the approximate exchange rate prevailing on March 31, 2002.

1. Original products with a competitive edge

To improve earnings, it is essential that original products with a competitive edge be developed. We will accomplish this by utilizing our core competencies in lightweight and compact design, energy efficiency, high-density mounting, communications, and multimedia processing technologies to create value-added products. We will race ahead of other companies as we create new markets with timely launches of these products.

We have designated our timepieces, digital cameras, and Mobile Network Solutions (MNS) category as strategic businesses and have set the following strategies to fortify earnings from a long-term perspective.

- Create an “On Time All the Time” culture with WAVE CEPTOR (radio-controlled and solar powered) timepieces

No need to adjust the time + no need to change batteries = maintenance-free timepieces

Wristwatches have come a long way. They have evolved from mechanical to quartz and from quartz to radio controlled and solar powered. We aim to expand the market for radio-controlled watches and solar powered watches by boosting brand and product recognition.

- Inspire new applications for digital cameras with thin high-resolution card models

In June 2002, we launched EXILIM, the world’s thinnest card-sized digital camera with an LCD viewscreen (as of July 2002). We look to broaden the market by expanding possibilities, mainly through products based on a new concept: “Wearable Card Cameras.”



- Capitalize on the flying start of third-generation cellular phones

From the end of the fiscal year under review, we began supplying KDDI Corporation with its first camera-equipped GPS *au* service cellular phone, which incorporates our wafer-level chip-size package (W-CSP) technology. This product has been enjoying great popularity since its launch. In the future, we will continue to set ourselves apart by providing cellular phone models with tremendous competitive strength.

- In light of current market conditions, we have decided to hold off on new investment into consumer PDA models for the foreseeable future. However, as steady growth is expected in corporate PDAs, we will foster and even augment operations in this area.

2. Intensified cost-cutting measures

To reduce costs, we integrated and consolidated our production base, moving it to continental Asia, where China will serve as its hub. Moreover, we closed our factory in the United States. As a result, we achieved a reduction of 3,000 personnel. We will review the effects of these measures at an early stage in addition to continuing cost-reduction measures.

In May 2002, Casio entered into an outsourcing relationship with Flextronics International Ltd., the leading electronics manufacturing services provider. Our legendary lightweight, compact, and energy-efficient electronic products developed using cutting-edge technology combined with Flextronics' world-class procurement and high productivity will enable us to improve price competitiveness and fine-tune production, owing to shorter production lead times, which will allow us to respond more quickly to demand trends and product cycle changes. This agreement will also allow us to outsource the manufacturing of consumer products with costs that fluctuate greatly as well as help reduce assets through the equity transfer of two of our factories and the transfer of assets from one of our factories.

Corporate Governance

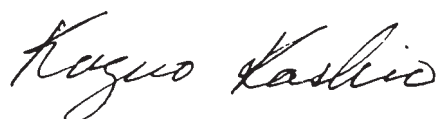
In fiscal 2000, Casio introduced a Corporate Officer System to clarify the Board of Directors' functions as well as expedite decision making. More than half the members of the Board of Corporate Auditors are outside auditors, which ensures that the independence of the Board of Corporate Auditors is maintained.

Environmental Conservation

In 1993, we established the Casio Environmental Charter as part of efforts to reduce the Casio Group's total environmental impact. We have acquired ISO 14001 certification for our main domestic sites and production bases as well as for our production bases overseas. In February 2002, we began collecting and recycling communications equipment and corporate PCs. Since its foundation, Casio has considered environmental conservation activities crucial to its operations. We will continue to make diverse contributions in this area.

The basic policy of Casio's medium-term management plan is to increase shareholder value. To achieve this objective, we are working toward a return to profitable growth by actively developing strategies in all our businesses that maximize profitability ratios through the careful consideration of capital costs. We plan to continue increasing management efficiency while we achieve improvements in our business performance. We believe this will create new corporate value and maximize value for our shareholders. Casio is stepping up efforts to achieve these objectives and continue to meet the expectations of shareholders.

July 2002



Kazuo Kashio
President and CEO

OUR SCRIPT FOR

Focusing...

"If it's not revolutionary, it's not a Casio product." This is Casio's enduring development policy. Our management vision is focused on "Creating new value and culture by providing high-value-added products of superior quality and content, services, and immediate solutions for digital life." We are leveraging our core competencies to forge ahead with this product strategy.

Mobile Network Solutions [MNS]

System Equipment

● SPEEDIA Color Page Printer

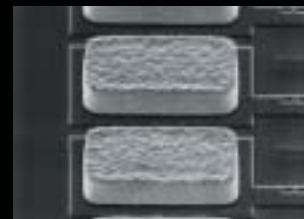
This printer employs an LED four-drum tandem engine and is capable of producing up to 29 full-color A4 pages a minute. The SPEEDIA N5 produces photo-quality images accurate right down to fine gradations to meet increasingly complex and time-dependent business needs.



Electronic Components

● LCDs, Bump Processing Technology, Film Devices

As our hyper amorphous silicon TFT (HAST)-LCDs, bump processing technology, and film devices are essential components for mobile terminals, for which tremendous growth is predicted, we expect Casio product development to experience significant synergetic effects.



CHANGE

Consumer

Timepieces

● Radio-Controlled and Solar Powered Wristwatch

We used silicon-on-insulator (SOI) transistor technology to successfully incorporate a low-power-consumption solar drive in this radio-controlled wristwatch, which captures radio waves to constantly correct the time. This model is perfect for businesspeople with its stylish miniaturized design.



● CASSIOPEIA®

Our newest PDA operates using the Microsoft® Pocket PC 2002 OS and offers enhanced expandability with up to three slots that can be used simultaneously and USB port compatibility. This PDA can be employed in a wide array of business applications.



● Cellular Phone

KDDI's first camera-equipped *au* service cellular phone offers not only high-quality screen images, it is also pioneering a new era in image communication with its positioning service, eznavigation, which displays images with GPS information.



● Electronic Dictionary

This thin, high-end model contains twelve dictionaries, including practical ones, such as *Kojien* Japanese-English, English-Japanese, and kanji dictionaries, as well as dictionaries that come in handy when traveling overseas (conversational English dictionary) or pursuing a hobby (haiku dictionary). Casio electronic dictionaries are only sold in Japan.



● Card Camera

The new-concept "Wearable Card Cameras" gave life to card-sized 11.3mm-thick EXILIM—the world's thinnest digital camera with an LCD viewscreen (as of July 2002). We are aggressively pursuing market expansion and aim to win over new users by promoting and illustrating a new carefree style of photography emphasizing the ease of taking pictures anytime, anywhere.



Our Script for Change

Focusing on Strategic Products That Capture the Casio Spirit

⑥

Radio-Controlled and Solar Powered Watches

Radio-controlled wristwatches are watches that always display the correct time. They do this by capturing radio waves from a transmitting station that relate the “standard time” generated from cesium atomic

clocks, the ultimate standard for precision, to constantly adjust the time. In Japan, the infrastructure necessary for these watches was completed in 2001, and we have since launched our radio-controlled watches nationwide. This promising market is expected to expand throughout areas where such infrastructure is in place. Europe is already making use of this technology. With the infrastructure now in place, the United States intends to follow suit, and the Republic of Korea will be able to receive radio waves from

Japan. Additionally, by incorporating a solar power feature in our radio-controlled watches, an addition that enables high-capacity drive and was made possible through the development of low-power-consumption LSIs that utilize SOI transistor technology, we eliminated not only the need to adjust the time but also the need to change batteries. This is the vanguard of wristwatch technology—its features make it maintenance-free. Casio is shooting for a revolution in watches, taking them where they are destined to go—from mechanical to quartz and now from quartz to radio controlled and solar powered.

We intend to breathe new life into the timepiece market by capitalizing on our technologies to develop ingenious products and create new markets.

Digital Cameras

Since we pioneered the digital camera consumer market in 1995, there have been many new entrants and the market has rapidly expanded, steadily gaining on the traditional camera market. In response, we have carried out a fundamental overhaul of product development, returning to our policy of developing original products to meet current market needs.

In June 2002, we launched EXILIM, a digital camera based on a new concept: "Wearable Card Cameras," or cameras you can carry with you all the time so you can take pictures whenever your heart desires. At 11.3mm thick, it is the world's thinnest digital camera with an LCD viewscreen (as of July 2002). To make a camera this small, we integrated the lens and CCD into a single component, used the multichip module (MCM) technique to modularize the four chips that form the "brain" of the camera at the silicon chip level, and developed a digital interface TFT-LCD. This camera has many ingenious features. We also substantially reduced warm-up time and the shooting interval so that a perfect shot is never missed.

EXILIM is a 1.3 megapixel camera, but we utilized a new technique to achieve even higher definition—we increased the size of the CCD 1.4-times that of previous models.

We aim to revitalize the digital camera market with this card camera and expand our business through concept-inspired product development worthy of the Casio name.

Cellular Phones

In spring 2000, we entered the cellular phone market with the G'z One series of KDDI cdmaOne™ *au* service cellular phones, made to be water resistant and shock absorbent. The G'z One series has been a stable seller since its launch owing to its unique features.

Also, in spring 2002, we began supplying KDDI with its first camera-equipped GPS *au* service cellular phone. The camera incorporated into the phone has 350,000 pixels, takes VGA-sized images, and can store up to 800 of them. A salient feature of this product is that it incorporates our W-CSP LSI-mounting technology. This product has been enjoying great popularity since its launch. In the future, we will continue to set ourselves apart by leveraging our technological skills to provide cellular phone models with tremendous competitive strength.

Strengthening Our Solutions

Operations with Corporate PDAs

In 1996, Casio led the world with the launch of CASSIOPEIA®, a PDA that incorporates the Microsoft® Windows CE® OS. Since then, we have forged ahead, working to strengthen consumer and corporate PDA lineups. However, we were hit hard by the sudden slowdown in growth in the consumer PDA market in fiscal 2001, and we were forced to rethink our strategies.

We expect a bright future in these operations, despite the downturn in the consumer PDA market, owing to the steady expansion of PDA business applications. Amid this environment, we aim to rethink our diversified product strategy and focus our efforts on the business market. We aim to combine hardware with our proprietary security technology, such as our fingerprint verification system, VeriPat™, and our encryption system, MDSR™, to provide customers with total solutions and give us a competitive edge. We may not have a proven track record with corporations yet, but bank and public office users are steadily increasing. We intend to continue to wield our technological strengths to provide solutions that will boost the efficiency of businesses utilizing the triumvirate of hardware, software, and services.

