Notes to Consolidated Financial Statements

Years ended March 31, 2012 and 2011 Casio Computer Co., Ltd. and Consolidated Subsidiaries

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of CASIO COMPUTER CO., LTD. ("the Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English (with certain expanded disclosure) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2012, which is ¥82 to U.S.$1. The convenience translation should not be construed as representation 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.

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. Stocks of 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 are 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 assets of investments in subsidiaries at acquisition is included in other assets and is amortized on a straight-line basis over five years.

Cash flow statements

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 net assets as foreign currency translation adjustment and minority interests.

Securities

Debt securities designated as held-to-maturity are carried at amortized cost. Other securities except for trading securities ("available-for-sale securities") for which fair value is readily determinable are stated at fair 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 net assets. The cost of such securities sold is determined primarily by the moving-average method. Available-for-sale securities for which fair 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 hedges and meet certain hedging criteria, the Group defers recognition of gains or losses resulting from changes in the 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 hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swaps is added to or deducted from the interest on the assets or liabilities for which the swap contract is executed.

The Group uses forward foreign currency contracts and interest rate swaps as derivative financial instruments only for the purpose of mitigating future risks of fluctuations 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 currency 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 receivables.

Inventories

The Company and its consolidated subsidiaries state inventories at the lower of cost (first-in, first-out) or net realizable values at year-end.

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 the head office of the Company and buildings, excluding building fixtures, acquired after March 31, 1998 are depreciated using the straight-line method. The depreciation period ranges from 2 years to 60 years for buildings and structures, from 2 years to 12 years for machinery, equipment and vehicles, and from 1 year to 20 years for tools, furniture and fixtures.

Software costs

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

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

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

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

Lease assets

(Finance leases which do not transfer ownership of the leased property to the lessee)
Lease assets are divided into the two principal categories of property, plant and equipment and intangible assets. The former consists primarily of facilities (machinery and equipment, tools, furniture and fixtures) while the latter consists of software. The assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and the residual value is zero.

Provision for 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 in Japan are covered by two kinds of pension plans: defined benefit corporate pension fund plan and tax-qualified pension plan. And those of the Company and some of its consolidated subsidiaries in Japan are covered by lump-sum indemnities.

The Company and its consolidated subsidiaries in Japan received permission from the Minister of Health, Labor and Welfare, for release from the obligation of paying benefits for employees' prior services relating to the substitutional portion of the Welfare Pension Insurance Scheme. Concurrently, the employees' pension fund plan was changed to defined benefit corporate pension fund plan.

The Company and some of its consolidated subsidiaries in Japan provide defined contribution plans. In addition, the Company has established an employee retirement benefits trust.

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

Provision for directors' retirement benefits

The annual provision for accrued retirement benefits for directors and statutory auditors of the Company and certain subsidiaries is calculated to state the liability at the amount that would be required if all directors and corporate auditors had retired at each balance sheet date.

Income taxes

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

The Group recognizes tax effects of temporary differences between the financial statement 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 company 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 is computed based on the weighted average number of shares of common stock outstanding during each fiscal year (less the treasury stock).

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

Reclassifications

Certain reclassifications have been made in the 2011 consolidated financial statements to conform to the 2012 presentation.

3. Additional Information

Effective from the year ended March 31, 2012, the Company and its consolidated subsidiaries in Japan adopted ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections," and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections," both issued by the Accounting Standards Board of Japan on December 4, 2009.

4. Cash and Cash Equivalents

(1) Cash and cash equivalents at March 31, 2012 and 2011:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Cash and deposits	¥ 53,128	¥ 41,114	$ 647,903
Time deposits over three months	(10,075)	(11,155)	(122,866)
Marketable securities within three months	38,227	69,822	466,183
Short-term loans receivable with resale agreement	19,430	17,338	236,951
Cash and cash equivalents	¥100,710	¥117,119	$1,228,171

(2) Breakdown of decrease in assets and liabilities resulting from transfer of business

The following table provides a breakdown of the decrease in assets and liabilities resulting from the transfer of the wafer level package (WLP)-related business formerly operated by the Company and its consolidated subsidiary Casio Micronics Co., Ltd., in addition to details regarding the monetary amount received from the transferred business and any other income resulting from the transfer.

