

# Consolidated Statements of Income

Years ended March 31, 2006 and 2005 Casio Computer Co., Ltd. and Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
<b>Net sales</b> (Note 13).....	<b>¥580,309</b>	<b>¥559,006</b>	<b>\$4,959,906</b>
<b>Costs and expenses</b> (Note 13):			
Cost of sales .....	407,940	398,186	3,486,667
Selling, general and administrative expenses .....	111,050	105,164	949,145
Research and development expenses .....	18,205	16,616	155,598
	<b>537,195</b>	<b>519,966</b>	<b>4,591,410</b>
<b>Operating income</b> (Note 13).....	<b>43,114</b>	<b>39,040</b>	<b>368,496</b>
<b>Other income (expenses):</b>			
Interest and dividends income .....	1,858	1,047	15,880
Interest expense .....	(1,300)	(1,494)	(11,111)
Foreign exchange loss—net .....	(1,216)	(1,962)	(10,393)
Disposal and devaluation of inventories.....	(3,946)	(3,370)	(33,726)
Loss on disposal and sales of property, plant and equipment.....	(603)	(727)	(5,154)
Loss on impairment of fixed assets (Note 16).....	—	(1,494)	—
Gain on devaluation and sales of investment securities.....	31	127	265
Gain on sales of consolidated subsidiaries and affiliates.....	1,928	293	16,479
Gain on change in interests in consolidated subsidiaries .....	—	1,918	—
Other—net .....	(195)	(285)	(1,668)
	<b>(3,443)</b>	<b>(5,947)</b>	<b>(29,428)</b>
<b>Income before income taxes and minority interests</b> .....	<b>39,671</b>	<b>33,093</b>	<b>339,068</b>
<b>Income taxes</b> (Note 8):			
Current.....	13,902	12,436	118,820
Deferred .....	261	(2,013)	2,231
	<b>14,163</b>	<b>10,423</b>	<b>121,051</b>
<b>Income before minority interests</b> .....	<b>25,508</b>	<b>22,670</b>	<b>218,017</b>
Minority interests .....	(1,763)	(1,136)	(15,068)
<b>Net income</b> .....	<b>¥ 23,745</b>	<b>¥ 21,534</b>	<b>\$ 202,949</b>
		Yen	U.S. Dollars (Note 1)
<b>Amounts per share of common stock:</b>			
Net income .....	<b>¥88.57</b>	<b>¥80.27</b>	<b>\$0.76</b>
Diluted net income .....	<b>84.43</b>	<b>76.47</b>	<b>0.72</b>
Cash dividends applicable to the year.....	<b>20.00</b>	<b>17.00</b>	<b>0.17</b>

See accompanying notes.