SOCIAL **Activities**

Contributions to the Advancement of Science and Global Environmental Conservation as a Corporate Citizen

Assisting in the Advancement of Science

When Casio founders Shigeru Kashio, Tadao Kashio, Toshio Kashio (Chairman and Representative Director), Kazuo Kashio (President and CEO), and Yukio Kashio (Executive Vice President and Representative Director) reflected upon their cash-strapped days of developing the calculator, they established the Casio Science Promotion Foundation with the sincere hope that it would help science in Japan prosper. The foundation offers assistance for research in natural science and the humanities. The foundation covers 21 fields, and fiscal 2002 marked the 19th year since its establishment. Since its establishment, it has funded upward of 932 projects. In fiscal 2003, we will continue to give preference to “outside-the-box, trailblazing research still in an embryonic state” when making funding decisions.

Environmental Conservation Activities

In August 1991, the Casio Group kicked off its environmental conservation activities with the establishment of the Casio Conservation Committee and is moving forward with activities based on the Casio Voluntary Plan for the Environment and the Casio Group Environmental Action Plan. The Casio Group considers environmental conservation activities a top-priority management issue, and, as part of product stewardship activities, we are promoting the development of environmentally friendly products through our Casio Green Products 30 activities and by obtaining such environmental labels as those from Eco-mark

(Japan) and the international Energy Star program. We have also stepped up efforts toward the recovery and recycling of toner and drum sets (printer consumables), office communications equipment, rechargeable batteries, and tape cartridges used in label printers.

Our constant efforts toward improving energy efficiency and energy conservation have been recognized and earned Kochi Casio Co., Ltd., the Director-General of the Agency of Natural Resources and Energy Award. We strive to reduce waste through recycling activities and succeeded in reducing the final volume of landfill to be disposed of in fiscal 2002 75.3% compared to fiscal 2001.

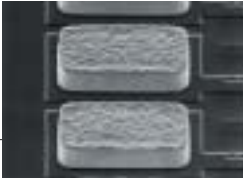
In November 2001, we established a manual of standards for green procurement, held a briefing session for our business partners to gain their cooperation, and began full-scale green procurement activities. In addition, we obtained ISO 14001 certification for our domestic offices and manufacturing facilities as well as our overseas manufacturing bases.

In fiscal 2000, we started calculating environmental conservation costs on a trial basis using the Guidelines for Developing an Environmental Accounting System (year 2000 report) issued by the Japanese Ministry of the Environment and have obtained full-scale environmental accounting data from fiscal 2001.

We started issuing environmental reports in December 1999 to increase the transparency of our activities by providing the public with comprehensive information regarding the Casio Group’s current environmental conservation activities and to raise employee awareness regarding environmental stewardship.

PRINCIPAL **Products**

Product Category		Principal Products
Electronics	Consumer	Electronic Calculators
		Electronic Dictionaries
		Label Printers
		Visual-Related Products
		Digital Cameras
		Electronic Musical Instruments
	Timepieces	Digital Watches
		Analog Watches
		Clocks
	Mobile Network Solutions (MNS)	Mobile PCs
		Cellular Phones
		Pocket Computers
		Handy Terminals
System Equipment	Electronic Cash Registers (including POS)	
	Office Computers	
	Page Printers	
Electronic Components & Others	Electronic Components	LCDs
		Bump Processing Consignments
		TCP Assembly and Processing Consignments
		Carrier Tape
	Others	Factory Automation
		Molds
		Toys

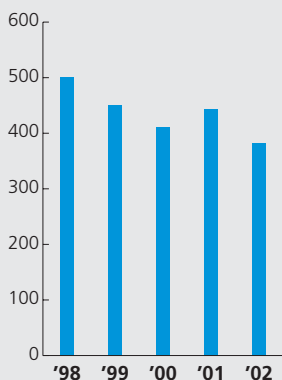


NET SALES

In the fiscal year ended March 31, 2002, net sales decreased 13.9%, to ¥382,154 million.

	Millions of yen	
	2002	2001
Electronics:		
Consumer	¥126,049	¥140,828
Timepieces	62,536	68,246
Mobile Network Solutions (MNS).....	52,216	61,614
System Equipment.....	58,202	56,892
Subtotal	299,003	327,580
Electronic Components and Others:		
Electronic Components	50,946	66,512
Others.....	32,205	49,838
Subtotal	83,151	116,350
Total	¥382,154	¥443,930

Net Sales
Billions of yen



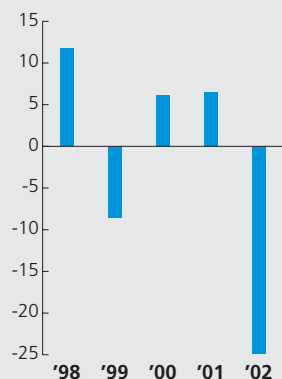
Results by Segment In the Electronics segment, sales decreased 8.7%, to ¥299,003 million, and accounted for 78.2% of net sales.

In the Consumer category, digital cameras sales rose, owing to the enhancement of product lineups that meet user needs, and electronic dictionaries performed well thanks to their popularity among a wide array of users, from students to businesspeople to seniors. However, a withdrawal from word processors and contracted audio equipment operations led to reduced sales. Overall, net sales decreased 10.5%, to ¥126,049 million.

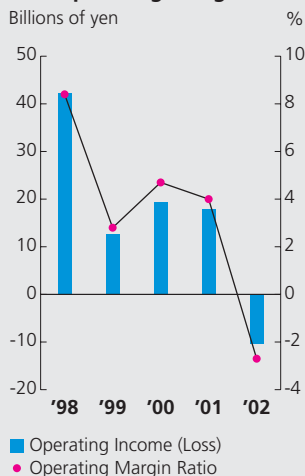
In the Timepieces category, to create new demand, we aggressively pursued the development of radio-controlled wristwatches, new wrist cameras, and other “wrist technologies” that make the most of our capabilities. The radio-controlled wristwatch business appeared especially promising toward the end of fiscal 2002, as market recognition was increasing. Demand, however, turned sluggish, mainly due to a slump in the North American market, and sales fell 8.4%, to ¥62,536 million.

In the Mobile Network Solutions (MNS) category, we achieved sales growth in cellular phones through standout features—water resistance, shock absorbency, and innovative design—despite stagnant demand in the cellular phone market. However, net sales dropped 15.3%, to ¥52,216 million, due to a significant decline in PDA sales.

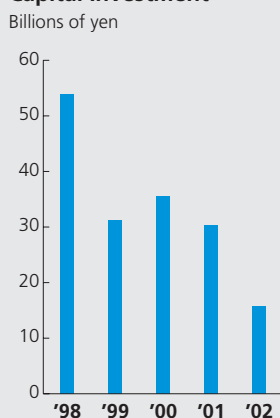
Net Income (Loss)
Billions of yen



Operating Income (Loss) and Operating Margin Ratio



Capital Investment



Sales in the System Equipment category increased 2.3%, to ¥58,202 million, as corporate use of our color page printers expanded.

Sales in the Electronic Components and Others segment decreased 28.5%, to ¥83,151 million, and accounted for 21.8% of sales.

Sales in the Electronic Components category decreased 23.4%, to ¥50,946 million, owing to reduced sales in bump processing-related business due to sluggish demand for cellular phones as well as reduced sales in the TFT-LCD business due to a fall in prices precipitated by a sudden influx of domestic manufacturers in the small- and medium-scale market, which created a TFT-LCD glut.

Sales in the Others category decreased 35.4%, to ¥32,205 million. This is mainly a result of the partial sale of the equity in The Casio Lease Co., Ltd., which became an affiliate accounted for by the equity method.

Results by Region Domestic sales decreased 17.4%, to ¥222,684 million, owing to a slowdown in the economy precipitated by worsening deflation as well as reduced sales from the sale of the equity in Casio Lease. Domestic sales accounted for 58.3% of net sales.

Sales in North America decreased 15.1%, to ¥55,896 million, accounting for 14.6% of net sales, due to a depressed U.S. economy. The introduction of the euro spurred demand offsetting the weak U.S. economy, and, as a result, sales in Europe increased 6.0%, to ¥53,416 million, accounting for 14.0% of net sales. Sales in Asia and other regions, excluding Japan, decreased 13.8%, to ¥50,158 million, accounting for 13.1% of net sales.

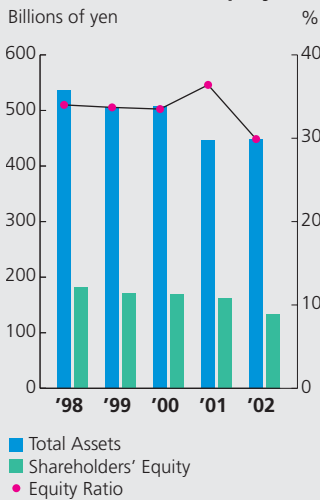
RESULTS OF OPERATIONS

In fiscal 2002, there was a ¥10,418 million operating loss. In the Electronics segment, an ¥8,576 million operating loss resulted, mainly owing to a marked decline in digital camera and consumer PDA prices due to intensified global competition. In the Electronic Components and Others segment, operating income fell 79.7%, to ¥2,704 million. The worldwide slump in demand for such IT-related products as cellular phones and PCs led to a substantial reduction in profits in the Electronic Components category.

Net financial expenses increased from ¥1,603 million, to ¥2,060 million, reflecting increased levels of debt. Other expenses rose from ¥7,101 million, to ¥22,346 million.

A foreign exchange gain of ¥1,180 million was logged as opposed to a foreign exchange loss of ¥3,420 million in the previous fiscal year, owing to fluctuating exchange rates. The disposal and devaluation of inventories increased ¥6,597 million, loss on devaluation and sales of investment securities increased ¥3,955 million, and restructuring charges were ¥8,486 million. As a result, income before income taxes and minority interests changed from ¥9,201 million in income in the previous year to a ¥34,824 million loss. In fiscal 2001, net income totaled ¥6,547 million, but, in fiscal 2002, the Company registered a net loss of ¥24,928 million.