	Millions of Yen	Thousands of U.S. Dollars
	2012	2012
Current assets	¥2,006	$24,463
Noncurrent assets	2,546	31,049
Total assets	4,552	55,512
Current liabilities	1,985	24,208
Noncurrent liabilities	345	4,207
Total liabilities	2,330	28,415
Compensation for share transfer	600	7,317
Cash and cash equivalents	(230)	(2,805)
Proceeds from transfer of business	370	4,512

(3) Significant non-cash transactions

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Assets relating to finance lease transactions	¥841	¥1,415	$10,256
Obligations relating to finance lease transactions	882	1,473	10,756

5. Inventories

Inventories at March 31, 2012 and 2011:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Finished goods	¥29,358	¥31,586	$358,024
Work in process	5,955	5,147	72,622
Raw materials and supplies	10,276	8,694	125,317
Total	¥45,589	¥45,427	$555,963

6. Fair Value of Financial Instruments

Information on financial instruments for the years ended March 31, 2012 and 2011:

(1) Qualitative information on financial instruments

1) Policies for using financial instruments

The Group invests surplus funds in highly secure financial assets, and funds required for working capital and capital investments are raised through the issuance of bonds or loans from financial institutions such as banks. Derivatives are used to avoid the risks described hereinafter and no speculative transactions are entered.

2) Details of financial instruments used and risks involved, and how they are managed

Notes and accounts receivable–trade are exposed to customers' credit risk. To minimize that risk, the Group periodically monitors the due date and the balance of the accounts.

Short-term investment securities and investment securities are primarily highly secure and highly-rated bonds and include shares in companies with which the Group has business relations, and are exposed to market price fluctuation risk. The Group periodically monitors the market price and reviews the status of these holdings.

Short-term loans receivable with resale agreement are highly secure short-term loans to financial institutions ranking above a certain level, and are of no substantial credit risk.

Notes and accounts payable–trade have the due date of within one year.

Operating payables, loans payable, and bonds payable are subject to liquidity risk (the risk of an inability to pay by the due date). However, the Group manages liquidity risk by maintaining short-term liquidity in excess of a certain level of consolidated sales or by other means.

The Group uses derivative transactions of forward foreign currency contracts to hedge currency fluctuation risks arising from assets and liabilities denominated in foreign currencies, as well as interest rate swap contracts to fix the cash flows associated with loans payable and bonds payable or to offset market fluctuation risks. The Group utilizes and manages derivative transactions following the internal regulation for them, which stipulates policy, objective, scope, organization, procedures and financial institutions to deal with, and has an implementation and reporting system for derivative transactions reflecting proper internal control functions.

3) Supplemental information on fair values

The fair value of financial instruments is calculated based on quoted market price or, in case where there is no market price, by making a reasonable estimation. Because the preconditions applied include a floating element, estimation of fair value may vary. The contracted amounts, as presented in Note 8 "Derivative Transactions," do not reflect market risk.

(2) Fair values of financial instruments

The following table summarizes book value and fair value of the financial instruments, and the difference between them as of March 31, 2012 and 2011. Items for which fair value is difficult to estimate are not included in the following table (see Note 2 below).

	Millions of Yen		
For 2012	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 53,128	¥ 53,128	¥ —
[2] Notes and accounts receivable–trade	57,923	57,923	—
[3] Short-term investment securities and investment securities			
a. Held-to-maturity debt securities	14,000	14,000	—
b. Available-for-sale securities	66,263	66,263	—
[4] Short-term loans receivable with resale agreement	19,430	19,430	—
Total assets	210,744	210,744	—
Liabilities			
[1] Notes and accounts payable–trade	49,682	49,682	—
[2] Short-term loans payable	3,817	3,817	—
[3] Bonds payable	30,710	31,135	425
[4] Long-term loans payable	77,457	77,881	424
Total liabilities	161,666	162,515	849
Derivative transactions*	(210)	(210)	—

