

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

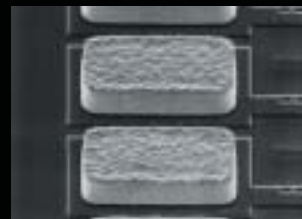
This printer employs an LED four-drum tandem engine and is capable of producing up to 29 full-color A4 pages a minute. The SPEEDIA N5 produces photo-quality images accurate right down to fine gradations to meet increasingly complex and time-dependent business needs.



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

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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.