Total Assets and Shareholders' Equity



FINANCIAL CONDITION

Total assets increased 0.7%, to ¥449,224 million.

Cash and time deposits climbed ¥29,416 million, but inventories fell ¥13,931 million. Inventory turnover fell 0.2, to 3.2 months. Also, total investments and other assets increased ¥10,688 million. However, liabilities increased 11.2%, to ¥312,165 million, as a result of moving forward fund-raising initiatives in preparation for the repayment of ¥50,000 million in straight bonds in fiscal 2003, taking into consideration market trends and interest rates. Excluding this temporary rise, the ratio of interest-bearing debt to total assets amounted to 40.9%. Shareholders' equity decreased 17.3%, to ¥134,317 million, reflecting the net loss for the year under review. The equity ratio fell 6.5 percentage points, to 29.9%.

CAPITAL INVESTMENT

In fiscal 2002, capital investment was ¥15,737 million. This reflects a 29% reduction from fiscal 2001 due to the strategic reduction of capital investment in Electronic Components in line with reforms to increase the strength of our business structure. A simple comparison including capital investment from Casio Lease, which, until fiscal 2001, was accounted for in the consolidated results, amounts to a 48% reduction in capital investment from fiscal 2001. In the Electronics segment, capital investment amounted to ¥5,781 million. In the Electronic Components and Others segment capital investment amounted to ¥9,891 million. The remaining capital investment was used throughout the Company and cannot be accounted for by segment.

CONSOLIDATED Six-Year Summary

Years ended March 31
Casio Computer Co., Ltd. and Subsidiaries

	Millions of yen					
	2002	2001	2000	1999	1998	1997
For the year:						
Net sales	¥382,154	¥443,930	¥410,338	¥451,141	¥502,012	¥459,105
Cost of sales	284,093	315,207	281,772	306,281	329,323	326,950
Selling, general and administrative expenses	94,394	98,850	96,751	111,757	107,488	97,055
Research and development expenses.....	14,085	11,968	12,338	20,552	22,973	19,225
Operating income (loss).....	(10,418)	17,905	19,477	12,551	42,228	15,875
Net income (loss).....	(24,928)	6,547	6,173	(8,534)	11,738	3,700
Capital investment.....	15,737	30,278	35,546	31,212	53,824	25,937
Depreciation	14,465	22,065	30,220	31,001	30,442	30,297
At year-end:						
Current assets.....	281,985	288,304	312,315	322,488	357,682	313,377
Current liabilities.....	166,026	144,272	182,562	190,666	232,515	264,546
Working capital.....	115,959	144,032	129,753	131,822	125,167	48,831
Shareholders' equity.....	134,317	162,375	169,634	170,721	182,657	174,528
Total assets	449,224	445,883	507,105	506,566	537,013	496,947
Amounts per share of common stock (in yen):						
Net income (loss).....	¥(91.82)	¥24.11	¥22.73	¥(30.90)	¥42.13	¥13.33
Diluted net income.....	—	23.72	22.41	—	39.84	13.28
Cash dividends applicable to the year.....	12.50	12.50	12.50	12.50	12.50	12.50
Performance indicators:						
Return on equity (%).....	(16.8)	3.9	3.6	(4.8)	6.6	2.1
Return on assets (%).....	(5.6)	1.4	1.2	(1.6)	2.3	0.7
Shareholders' equity ratio (%).....	29.9	36.4	33.5	33.7	34.0	35.1
Interest coverage (times)	(2.88)	5.62	5.33	2.89	9.28	3.37
Assets turnover (times).....	0.85	0.93	0.81	0.86	0.97	0.93
Inventory turnover (months).....	3.16	3.38	3.43	2.97	3.60	3.54
Other:						
Number of employees.....	14,670	18,119	19,325	17,783	18,668	18,725

CONSOLIDATED Balance Sheets

March 31, 2002 and 2001
Casio Computer Co., Ltd. and Subsidiaries

Assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Current assets:			
Cash and time deposits (Note 3).....	¥ 82,956	¥ 53,540	\$ 623,729
Marketable securities (Note 5).....	22,156	28,983	166,586
Notes and accounts receivable—trade:			
Notes receivable.....	13,186	12,299	99,143
Accounts receivable.....	69,279	87,802	520,895
Allowance for doubtful accounts.....	(2,262)	(2,158)	(17,007)
Inventories (Notes 4, 7).....	74,881	88,812	563,015
Deferred tax assets (Note 8).....	12,311	9,213	92,564
Other current assets.....	9,478	9,813	71,263
Total current assets.....	281,985	288,304	2,120,188
Property, plant and equipment:			
Land.....	39,998	40,493	300,737
Buildings.....	65,228	64,628	490,436
Machinery and equipment.....	115,703	110,371	869,948
Construction in progress.....	1,169	6,862	8,789
Total.....	222,098	222,354	1,669,910
Accumulated depreciation.....	(117,843)	(117,071)	(886,038)
Net property, plant and equipment.....	104,255	105,283	783,872
Investments and other assets:			
Investments in affiliated companies.....	2,288	2,174	17,203
Investment securities and other investments (Note 5).....	35,222	33,473	264,827
Deferred tax assets (Note 8).....	14,011	5,765	105,346
Other assets.....	12,907	12,669	97,045
Allowance for doubtful accounts.....	(1,444)	(1,785)	(10,857)
Total investments and other assets.....	62,984	52,296	473,564
	¥449,224	¥445,883	\$3,377,624

See accompanying notes.

Liabilities and Shareholders' Equity	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Current liabilities:			
Short-term borrowings (Note 7).....	¥ 26,786	¥ 27,502	\$ 201,398
Long-term debt due within one year (Note 7).....	50,910	500	382,782
Notes payable—trade.....	13,809	22,351	103,827
Accounts payable—trade.....	29,813	43,455	224,158
Accrued expenses.....	13,062	13,082	98,211
Income taxes payable (Note 8).....	738	2,922	5,549
Other current liabilities.....	30,908	34,460	232,391
Total current liabilities.....	166,026	144,272	1,248,316
Long-term liabilities:			
Long-term debt due after one year (Note 7).....	134,071	129,261	1,008,052
Employees' severance and retirement benefits (Note 9).....	9,497	4,498	71,406
Deferred tax liabilities (Note 8).....	2,030	2,057	15,263
Other long-term liabilities.....	541	744	4,068
Total long-term liabilities.....	146,139	136,560	1,098,789
Minority interests.....	2,742	2,676	20,617
Contingent liabilities (Note 13)			
Shareholders' equity (Note 10):			
Common stock			
Authorized—472,258,000 shares			
Issued—271,007,868 shares in 2002 and 271,578,868 shares in 2001.....	41,549	41,549	312,398
Additional paid-in capital.....	57,885	58,197	435,226
Retained earnings.....	41,708	70,203	313,594
Net unrealized holding losses on securities.....	(1,825)	(1,156)	(13,722)
Foreign currency translation adjustments.....	(4,981)	(6,417)	(37,451)
	134,336	162,376	1,010,045
Treasury stock, at cost.....	(19)	(1)	(143)
Total shareholders' equity.....	134,317	162,375	1,009,902
	¥449,224	¥445,883	\$3,377,624

CONSOLIDATED Statements of Operations

Years ended March 31, 2002 and 2001
Casio Computer Co., Ltd. and Subsidiaries

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Net sales (Note 12)	¥382,154	¥443,930	\$2,873,338
Costs and expenses (Note 12):			
Cost of sales.....	284,093	315,207	2,136,037
Selling, general and administrative expenses.....	94,394	98,850	709,730
Research and development expenses.....	14,085	11,968	105,902
	392,572	426,025	2,951,669
Operating income (loss) (Note 12)	(10,418)	17,905	(78,331)
Other income (expenses):			
Interest and dividends income	1,152	1,923	8,662
Foreign exchange gain (loss)—net	1,180	(3,420)	8,872
Gain (Loss) on disposal and sales of property, plant and equipment.....	849	(635)	6,383
Gain on sales of investment securities in consolidated subsidiaries (Note 14).....	1,578	4,280	11,865
Interest expense	(3,212)	(3,526)	(24,150)
Disposal and devaluation of inventories	(11,749)	(5,152)	(88,338)
Loss on devaluation and sales of investment securities.....	(4,016)	(61)	(30,196)
Restructuring charges (Note 15)	(8,486)	—	(63,805)
Loss on dissolution of affiliated companies	—	(2,909)	—
Other—net.....	(1,702)	796	(12,797)
	(24,406)	(8,704)	(183,504)
Income (Loss) before income taxes and minority interests	(34,824)	9,201	(261,835)
Income taxes (Note 8):			
Current	1,519	4,356	11,421
Deferred.....	(10,929)	(2,053)	(82,173)
	(9,410)	2,303	(70,752)
Income (Loss) before minority interests	(25,414)	6,898	(191,083)
Minority interests	486	(351)	3,654
Net income (loss)	¥ (24,928)	¥ 6,547	\$ (187,429)
		Yen	U.S. dollars (Note 1)
Amounts per share of common stock:			
Net income (loss).....	¥ (91.82)	¥ 24.11	\$ (0.69)
Diluted net income.....	—	23.72	—
Cash dividends applicable to the year	12.50	12.50	0.09

See accompanying notes.

