



# Pursuing growth on a global scale

Casio positions digital cameras, timepieces, electronic dictionaries, and cell phones as its strategic businesses. All these products leverage Casio's core technological strengths of compactness and thinness, lightweight construction, and energy-saving features. Our timepieces and electronic dictionaries are our core earnings generators, enjoying significant market shares and strong brand recognition. Meanwhile, our digital camera and cell phone businesses have excellent potential for future expansion. Casio plans to develop its business aggressively not only in Japan, but also overseas, where there is ample room for expansion, and the Company's strategic businesses will play a key role in those developments.

# Timepieces



Oceanus

We launched a number of new high-end radio-controlled watches on the market during the reporting period. Especially popular were models in the Oceanus series — our flagship-brand full-metal analog watches — and those in the G-Shock global brand series. New, more sophisticated models in both these series were put on the market, featuring radio control signal reception capability from five transmission stations worldwide, in addition to solar-powered drive mechanisms and high-class styling.

In view of our estimation that the potential market for radio-controlled watches is extremely large, we aim to replace all of our non-radio-controlled watches with radio-controlled models in those parts of the world that possess an adequate radio transmission infrastructure.

In the autumn of 2007 we expanded our radio-controlled watch marketing operations from our existing areas of Japan, Europe, and North America, which have timepiece-control transmissions in operation, to China, where full-scale transmissions had been started in June of the same year. We intend to conduct vigorous marketing activities in China to raise Casio's brand recognition in the field of radio-controlled watches and develop the scale of our sales in that market.

As one means of differentiating Casio's radio-controlled watches from those of its rivals, we have developed a common RF (radio frequency) module for our radio-controlled watches that allows them to receive transmissions in various different frequencies from six stations around the world — two in Japan, two in Europe, one

in China, and one in the United States. The first watch capable of receiving six different frequencies was brought to market in the summer of 2008. By marketing models incorporating this module, we are able to reduce the lead time from initial development to market launch by roughly fifty percent, and simultaneously reduce inventory risks. Because of this, costs can be further reduced, and we plan to further expand the lineup of models fitted with the module.

Through a combination of cutting-edge technology and the established brand power of our G-Shock and Oceanus brands, we are aiming to achieve steady market penetration for our solar-powered, radio-controlled watches and a significant expansion in the scale of our timepiece operations in the global marketplace.



25th anniversary model MRG-8000G

## G-Shock brand of watches mark 25th birthday

Casio's G-Shock brand of watches have become a major hit product among young people thanks to their no-nonsense, "outdoors" design created in pursuit of strong resistance to shocks (hard knocks and strong vibrations). They have carved out an unshakeable position for themselves within the fashionable culture followed by young people. Since the launch of the first model — the DW-5000 — in April 1983, more than 60 million of these watches have been sold in around 100 countries — a rare performance for a single wristwatch brand. The G-Shock brand continues to grow on a global scale. Casio plans to develop G-Shock models with new and more advanced features, as well as ever-evolving designs to meet the wide-ranging tastes of both men and women, and of each succeeding generation.

The cell phone market in Japan has reached maturity, with the replacement cycle showing a lengthening trend. The number of cell phones sold per annum is expected to record year-on-year declines from here onward. Amid this difficult environment, makers need to make optimum use of unique proprietary technologies so as to bring to market products that can draw in customers.

During the reporting period, Casio launched a number of new cell phone models embodying the toughness, clear moving images, and high-quality camera features for which its handsets are renowned. Most notable among these were the Exilim W53CA cell phone, which features a 5.1-megapixel camera; the W53H, with a 2.8-inch-wide QVGA organic EL display; and the W61CA,

which is a water-resistant cell phone with a 5.1-megapixel camera compatible with "one-segment" terrestrial digital broadcasting, reflecting recent trends in cell phone development. All three models became hit products among users of the *au* cell-phone service. Casio aims to continue launching attractive handsets with the goal of expanding its market share. At the moment, we are preparing to launch a WCDMA handset on the Japanese market in the latter half of the current fiscal year, ending March 2009.

On overseas markets, we continue to expand our lineup of products, mainly for supply to Verizon Wireless of the United States. We will focus on raising the brand recognition of our G'zOne series of water-resistant and shock-proof cell phones to expand their business scale overseas.