	Thousands of U.S. Dollars		
For 2012	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	$ 647,903	$ 647,903	$ —
[2] Notes and accounts receivable–trade	706,378	706,378	—
[3] Short-term investment securities and investment securities			
a. Held-to-maturity debt securities	170,732	170,732	—
b. Available-for-sale securities	808,085	808,085	—
[4] Short-term loans receivable with resale agreement	236,951	236,951	—
Total assets	2,570,049	2,570,049	—
Liabilities			
[1] Notes and accounts payable–trade	605,878	605,878	—
[2] Short-term loans payable	46,549	46,549	—
[3] Bonds payable	374,512	379,695	5,183
[4] Long-term loans payable	944,598	949,768	5,170
Total liabilities	1,971,537	1,981,890	10,353
Derivative transactions*	(2,561)	(2,561)	—

For 2011	Millions of Yen Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 41,114	¥ 41,114	¥ —
[2] Notes and accounts receivable–trade	61,744	61,744	—
[3] Short-term investment securities and investment securities			
a. Held-to-maturity debt securities	26,000	26,000	—
b. Available-for-sale securities	98,034	98,034	—
[4] Short-term loans receivable with resale agreement	17,338	17,338	—
Total assets	244,230	244,230	—
Liabilities			
[1] Notes and accounts payable–trade	51,688	51,688	—
[2] Short-term loans payable	14,800	14,800	—
[3] Bonds payable	25,000	25,398	398
[4] Long-term loans payable	48,000	48,299	299
Total liabilities	139,488	140,185	697
Derivative transactions*	(155)	(155)	—

* Net receivables and payables, which are derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

Note 1: Method for calculating the fair value of financial instruments and matters related to investment securities and derivative transactions

Assets

[1] Cash and deposits, [2] Notes and accounts receivable–trade, [4] Short-term loans receivable with resale agreement

Since these items are short-term and the fair value approximates the book value, the book value is used as fair value.

[3] Short-term investment securities and investment securities

The fair value of shares is the market price, while the fair value of bonds is the market price or the price quoted by the correspondent financial institution. Since certificates of deposit and commercial paper are short-term, and the fair value approximates the book value, the book value is used as fair value.

See Note 7 "Securities" for information on short-term investment securities categorized by holding purposes.

Liabilities

[1] Notes and accounts payable–trade, [2] Short-term loans payable

Since these items are short-term and the fair value approximates the book value, the book value is used as fair value.

[3] Bonds payable

The fair value of bonds payable is calculated by using the discounted cash flow, based on the sum of the principal and total interest over the remaining period and credit risk.

[4] Long-term loans payable

The fair value of long-term loans payable with fixed interest rates is the sum of the principal and total interest discounted by the rate that is applied if a new loan is made. Since long-term loans payable with floating interest rates reflect market interest rates over the short term, and the fair value approximates the book value, the book value is used as fair value. However, those that are subject to special treatment interest rate swaps are measured by taking the sum of the principal and total interest associated with the interest rate swap and discounting it by the rate that is reasonably estimated and applied if a new loan is made (see Note 8 "Derivative Transactions").

Derivative transactions

See Note 8 "Derivative Transactions."

Note 2: Financial instruments of which fair value is difficult to estimate

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
	Book value	Book value	Book value
Unlisted shares	¥2,748	¥5,620	$33,512

The market price of the above shares is not available and the future cash flow cannot be estimated. Therefore, the fair value is difficult to estimate. Hence, these are not included in "[3] Short-term investment securities and investment securities" above.