CONSOLIDATED Statements of Shareholders' Equity

Years ended March 31, 2002 and 2001
Casio Computer Co., Ltd. and Subsidiaries

	Millions of yen							
	Shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Net unrealized holding losses on securities	Foreign currency translation adjustments	Treasury stock, at cost	Total
Balance at March 31, 2000	271,578,868	¥41,549	¥58,197	¥69,891	¥ —	¥ —	¥ (3)	¥169,634
Net income	—	—	—	6,547	—	—	—	6,547
Cash dividends paid (¥12.50 per share)...	—	—	—	(3,395)	—	—	—	(3,395)
Bonuses to directors and statutory auditors.....	—	—	—	(180)	—	—	—	(180)
Decrease in consolidated subsidiaries ..	—	—	—	(2,554)	—	—	—	(2,554)
Increase in affiliates.....	—	—	—	(106)	—	—	—	(106)
Increase in net unrealized holding losses on securities	—	—	—	—	(1,156)	—	—	(1,156)
Increase in foreign currency translation adjustments	—	—	—	—	—	(6,417)	—	(6,417)
Decrease in treasury stock—net	—	—	—	—	—	—	2	2
Balance at March 31, 2001	271,578,868	41,549	58,197	70,203	(1,156)	(6,417)	(1)	162,375
Net loss.....	—	—	—	(24,928)	—	—	—	(24,928)
Cash dividends paid (¥12.50 per share)...	—	—	—	(3,395)	—	—	—	(3,395)
Bonuses to directors and statutory auditors.....	—	—	—	(155)	—	—	—	(155)
Decrease in consolidated subsidiaries.....	—	—	—	(17)	—	—	—	(17)
Retirement of treasury stock.....	(571,000)	—	(312)	—	—	—	—	(312)
Increase in net unrealized holding losses on securities	—	—	—	—	(669)	—	—	(669)
Decrease in foreign currency translation adjustments	—	—	—	—	—	1,436	—	1,436
Increase in treasury stock—net	—	—	—	—	—	—	(18)	(18)
Balance at March 31, 2002	271,007,868	¥41,549	¥57,885	¥41,708	¥(1,825)	¥(4,981)	¥(19)	¥134,317

	Thousands of U.S. dollars (Note 1)							
	Shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Net unrealized holding losses on securities	Foreign currency translation adjustments	Treasury stock, at cost	Total
Balance at March 31, 2001	271,578,868	\$312,398	\$437,572	\$527,842	\$ (8,692)	\$(48,248)	\$ (8)	\$1,220,864
Net loss.....	—	—	—	(187,429)	—	—	—	(187,429)
Cash dividends paid (¥12.50 per share)...	—	—	—	(25,526)	—	—	—	(25,526)
Bonuses to directors and statutory auditors.....	—	—	—	(1,165)	—	—	—	(1,165)
Decrease in consolidated subsidiaries.....	—	—	—	(128)	—	—	—	(128)
Retirement of treasury stock.....	(571,000)	—	(2,346)	—	—	—	—	(2,346)
Increase in net unrealized holding losses on securities	—	—	—	—	(5,030)	—	—	(5,030)
Decrease in foreign currency translation adjustments	—	—	—	—	—	10,797	—	10,797
Increase in treasury stock—net	—	—	—	—	—	—	(135)	(135)
Balance at March 31, 2002	271,007,868	\$312,398	\$435,226	\$313,594	\$(13,722)	\$(37,451)	\$(143)	\$1,009,902

See accompanying notes.

CONSOLIDATED Statements of Cash Flows

Years ended March 31, 2002 and 2001
Casio Computer Co., Ltd. and Subsidiaries

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Cash flows from operating activities:			
Income (Loss) before income taxes and minority interests	¥ (34,824)	¥ 9,201	\$(261,835)
Depreciation (including software)	18,698	24,515	140,586
Amortization of goodwill.....	245	242	1,842
Loss (Gain) on disposal and sales of property, plant and equipment.....	(849)	635	(6,383)
Loss on devaluation and sales of investment securities.....	4,016	61	30,196
Gain on sales of investment securities in consolidated subsidiaries (Note 14).....	(1,578)	(4,280)	(11,865)
Increase in liabilities for severance and retirement benefits	4,967	2,951	37,346
Interest and dividends income	(1,152)	(1,923)	(8,662)
Interest expense	3,212	3,526	24,150
Foreign exchange loss (gain).....	859	(1,578)	6,459
Equity in losses (gains) of affiliated companies.....	(135)	189	(1,015)
Changes in assets and liabilities:			
Decrease (Increase) in notes and accounts receivable	20,464	(15,993)	153,865
Decrease (Increase) in inventories	15,216	(4,767)	114,406
Increase in other current assets.....	(320)	(122)	(2,406)
Increase (Decrease) in notes and accounts payable	(23,417)	8,002	(176,068)
Increase in consumption tax payable	156	1,161	1,173
Increase (Decrease) in other current liabilities.....	(1,765)	895	(13,271)
Increase (Decrease) in trade notes and export drafts discounted	(1,506)	2,035	(11,323)
Payments of bonuses to directors and statutory auditors	(155)	(180)	(1,165)
Other	2,306	2,802	17,338
Total	4,438	27,372	33,368
Interest and dividends received.....	1,172	2,092	8,812
Interest paid.....	(3,126)	(3,546)	(23,504)
Income taxes paid	(3,715)	(4,426)	(27,932)
Net cash provided by (used in) operating activities	(1,231)	21,492	(9,256)
Cash flows from investing activities:			
Deposits in time deposits.....	(1,051)	(3,831)	(7,902)
Withdrawals from time deposits.....	913	8,816	6,865
Payments for acquisitions of tangible fixed assets	(18,400)	(28,781)	(138,346)
Proceeds from sales of tangible fixed assets.....	3,873	1,243	29,120
Payments for acquisitions of intangible fixed assets	(4,750)	(4,838)	(35,714)
Proceeds from sales of intangible fixed assets	95	60	714
Payments for purchases of investment securities.....	(14,416)	(7,485)	(108,391)
Proceeds from sales and redemption of investment securities	2,679	1,016	20,143
Proceeds from sales of affiliated companies.....	—	7,305	—
Payments for long-term loans receivable.....	(184)	(1,183)	(1,384)
Collections from long-term loans receivable	119	22	895
Net increase in loans receivable	(758)	(310)	(5,699)
Other	(479)	(675)	(3,602)
Net cash used in investing activities	(32,359)	(28,641)	(243,301)
Cash flows from financing activities:			
Net decrease in short-term borrowings.....	(1,239)	(23,956)	(9,316)
Proceeds from long-term debt.....	43,800	7,000	329,323
Payments for long-term debt.....	(580)	(5,996)	(4,361)
Proceeds from issuance of bonds.....	11,926	—	89,669
Proceeds from minority shareholders	2,166	—	16,286
Payments for acquisitions of treasury stock for retirement	(312)	—	(2,346)
Payments for cash dividends.....	(3,395)	(3,395)	(25,526)
Other	(377)	(99)	(2,834)
Net cash provided by (used in) financing activities.....	51,989	(26,446)	390,895
Effect of exchange rate changes on cash and cash equivalents.....	213	2,914	1,602
Net increase (decrease) in cash and cash equivalents.....	18,612	(30,681)	139,940
Cash and cash equivalents at beginning of year (Note 3)	83,070	113,751	624,586
Cash and cash equivalents at end of year (Note 3)	¥101,682	¥ 83,070	\$ 764,526

See accompanying notes.

NOTES TO Consolidated Financial Statements

Years ended March 31, 2002 and 2001
Casio Computer Co., Ltd. and Subsidiaries

1 BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The Company and its consolidated domestic subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Japanese Commercial Code (the "Code") and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan. The accounts of overseas consolidated subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile. Certain accounting principles and practices generally accepted in Japan are different from International Accounting Standards and standards in other countries in certain respects as to application and disclosure requirements. Accordingly, the accompanying consolidated financial statements are intended for use by those who are informed about Japanese accounting principles and practices.

The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions and the inclusion of statements of shareholders' equity) from the consolidated financial statements of the Company prepared in accordance with accounting principles and practices generally accepted in Japan and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Securities and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation is not presented in the accompanying financial statements.

The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers, using the prevailing exchange rate at March 31, 2002, which was ¥133 to U.S.\$1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

Certain reclassification has been made in the 2001 consolidated financial statements to conform to the 2002 presentation.

2 SIGNIFICANT ACCOUNTING POLICIES

Consolidation The accompanying consolidated financial statements include the accounts of the Company and significant subsidiaries (together with the Company, the "Group") which the Company controls through majority voting right or existence of certain conditions. Investments in affiliates of which the Company has the ability to exercise significant influence over operating and financial policies, are accounted for using the equity method.

In the elimination of investments in subsidiaries, the portion of assets and liabilities of a subsidiary attributable to the subsidiary's shares acquired by the Company are recorded based on the fair value as of the respective dates when such shares were acquired. The amounts of assets and liabilities attributable to minority shareholders of the subsidiary are determined using the financial statements of the subsidiary.

Material intercompany balances, transactions and profits have been eliminated in consolidation.

The difference between the cost and underlying fair value of the net equity of investments in subsidiaries at acquisition is included in other assets and is amortized on a straight-line basis over five years.

Cash flow statement In preparing the consolidated statements of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

Foreign currency translation All monetary assets and liabilities denominated in foreign currencies are translated at the current exchange rates at the balance sheet date, and the translation gains and losses are credited or charged to income.

Assets and liabilities of foreign subsidiaries are translated into yen at the current exchange rate at the balance sheet date while their revenue and expenses are translated at the average exchange rate for the period. Differences arising from such translation are included in minority interests and shareholders' equity as foreign currency translation adjustments.

Securities Debt securities designated as held-to-maturity are carried at amortized cost. Other securities except for trading securities (hereafter, "available-for-sale securities") for which market value is readily determinable are stated at market value as of the end of the period with unrealized gains and losses, net of applicable deferred tax assets or liabilities, not reflected in earnings but directly reported as a separate component of shareholders' equity. The cost of such securities sold is determined primarily by the moving-average method. Available-for-sale securities for which market value is not readily determinable are stated primarily at moving-average cost except for debt securities, which are stated at amortized cost.

Derivatives and hedge accounting The accounting standard for financial instruments requires companies to state derivative financial instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedge and meet certain hedging criteria, the Group defer recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

Also, if interest rate swap contracts are used as hedge and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

The Group use forward foreign currency contracts and interest rate swaps as derivative financial instruments only for the purpose of mitigating future risks of fluctuation of foreign currency exchange rates with respect to foreign currency assets and liabilities, and of interest rate increases with respect to cash management.

Forward foreign currency and interest rate swap contracts are subject to risks of foreign exchange rate changes and interest rate changes, respectively.

The derivative transactions are executed and managed by the Company's Finance Department in accordance with the established policies and within the specified limits on the amounts of derivative transactions allowed.

Allowance for doubtful accounts The allowance for doubtful accounts is provided at an amount sufficient to cover probable losses on the collection of receivables. For the Group, the amount of the allowance is determined based on past write-off experience and an estimated amount of probable bad debt based on a review of the collectibility of individual receivable.