G'zOne TYPE-S for Verizon Wireless

# Cellular Phones

W61CA

# Digital Cameras



EXILIM PRO EX-F1

Driven by replacement demand in advanced industrialized countries and demand from first-time buyers in the developing world, the global market for digital cameras grew strongly in the reporting period, ended March 2008, contrary to initial expectations.

Casio brought to market 10 new models in the reporting period. These included the EX-S10 in the category of 10-megapixel resolution cameras, which featured the world's most compact and thinnest body (as of January 2008, according to our own survey). Another model, the EX-Z200, offers an automatic "best shot" function and a digital zoom function equivalent to a 28mm wide-angle 4X optical zoom lens. Thanks to these new cameras, we realized solid growth in

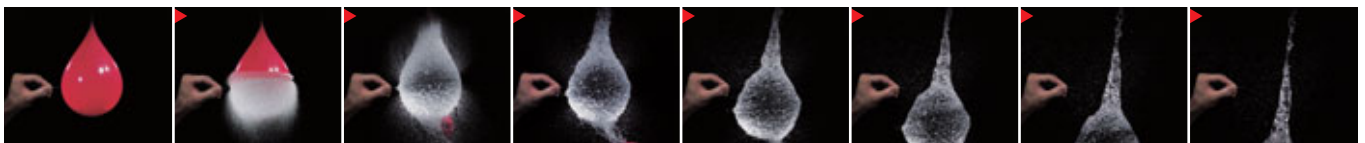
business scale from the previous term.

Beginning in 1995 with the launch of the QV-10 – the world's first consumer-use digital camera featuring an LCD display, Casio has developed and marketed – ahead of its rivals — a wide range of cameras with completely new features and applications. Particularly notable was the 2002 launch of the first "card-sized" digital camera, which users can easily carry about in their pockets, enabling them to take pictures wherever and whenever they like.

In the reporting period, Casio came up with yet another new function to add to its digital cameras — the world's first model to offer 60 high-quality still pictures per second as well as high-speed moving

image performance. This model, the Exilim Pro EX-F1, was put on the market at the end of March 2008. We expect the technology incorporated in this new model to generate a significant expansion in our product lineup over the next few years.

Casio will be investing aggressively in the development of new technologies to further differentiate its lineup from those of competitors. By launching products incorporating new and functionally sophisticated concepts, we intend to further expand our share of the world market for digital cameras.



## Features of the Exilim Pro EX-F1

By combining recently-developed high-speed CMOS sensors with high-speed LSIs that are the fruit of Casio's image processing technology, we have succeeded in creating the world's fastest consumer-use digital image camera (according to a survey by the Company of consumer-use digital cameras conducted on January 6, 2008). The Exilim Pro EX-F1 boasts a speed of 60 frames per second for high-definition still pictures, and 1,200 frames per second for moving images.



# Electronic Dictionaries

According to a 2007 survey (by GfK Marketing Services Japan Ltd.), Casio holds the No. 1 share in the Japanese market for electronic dictionaries: the Company's leading position in the market is virtually unassailable. At Casio we are constantly working to improve user convenience and expand our product lineup, and we are confident that these efforts will ensure continued customer loyalty.

Demand for electronic dictionaries in Japan is at its highest during the spring,

ahead of the start of the academic year in April. Up to February 2008 we had launched 16 new models, thereby renewing our whole lineup. These new models all boast new features such as "twin touch panels," whereby the main panel and the input panel are both touch screens operated with a stylus, making them easier to operate than ever before.

Casio is also working to develop markets for its electronic dictionaries overseas. In August 2007 we entered the

French market. From here onward, we will be focusing our efforts on countries where demand for foreign language learning is strong. We will particularly target China, whose market potential is huge, and South Korea, where the market for electronic dictionaries has already reached a significant scale.

## Electronic dictionary research center established in China

In April 2008, we set up the Electronic Dictionary Research Center on the campus of Beijing Foreign Studies University through a tie-up agreement with the university. Through studies into the application of electronic dictionaries in the study of languages, the center aims to highlight the merits of such dictionaries and devise more efficient learning methods.



EW-V2800H for Chinese market