Inventories Inventories are stated principally at the lower of cost (first-in, first-out) or market (replacement cost or net realizable value).

Property, plant and equipment Property, plant and equipment is stated at cost. Depreciation is principally determined by the declining-balance method at rates based on estimated useful lives except for the following buildings. The building of head office of the Company and buildings, excluding building fixtures, acquired after March 31, 1998 are depreciated using the straight-line method.

Software costs Software is categorized by the following purposes and amortized using the following two methods.

(Software for market sales) The production costs for master product are capitalized and amortized over no more than 3 years by the projected revenue basis.

(Software for internal use) The acquisition costs of software for internal use are amortized over 5 years by the straight-line method.

The amount of software costs capitalized is included in other assets in consolidated balance sheets.

Bond issuance expenses Bond issuance expenses are charged to income as incurred. The amount of bond issuance expenses are included in other expense in consolidated statements of operations.

Employees' severance and retirement benefits Under the terms of the employees' severance and retirement plan, eligible employees are entitled under most circumstances, upon mandatory retirement or earlier voluntary severance, to severance payments based on compensation at the time of severance and years of service.

Employees' severance and retirement benefits of the Company and some of its consolidated subsidiaries are covered by two kinds of pension plans. And those of some of its consolidated subsidiaries in Japan are covered by lump-sum indemnities.

The liabilities and expenses for severance and retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

The Company and its consolidated subsidiaries in Japan provided liabilities for severance and retirement benefits at March 31, 2001 based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at that date.

The excess of the projected benefit obligation over the total of the fair value of pension assets as of April 1, 2000 and the liabilities for severance and retirement benefits recorded as of April 1, 2000 (the "net transition obligation") amounted to ¥19,576 million (\$147,188 thousand). The net transition obligation will be recognized in expenses in equal amounts over 10 years commencing with the year ended March 31, 2001.

Accounting for certain lease transactions Finance leases, which do not transfer titles to lessees, are accounted for in the same manner as operating leases under accounting principles generally accepted in Japan.

Income taxes Taxes on income consist of corporation, inhabitants and enterprise taxes.

Deferred income taxes are provided for the items relating to intercompany profit elimination in connection with calculation of consolidated results of operations. In addition, some foreign subsidiaries recognize the deferred income taxes in accordance with accounting practices prevailing in their respective countries of domicile.

The Group recognizes tax effects of temporary differences between the financial statement basis and the tax basis of assets and liabilities. The provision for income taxes is computed based on the income before income taxes and minority interests included in the statements of income of each of the Group. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

Appropriations of retained earnings Appropriations of retained earnings are accounted for and reflected in the accompanying consolidated financial statements when approved by the shareholders.

Amounts per share of common stock Net income per share of common stock has been computed based on the weighted average number of shares of common stock outstanding during each fiscal year (less the treasury stock). For diluted net income per share, the number of shares outstanding is adjusted to assume the conversion of the convertible bonds. Related interest expense, net of income taxes, is eliminated.

Cash dividends per share represent the actual amount applicable to the respective years.

3 CASH AND CASH EQUIVALENTS AND STATEMENTS OF CASH FLOWS

Cash and cash equivalents at March 31, 2002 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Cash and time deposits.....	¥ 82,956	¥53,540	\$623,729
Time deposits over three months	(829)	(653)	(6,233)
Marketable securities within three months	19,555	30,183	147,030
Cash and cash equivalents	¥101,682	¥83,070	\$764,526

The amounts of assets and liabilities at September 30, 2000 of The Casio Lease Co., Ltd. excluded from consolidation due to sales of a part of the equity in the company were as follows:

	Millions of yen		Millions of yen
Current assets	¥ 9,917	Current liabilities.....	¥27,989
Long-term assets*	45,931	Long-term liabilities	23,193
Total assets.....	¥55,848	Total liabilities.....	¥51,182

* Including property, plant and equipment and investments and other assets

4 INVENTORIES

Inventories at March 31, 2002 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Finished products.....	¥51,990	¥57,444	\$390,902
Work in process.....	10,562	14,992	79,414
Materials and supplies	12,329	16,376	92,699
Total.....	¥74,881	¥88,812	\$563,015

5 SECURITIES

(1) The following tables summarize acquisition costs, book values and fair value of securities with available fair values at March 31, 2002 and 2001.

(a) Held-to-maturity debt securities

	Millions of yen						Thousands of U.S. dollars		
	2002			2001			2002		
	Book value	Fair value	Difference	Book value	Fair value	Difference	Book value	Fair value	Difference
Securities with available fair values exceeding book values	¥ —	¥ —	¥ —	¥999	¥1,005	¥ 6	\$ —	\$ —	\$ —
Securities other than the above	2,601	2,595	(6)	—	—	—	19,556	19,511	(45)
Total.....	¥2,601	¥2,595	¥ (6)	¥999	¥1,005	¥ 6	\$19,556	\$19,511	\$(45)

(b) Available-for-sale securities

Securities with book values exceeding acquisition costs:

	Millions of yen						Thousands of U.S. dollars		
	2002			2001			2002		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Equity securities	¥6,479	¥7,630	¥1,151	¥7,968	¥9,568	¥1,600	\$48,714	\$57,368	\$8,654
Bonds	3	5	2	3	5	2	23	38	15
Others	—	—	—	20	20	0	—	—	—
Total.....	¥6,482	¥7,635	¥1,153	¥7,991	¥9,593	¥1,602	\$48,737	\$57,406	\$8,669

Others:

	Millions of yen						Thousands of U.S. dollars		
	2002			2001			2002		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Equity securities	¥13,265	¥ 9,420	¥(3,845)	¥13,438	¥10,693	¥(2,745)	\$ 99,737	\$ 70,827	\$(28,910)
Bonds	8,780	8,766	(14)	—	—	—	66,015	65,910	(105)
Others	1,207	760	(447)	2,352	1,500	(852)	9,075	5,714	(3,361)
Total	¥23,252	¥18,946	¥(4,306)	¥15,790	¥12,193	¥(3,597)	\$174,827	\$142,451	\$(32,376)

(2) The following tables summarize book values of securities with no available fair values at March 31, 2002 and 2001.

(a) Held-to-maturity debt securities

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
	Book value	Book value	Book value
Commercial paper	¥ —	¥1,000	\$ —
Certificate of deposit	7,300	1,530	54,887
Total	¥7,300	¥2,530	\$54,887

(b) Available-for-sale securities

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
	Book value	Book value	Book value
Unlisted equity securities (excluding over-the-counter securities)	¥ 2,370	¥ 2,162	\$ 17,820
Beneficiary certificate of investment trust	—	19,615	—
Bond investment trust	2,050	2,220	15,414
Medium-term treasury fund	4,615	—	34,699
Money management fund	5,090	3,612	38,271
Free financial fund	500	1,006	3,759
Total	¥14,625	¥28,615	\$109,963

(3) Available-for-sale securities sold in the year ended March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
	Book value	Book value	Book value
Sales amount	¥1,389	¥1,016	\$10,444
Gross realized gains	50	86	376
Gross realized losses	671	31	5,045

(4) Available-for-sale securities with maturities and held-to-maturity debt securities at March 31, 2002 and 2001 were as follows:

	Millions of yen									
	2002					2001				
	Within one year	Within five years	Within ten years	Over ten years	Total	Within one year	Within five years	Within ten years	Over ten years	Total
Bonds:										
Government bonds	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Corporate bonds	—	5	—	—	5	—	5	—	—	5
Others	9,900	—	8,780	—	18,680	2,530	1,000	—	—	3,530
Total	¥9,900	¥ 5	¥8,780	¥ —	¥18,685	¥2,530	¥1,005	¥ —	¥ —	¥3,535

	Thousands of U.S. dollars				
	2002				
	Within one year	Within five years	Within ten years	Over ten years	Total
Bonds:					
Government bonds	\$ —	\$ —	\$ —	\$ —	\$ —
Corporate bonds	—	38	—	—	38
Others	74,436	—	66,015	—	140,451
Total	\$74,436	\$ 38	\$66,015	\$ —	\$140,489

6 DERIVATIVE TRANSACTIONS

Status of derivative transactions The Group utilizes interest rate swap and swaption contracts as derivative transactions, in order to hedge interest rate risks arising from normal business transactions and to improve efficiency of utilization of available funds.

The Group also utilizes forward foreign currency contracts and currency options, in order to hedge currency fluctuation risks arising from export of products and materials for products, in addition to hedging through increases in overseas production and overseas procurement of materials.

The derivative transactions are solely made with highly rated financial institutions, therefore, the Group does not expect any credit risks.

The Group utilizes derivatives following the internal regulation for derivatives, which stipulates policy, objective, scope, organization, procedures, and financial institutions to deal with, and has a reporting system for derivative transactions reflecting proper internal control functions.

Fair value of derivative transactions The aggregate amounts contracted to be paid or received and the fair value of derivative transactions of the Group at March 31, 2002 and 2001 were as follows:

Currency related derivatives:

	Millions of yen							
	2002				2001			
	Contract amount		Fair value	Realized gain (loss)	Contract amount		Fair value	Realized gain (loss)
Total	Due after one year	Total			Due after one year			
Forward contracts:								
To sell:								
U.S. dollars	¥ 7,114	¥ —	¥ 7,140	¥ (26)	¥50,886	¥ —	¥54,222	¥(3,336)
Euro.....	7,387	—	7,757	(370)	4,535	—	5,103	(568)
Sterling pounds.....	1,275	—	1,375	(100)	—	—	—	—
Total.....	¥15,776	¥ —	¥16,272	¥(496)	¥55,421	¥ —	¥59,325	¥(3,904)

	Thousands of U.S. dollars			
	2002			
	Contract amount		Fair value	Realized gain (loss)
Total	Due after one year			
Forward contracts:				
To sell:				
U.S.dollars	\$ 53,489	\$ —	\$ 53,684	\$ (195)
Euro.....	55,541	—	58,323	(2,782)
Sterling pounds.....	9,587	—	10,339	(752)
Total.....	\$118,617	\$ —	\$122,346	\$(3,729)

Interest rate swap and option related derivatives:

The Group has entered into interest rate swap agreements to reduce its exposure resulting from adverse fluctuations in interest rate on underlying debt instruments. They are all designated as hedges meeting certain hedging criteria and there are no transactions that need to disclose contract amount, fair value and realized gain or loss for the years ended March 31, 2002 and 2001.

7 SHORT-TERM BORROWINGS AND LONG-TERM DEBT

An average interest rate of short-term borrowings was 1.33% per annum at March 31, 2002 and 1.93% per annum at March 31, 2001.

Assets pledged as collateral for short-term borrowings as of March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Inventories	¥6,785	¥6,195	\$51,015
Short-term borrowings	2,260	4,768	16,992

Long-term debt at March 31, 2002 and 2001 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
1.9% unsecured convertible bonds due in 2004	¥ 23,811	¥ 23,811	\$ 179,030
2.0% unsecured bonds due in 2002	50,000	50,000	375,940
0.55% unsecured bonds due in 2004	2,000	—	15,037
2.15% unsecured bonds due in 2004	10,000	10,000	75,188
2.05% unsecured bonds due in 2005	30,000	30,000	225,564
2.575% unsecured bonds due in 2007	10,000	10,000	75,188
1.42% unsecured bonds due in 2009	10,000	—	75,188
Unsecured loans principally from banks at interest rates of 0.38% to 2.33% maturing through 2011	49,170	5,950	369,699
Total	184,981	129,761	1,390,834
Less amount due within one year	50,910	500	382,782
	¥134,071	¥129,261	\$1,008,052

The indentures covering the 1.9% convertible bonds provide, among other conditions, for (1) conversion into shares of common stock at the conversion prices per share of ¥1,502.4 (\$11.30) (subject to change in certain circumstances), and (2) redemption at the option of the Company commencing March 1996 at prices ranging from 107% to 100% of the principal amount.

The annual maturities of long-term debt at March 31, 2002 were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2003	¥50,910	\$382,782
2004	25,721	193,391
2005	12,910	97,067
2006	30,910	232,406
2007	580	4,361
Thereafter	63,950	480,827

Line of credit with the main financial institutions agreed as of March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Line of credit	¥60,000	¥18,000	\$451,128
Unused	50,000	—	375,940

8 INCOME TAXES

The Company and its consolidated domestic subsidiaries were subject to a number of income taxes, which, in the aggregate, indicated a statutory rate in Japan of approximately 42.1% for the years ended March 31, 2002 and 2001, respectively.

Due to the incurred net loss for the year ended March 31, 2002, reconciliation of tax rate between statutory tax rate and effective tax rate is not disclosed.

The following table summarizes the significant differences between the statutory tax rate and the effective tax rate for financial statement purposes for the years ended March 31, 2001:

Statutory tax rate	2001 42.1%
Increase (reduction) in tax resulting from:	
Nondeductible expenses (entertainment, etc.)	2.0
Nontaxable income (dividends received deduction, etc.)	(14.2)
Net current operating losses of subsidiaries	12.9
Difference in statutory tax rate (included in foreign subsidiaries)	(2.3)
Effect of elimination of dividends income	19.6
Effect of other elimination (sales of securities and dissolution on affiliated companies, etc.)	(36.7)
Other	1.6
Effective tax rate	25.0%

Significant components of deferred tax assets and liabilities as of March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Deferred tax assets:			
Net operating loss carryforwards.....	¥12,698	¥ 8,945	\$ 95,474
Inventories.....	3,834	—	28,827
Employees' severance and retirement benefits	3,512	1,635	26,406
Property, plant and equipment	3,065	3,038	23,045
Unrealized holding losses on securities	1,805	1,512	13,571
Accrued expenses (bonuses to employees)	—	1,500	—
Other.....	9,679	4,315	72,775
Gross deferred tax assets	34,593	20,945	260,098
Valuation allowance	(7,122)	(4,551)	(53,549)
Total deferred tax assets	27,471	16,394	206,549
Deferred tax liabilities:			
Effect of valuation difference	(2,018)	(2,018)	(15,173)
Property, plant and equipment	(567)	(671)	(4,263)
Unrealized holding gains on securities.....	(479)	(674)	(3,602)
Other.....	(115)	(110)	(864)
Total deferred tax liabilities	(3,179)	(3,473)	(23,902)
Net deferred tax assets	¥24,292	¥12,921	\$182,647

9 EMPLOYEES' SEVERANCE AND RETIREMENT BENEFITS

The liabilities for severance and retirement benefits included in the liability section of the consolidated balance sheets at March 31, 2002 and 2001 consists of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Projected benefit obligation	¥90,989	¥79,002	\$684,128
Unrecognized prior service costs	—	—	—
Unrecognized actuarial differences	(19,961)	(9,791)	(150,083)
Less fair value of pension assets	(45,914)	(47,109)	(345,218)
Less unrecognized net transition obligation.....	(15,655)	(17,612)	(117,707)
Prepaid pension cost.....	38	8	286
Liabilities for severance and retirement benefits	¥ 9,497	¥ 4,498	\$ 71,406

Included in the consolidated statements of operations for the years ended March 31, 2002 and 2001 are severance and retirement benefit expenses comprised of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Service cost-benefits earned during the year.....	¥4,530	¥3,932	\$34,060
Interest cost on projected benefit obligation.....	2,634	2,417	19,804
Expected return on plan assets	(1,986)	(2,187)	(14,932)
Amortization of prior service costs.....	—	—	—
Amortization of actuarial differences.....	709	—	5,331
Amortization of net transition obligation	1,957	1,964	14,714
Severance and retirement benefit expenses	¥7,844	¥6,126	\$58,977

The discount rate and the rate of expected return on plan assets used by the Company are 3.0% and 4.5% in 2002 and 3.5% and 4.5% in 2001, respectively.

The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years. Actuarial gains and losses are to be recognized in expenses using the straight-line method over 9–15 years (a certain period not exceeding the average of the estimated remaining service lives commencing with the next period).

10 SHAREHOLDERS' EQUITY

At the current conversion prices, 15,849 thousand shares of common stock were issuable at March 31, 2002 upon full conversion of the 1.9% convertible bonds.

In accordance with the Code, certain issues of shares of common stock, including conversions of convertible bonds and exercise of warrants, are required to be credited to the common stock account to the extent of at least 50% of the proceeds. The remaining amounts are credited to additional paid-in capital.

Under the Code, certain amounts of retained earnings equal to at least 10% of cash dividends and bonuses to directors and corporate auditors must be set aside as a legal reserve until the total amount of the reserve and additional paid-in capital equals 25% of common stock. The reserve is not available for dividends but may be used to reduce a deficit by resolution of the shareholders or may be capitalized by resolution of the Board of Directors. The legal reserve is included in the retained earnings.

The maximum amount that the Company can distribute as dividends is calculated based on the unconsolidated financial statements of the Company in accordance with the Code. As a result, the retained earnings of the Company available for cash dividends at March 31, 2002 subject to shareholders' approval, amounted to ¥31,703 million (\$238,368 thousand).

The diluted net income per share for the year ended March 31, 2002 was not calculated because of net loss incurred for the year.

11 LEASE TRANSACTIONS

(1) Lessee

The amounts of outstanding future lease payments due at March 31, 2002 and 2001 and total lease expenses (including total assumed depreciation cost and total assumed interest cost) as lessee for the years ended March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Future lease payments:			
Due within one year	¥ 3,697	¥3,107	\$ 27,797
Due over one year	11,224	6,739	84,391
Total	¥14,921	¥9,846	\$112,188
Total lease expenses	¥ 4,125	¥1,525	\$ 31,015
Total assumed depreciation cost	¥ 3,699	¥1,368	\$ 27,812
Total assumed interest cost	¥ 537	¥ 185	\$ 4,038

Assumed data as to acquisition cost, accumulated depreciation and net book value of the leased assets under the finance lease contracts as lessee at March 31, 2002 and 2001 were summarized as follows:

	Millions of yen						Thousands of U.S. dollars		
	2002			2001			2002		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery	¥14,373	¥2,927	¥11,446	¥8,104	¥2,333	¥5,771	\$108,068	\$22,008	\$ 86,060
Equipment	4,586	2,220	2,366	4,936	1,953	2,983	34,481	16,691	17,790
Other	1,617	792	825	1,735	896	839	12,158	5,955	6,203
Total	¥20,576	¥5,939	¥14,637	¥14,775	¥5,182	¥9,593	\$154,707	\$44,654	\$110,053

(2) Lessor

The amounts of outstanding total lease income (including total assumed depreciation cost and total assumed interest income) as lessor for the years ended March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Total lease income	¥ —	¥4,906	\$ —
Total assumed depreciation cost	¥ —	¥4,230	\$ —
Total assumed interest income	¥ —	¥ 611	\$ —

The Casio Lease Co., Ltd., which was the only lessor in consolidated subsidiaries, was accounted for by the equity method in the second half of the fiscal year ended March 31, 2001. For this change, the data at March 31, 2001 was excluded from disclosure, except for total lease income, total assumed depreciation cost and total assumed interest income for the first half of 2001.

12 SEGMENT INFORMATION

The business and geographical segment information and overseas sales for the Group for the years ended March 31, 2002 and 2001 were as follows:

(1) Business Segments

	Millions of yen			Consolidated
	Electronics	Electronic components and others	Elimination or unallocated amount	
For 2002				
Net sales:				
Outside customers	¥299,003	¥ 83,151	¥ —	¥382,154
Inside Group	2,271	31,714	(33,985)	—
Total	301,274	114,865	(33,985)	382,154
Costs and expenses	309,850	112,161	(29,439)	392,572
Operating income (loss)	¥ (8,576)	¥ 2,704	¥ (4,546)	¥ (10,418)
Total assets	¥238,255	¥ 90,545	¥120,424	¥449,224
Depreciation	¥ 11,587	¥ 6,559	¥ 552	¥ 18,698
Capital expenditures	¥ 10,225	¥ 10,180	¥ 82	¥ 20,487

	Thousands of U.S.dollars			Consolidated
	Electronics	Electronic components and others	Elimination or unallocated amount	
For 2002				
Net sales:				
Outside customers	\$2,248,143	\$625,195	\$ —	\$2,873,338
Inside Group	17,075	238,451	(255,526)	—
Total	2,265,218	863,646	(255,526)	2,873,338
Costs and expenses	2,329,699	843,316	(221,346)	2,951,669
Operating income (loss)	\$ (64,481)	\$ 20,330	\$ (34,180)	\$ (78,331)
Total assets	\$1,791,391	\$680,789	\$905,444	\$3,377,624
Depreciation	\$ 87,120	\$ 49,316	\$ 4,150	\$ 140,586
Capital expenditures	\$ 76,880	\$ 76,541	\$ 617	\$ 154,038

	Millions of yen			Consolidated
	Electronics	Electronic components and others	Elimination or unallocated amount	
For 2001				
Net sales:				
Outside customers	¥327,580	¥116,350	¥ —	¥443,930
Inside Group	4,881	38,454	(43,335)	—
Total	332,461	154,804	(43,335)	443,930
Costs and expenses	324,133	141,451	(39,559)	426,025
Operating income (loss)	¥ 8,328	¥ 13,353	¥ (3,776)	¥ 17,905
Total assets	¥251,231	¥112,136	¥ 82,516	¥445,883
Depreciation	¥ 10,124	¥ 13,503	¥ 888	¥ 24,515
Capital expenditures	¥ 12,691	¥ 21,380	¥ 716	¥ 34,787

- Notes: 1. Business segment was classified by 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, Electronic dictionaries, Label printers, Digital cameras, Electronic musical instruments, Digital watches, Analog watches, Clocks, Mobile PCs, Cellular phones, Electronic cash registers, Office computers, Page printers etc.
 - (2) Electronic components and others: LCDs, Bump processing consignments, TCP assembly and processing consignments, Carrier tape, Factory automation, Mold, Toys etc.
3. Elimination or unallocated amounts of costs and expenses principally consisted of administrative expenses and R&D expenses for fundamental research of the parent company, which amounted to ¥4,546 million (\$34,180 thousand) and ¥3,776 million for the years ended March 31, 2002 and 2001, respectively.
4. Elimination or unallocated amounts of total assets principally consisted of cash and time deposits, marketable securities, investments in securities, administrative assets of the parent company, which amounted to ¥123,185 million (\$926,203 thousand) and ¥87,599 million for the year ended March 31, 2002 and 2001, respectively.

(2) Geographical Segments

	Millions of yen					
	Japan	North America	Europe	Asia	Elimination	Consolidated
For 2002						
Net sales:						
Outside customers	¥292,994	¥46,711	¥35,643	¥ 6,806	¥ —	¥382,154
Inside Group	60,129	1,129	—	90,432	(151,690)	—
Total	353,123	47,840	35,643	97,238	(151,690)	382,154
Costs and expenses.....	362,149	50,593	35,304	96,287	(151,761)	392,572
Operating income (loss)	¥ (9,026)	¥ (2,753)	¥ 339	¥ 951	¥ 71	¥ (10,418)
Total assets	¥414,667	¥18,719	¥18,650	¥33,875	¥ (36,687)	¥449,224

	Thousands of U.S. dollars					
	Japan	North America	Europe	Asia	Elimination	Consolidated
For 2002						
Net sales:						
Outside customers	\$2,202,962	\$351,211	\$267,992	\$ 51,173	\$ —	\$2,873,338
Inside Group	452,098	8,488	—	679,940	(1,140,526)	—
Total	2,655,060	359,699	267,992	731,113	(1,140,526)	2,873,338
Costs and expenses.....	2,722,925	380,398	265,443	723,963	(1,141,060)	2,951,669
Operating income (loss)	\$ (67,865)	\$ (20,699)	\$ 2,549	\$ 7,150	\$ 534	\$ (78,331)
Total assets	\$3,117,797	\$140,744	\$140,226	\$254,699	\$ (275,842)	\$3,377,624

	Millions of yen					
	Japan	North America	Europe	Asia	Elimination	Consolidated
For 2001						
Net sales:						
Outside customers	¥351,823	¥57,874	¥23,199	¥ 11,034	¥ —	¥443,930
Inside Group	62,040	2,094	70	102,891	(167,095)	—
Total	413,863	59,968	23,269	113,925	(167,095)	443,930
Costs and expenses.....	397,902	59,743	22,878	113,023	(167,521)	426,025
Operating income (loss)	¥ 15,961	¥ 225	¥ 391	¥ 902	¥ 426	¥ 17,905
Total assets	¥405,483	¥29,633	¥11,165	¥36,800	¥ (37,198)	¥445,883

Notes: 1. Segment of countries and areas was classified by the geographical factor.

2. The main countries and the areas which belong to the each segment except for Japan were as follows:

(1) North America.....U.S.A., Canada, Mexico

(2) EuropeU.K., Germany, France

(3) Asia.....Taiwan, Hong Kong, South Korea, Malaysia, Singapore, China, India, Indonesia, Thailand

(3) Overseas Sales

	Millions of yen				
	North America	Europe	Asia	Others	Total
For 2002					
Overseas net sales	¥55,896	¥53,416	¥28,233	¥21,925	¥159,470
Net sales (consolidated).....	—	—	—	—	382,154
Share of overseas net sales.....	14.6%	14.0%	7.4%	5.7%	41.7%

	Thousands of U.S. dollars				
	North America	Europe	Asia	Others	Total
For 2002					
Overseas net sales	\$420,271	\$401,624	\$212,278	\$164,850	\$1,199,023
Net sales (consolidated).....	—	—	—	—	2,873,338
Share of overseas net sales.....	14.6%	14.0%	7.4%	5.7%	41.7%

	Millions of yen				Total
	North America	Europe	Asia	Others	
For 2001					
Overseas net sales	¥65,826	¥50,413	¥31,962	¥26,193	¥174,394
Net sales (consolidated).....	—	—	—	—	443,930
Share of overseas net sales.....	14.8%	11.4%	7.2%	5.9%	39.3%

- Notes: 1. Segment of countries and areas was classified by the geographical factor.
2. The main countries and the areas which belong to the each segment were as follows:
(1) North America U.S.A., Canada
(2) Europe U.K., Germany, France
(3) Asia Hong Kong, Singapore, China
3. The above overseas net sales represent net sales made outside Japan by the parent company and consolidated subsidiaries.

13 CONTINGENT LIABILITIES

At March 31, 2002, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥2,860 million (\$21,504 thousand) and as guarantor of others for bank loans in the amount of ¥1,432 million (\$10,767 thousand).

14 GAIN ON SALES OF INVESTMENT SECURITIES IN CONSOLIDATED SUBSIDIARIES

Initial public offering of Casio Micronics Co., Ltd. In August 2001, Casio Micronics Co., Ltd., a consolidated subsidiary, completed its initial public offering in Japan. In conjunction with such public offering, Casio Micronics Co., Ltd. issued new shares to third parties. The issuance of these shares was regarded as a sale of a part of the Company's interest in Casio Micronics Co., Ltd. resulting in a gain of ¥1,578 million (\$11,865 thousand). As a result, the Company's shareholdings in Casio Micronics Co., Ltd. declined from 92.6% to 85.4%.

Sales of The Casio Lease Co., Ltd. shares In August 2000, the Company sold 80% of its equity in The Casio Lease Co., Ltd. to Diamond Lease Co., Ltd.

15 RESTRUCTURING CHARGES

Restructuring charges were due to the restructuring of business based on the aggressive redefinition of the Group's business strategy. They included loss on unutilized assets, extra personnel expenses such as retirement expenses and other expenses necessary for reorganizations of the business.

16 SUBSEQUENT EVENTS

Agreement of sales of subsidiaries On May 14, 2002, the Company entered into an outsourcing relationship master agreement with Flextronics International Ltd. in which Flextronics will manufacture certain electronic products for the Company.

1. Agreement overview

- (1) The Company will transfer all of its shares of Casio (Malaysia) Sdn. Bhd. and Aichi Casio Co., Ltd. production bases as well as its assets from Asahi Industries (Malaysia) Sdn. Bhd. to Flextronics.
- (2) The Company will outsource the manufacture of consumer electronic products produced at the three aforementioned companies to Flextronics.

2. Reason for partnership

This partnership adds Flextronics' world-class procurement and high productivity to the Company's legendary light-weight, compact, and energy-efficient products developed using cutting-edge technologies, enabling the Company to increase price-competitiveness and to fine-tune production, owing to shorter production lead times that allow a quicker response to demand trends and product cycle changes.

The Company intends to decide further details of the transaction by end of July, 2002.

Appropriation of retained earnings At the annual shareholders' meeting held on June 27, 2002, the Company's shareholders approved the payment of a cash dividend of ¥12.50 per share aggregating ¥3,387 million (\$25,466 thousand) to shareholders of record as of March 31, 2002.

REPORT OF **Independent Public Accountants**

To the Shareholders and the Board of Directors of CASIO COMPUTER CO., LTD.:

We have audited the accompanying consolidated balance sheets of CASIO COMPUTER CO., LTD. (a Japanese corporation) and subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of operations, shareholders' equity and cash flows for the years then ended, expressed in Japanese yen. Our audits were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of CASIO COMPUTER CO., LTD. and subsidiaries as of March 31, 2002 and 2001, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan (Note 1) applied on a consistent basis during the periods.

As explained in Note 16, on May 14, CASIO COMPUTER CO., LTD. entered into an outsourcing relationship master agreement with a third party to sell its subsidiaries' shares and assets of its subsidiary, to be completed until the end of July 2002. The effects of this agreement are not reflected in the accompanying consolidated financial statements for the year ended March 31, 2002.

Also, in our opinion, the U.S. dollar amounts in the accompanying consolidated financial statements have been translated from Japanese yen on the basis set forth in Note 1.

30

Asahi & Co.

Tokyo, Japan

June 27, 2002

PRINCIPAL Subsidiaries

(As of March 2002)

Overseas Subsidiaries

Europe

Casio Electronics Co., Ltd.

U.K.
Sales of Casio products

Casio Europe GmbH

Germany
Sales of Casio products

Montres Casio France S.A.

France
Sales of electronic timepieces

Asia

■ **Casio Computer (Hong Kong) Ltd.**

Hong Kong
Production of electronic calculators

■ **Casio Korea Co., Ltd.**

The Republic of Korea
Production of electronic timepieces

■ **Casio Taiwan Ltd.**

Taiwan
Production of timepiece cases

■ **Casio Singapore Pte., Ltd.**

Singapore
Production of electronic components

■ **Casio India Co., Ltd.**

India
Sales of electronic calculators and electronic timepieces

■ **Casio Electronics (Zhuhai) Co., Ltd.**

The People's Republic of China
Production and sales of electronic musical instruments

■ **Casio Electronics (Zhongshan) Co., Ltd.**

The People's Republic of China
Production and sales of electronic calculators

■ **Casio Electronics (Shenzhen) Co., Ltd.**

The People's Republic of China
Production of electronic timepieces

■ **Casio Electronics (Guangzhou) Co., Ltd.**

The People's Republic of China
Production and sales of electronic timepieces

■ **Casio (Thailand) Co., Ltd.**

Thailand
Production of electronic timepieces

North America

■ **Casio Holdings, Inc.**

U.S.A.
Holding company

■ **Casio, Inc.**

U.S.A.
Sales of Casio products

■ **Casio Canada Ltd.**

Canada
Sales of Casio products

Domestic Subsidiaries

■ **Yamagata Casio Co., Ltd.**

Production of electronic timepieces and cellular phones

■ **Casio Micronics Co., Ltd.**

Production and sales of electronic components

■ **Casio Electronic Manufacturing Co., Ltd.**

Production of page printers

■ **Kochi Casio Co., Ltd.**

Production of LCD devices

■ **Kofu Casio Co., Ltd.**

Production of electronic calculators, mobile PCs and LCD devices

■ **Casio Techno Co., Ltd.**

Customer service for Casio products

■ **Casio Information Systems Co., Ltd.**

Sales of system equipment

■ **Casio Electronic Devices Co., Ltd.**

Sales of electronic components

(63 consolidated subsidiaries and 8 equity-method affiliates)

DIRECTORS AND Corporate Auditors

(As of June 27, 2002)

* Corporate Officers

Chairman
and Representative Director
Toshio Kashio

President and CEO
Kazuo Kashio*

Executive Vice President
and Representative Director
Yukio Kashio*

Senior Managing Directors
Shigeki Maeno*
Shinichi Onoe*

Managing Directors
Masayuki Hakata*
Osamu Shimizu*
Yozo Suzuki*
Akinori Takagi*
Yoshio Ono*

Directors
Noriyuki Kakihiya*
Masami Chikauchi*

Corporate Auditors
Takeshi Honda
Atsuhito Takayama
Hironori Daitoku

Corporate Officers

Yoshiaki Suzuki
Tadashi Takasu
Naomitsu Satoh
Iwao Nakamura
Shuitsu Satoh
Chikafusa Miyamoto
Kiyotaka Hachiya
Atsushi Mawatari
Kouichi Takeichi
Tomimoto Umeda
Akira Kashio
Shinji Yamamoto
Eiichi Takeuchi
Tateki Oishi
Fumitune Murakami

CORPORATE Data

(As of March 31, 2002)

Established
June 1957

Paid-in Capital
¥41,549 million

Employees
14,670

Home Page Address
<http://world.casio.com>

Domestic Offices

Head Office
6-2, Hon-machi 1-chome,
Shibuya-ku, Tokyo 151-8543

■ **Accounting Division**
Tel: (03) 5334-4852

Global Marketing Headquarters

■ **International Sales and
Marketing Division**
Asia Pacific Sales Department
Timepiece Section
Tel: (03) 5334-4981
Consumer Products Section
China Marketing Section
Tel: (03) 5334-4837
Middle East/Africa/Latin America
Sales Department
Timepiece Section 1
Timepiece Section 2
Tel: (03) 5334-4562
Consumer Products Section 1
Consumer Products Section 2
Tel: (03) 5334-4320

■ **Administrative Management
Section**
Tel: (03) 5334-4321

■ **System Products Division
Overseas Marketing & Sales
Department**
Tel: (03) 5334-4770/4771

R&D Centers and Laboratories

**Hamura Research & Development
Center**

3-2-1, Sakae-cho, Hamura City,
Tokyo 205-8555
Tel: (0425) 79-7111

**Tokyo Product Control and
Technical Center**

2-229, Sakuragaoka, Higashiyamato
City, Tokyo 207-8501
Tel: (0425) 63-1111

**Ome Product Control and
Technical Center**

3-10-6, Imai, Ome City,
Tokyo 198-8555
Tel: (0428) 32-1551

Hachioji Laboratory

2951-5, Ishikawa-cho, Hachioji City,
Tokyo 192-8556
Tel: (0426) 44-6111

Overseas Offices

Casio European Headquarters

Unit 6, 1000 North Circular Road,
London NW2 7JD, U.K.
Tel: 020-8450-9131

Casio Computer Co., Ltd.

■ **Beijing Office**

JingTai Tower, Room No. 803,
24 JianGuoMen Wai Street,
Beijing 100022,
People's Republic of China
Tel: 010-6515-5275

■ **Moscow Representative Office**

25/3, Tsvetnoi Boulevard, Moscow
103051, Russia
Tel: 095-725-6466

■ **Dubai Representative Office**

P.O. Box 54268, Dubai Airport Free
Zone, Dubai, U.A.E.
Tel: 04-2996366

■ **Mexico Representative Office**

Montecito No. 38,
World Trade Center,
Piso 23, Oficina 10 y 11,
Col. Napoles, C.P. 03810,
Mexico D.F.
Tel: 52-55-5488-2071

Stock Exchange Listings

Tokyo, Osaka, Amsterdam, and Frankfurt

Transfer Agent

The Sumitomo Trust and Banking Corporation
Stock Transfer Agency Dept.
4-4, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-8233, Japan

Number of Shares

Authorized: 472,258,000 shares
Issued: 271,007,868 shares

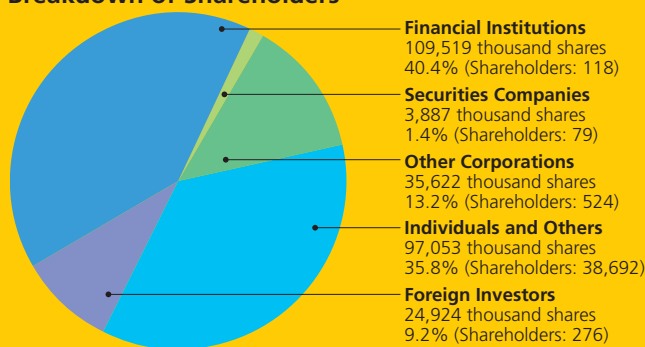
Number of Shareholders

39,689

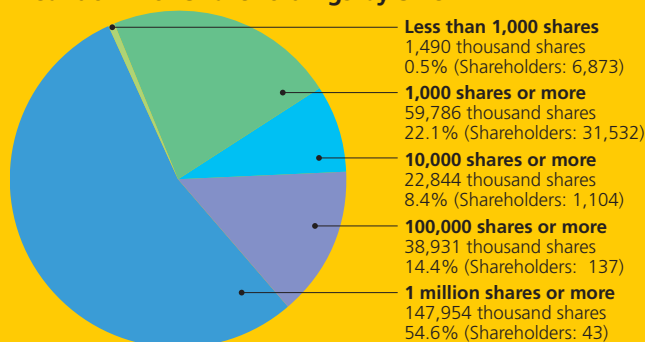
Principal Shareholders

	Shareholdings (thousands)	% of total
Sumitomo Mitsui Banking Corp.	13,558	5.00%
Nippon Life Insurance Company	12,170	4.49
Casio Bros. Corp.	10,000	3.69
Japan Trustee Services Bank, Ltd. (Trust Account)	8,337	3.08
UFJ Bank Limited	5,947	2.19
The Mitsubishi Trust and Banking Corp. (Trust Account)	5,783	2.13
Toshio Kashio	5,367	1.98
Sumitomo Life Insurance Company	5,282	1.95
Mitsui Sumitomo Insurance Co., Ltd.	4,582	1.69
The Dai-ichi Kangyo Bank, Ltd.	4,569	1.69

Breakdown of Shareholders



Breakdown of Shareholdings by Size

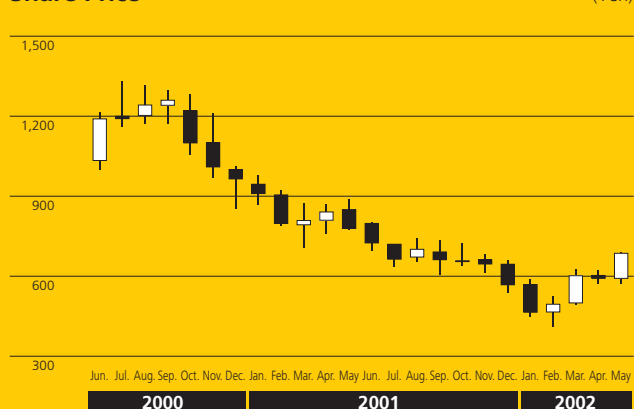


(As of March 31, 2002)

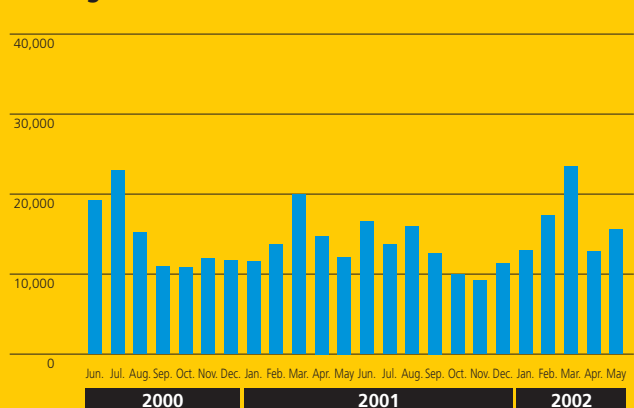
Share Price Range

Year	Month	Yen		
		High	Low	
2001	Apr.	¥870	¥758	
	May	888	775	
	Jun.	803	698	
	Jul.	720	637	
	Aug.	741	653	
	Sep.	734	605	
	Oct.	722	638	
	Nov.	681	612	
	Dec.	660	539	
	2002	Jan.	587	448
		Feb.	526	410
		Mar.	626	494
Apr.		622	570	
May		703	572	

Share Price



Trading Volume



(As of May 31, 2002)

CASIO COMPUTER CO., LTD.

6-2, Hon-machi 1-chome, Shibuya-ku, Tokyo 151-8543, Japan