Note 3: Monetary claims, short-term investment securities and investment securities with repayment due dates after March 31, 2012 and 2011:

	Millions of Yen			
For 2012	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 53,128	¥ —	¥—	¥—
Notes and accounts receivable–trade	57,923	—	—	—
Short-term investment securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	—	—	—	—
(2) Corporate bonds	—	—	—	—
(3) Others	14,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Bonds				
a. Government bonds	—	—	—	—
b. Corporate bonds	30,300	5,000	—	—
c. Others	1,400	8,000	—	—
(2) Others	4,174	—	—	—
Short-term loans receivable with resale agreement	19,430	—	—	—
Total	¥180,355	¥13,000	¥—	¥—

	Thousands of U.S. Dollars			
For 2012	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	$ 647,903	$ —	$—	$—
Notes and accounts receivable–trade	706,378	—	—	—
Short-term investment securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	—	—	—	—
(2) Corporate bonds	—	—	—	—
(3) Others	170,732	—	—	—
2. Available-for-sale securities with maturities				
(1) Bonds				
a. Government bonds	—	—	—	—
b. Corporate bonds	369,512	60,976	—	—
c. Others	17,073	97,561	—	—
(2) Others	50,902	—	—	—
Short-term loans receivable with resale agreement	236,951	—	—	—
Total	$2,199,451	$158,537	$—	$—

	Millions of Yen			
For 2011	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 41,114	¥ —	¥—	¥ —
Notes and accounts receivable–trade	61,744	—	—	—
Short-term investment securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	—	—	—	—
(2) Corporate bonds	—	—	—	—
(3) Others	26,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Bonds				
a. Government bonds	—	—	—	—
b. Corporate bonds	48,705	12,100	—	—
c. Others	7,000	8,047	—	—
(2) Others	2,705	—	—	154
Short-term loans receivable with resale agreement	17,338	—	—	—
Total	¥204,606	¥20,147	¥—	¥154

7. Securities

(1) Held-to-maturity debt securities

	Millions of Yen		
	2012		
	Book value	Fair value	Difference
Securities with available fair values exceeding book values	¥14,000	¥14,000	$—
Securities other than the above	—	—	—
Total	¥14,000	¥14,000	$—

	Thousands of U.S. Dollars		
	2012		
	Book value	Fair value	Difference
Securities with available fair values exceeding book values	$170,732	$170,732	$—
Securities other than the above	—	—	—
Total	$170,732	$170,732	$—

	Millions of Yen		
	2011		
	Book value	Fair value	Difference
Securities with available fair values exceeding book values	¥26,000	¥26,000	¥—
Securities other than the above	—	—	—
Total	¥26,000	¥26,000	¥—

(2) Available-for-sale securities

Securities with book values exceeding acquisition costs:

	Millions of Yen		
	2012		
	Book value	Acquisition cost	Difference
Equity securities	¥ 7,599	¥ 4,545	¥3,054
Bonds	37,371	37,291	80
Others	4,174	4,174	—
Total	¥49,144	¥46,010	¥3,134

	Thousands of U.S. Dollars		
	2012		
	Book value	Acquisition cost	Difference
Equity securities	$ 92,671	$ 55,427	$37,244
Bonds	455,744	454,769	975
Others	50,902	50,902	—
Total	$599,317	$561,098	$38,219

	Millions of Yen		
	2011		
	Book value	Acquisition cost	Difference
Equity securities	¥10,391	¥ 5,538	¥4,853
Bonds	65,451	65,334	117
Others	2,859	2,858	1
Total	¥78,701	¥73,730	¥4,971

Securities others than the above:

	Millions of Yen		
	2012		
	Book value	Acquisition cost	Difference
Equity securities	¥ 9,734	¥11,874	¥(2,140)
Bonds	7,379	7,391	(12)
Others	6	8	(2)
Total	¥17,119	¥19,273	¥(2,154)

	Thousands of U.S. Dollars		
	2012		
	Book value	Acquisition cost	Difference
Equity securities	$118,707	$144,805	$(26,098)
Bonds	89,988	90,134	(146)
Others	73	98	(25)
Total	$208,768	$235,037	$(26,269)

	Millions of Yen		
	2011		
	Book value	Acquisition cost	Difference
Equity securities	¥ 8,920	¥10,874	¥(1,954)
Bonds	10,406	10,500	(94)
Others	7	9	(2)
Total	¥19,333	¥21,383	¥(2,050)

Note: Aquisition cost is presented based on book values after posting of impairment loss.

(3) Available-for-sale securities sold in the years ended March 31, 2012 and 2011

	Millions of Yen		
	2012		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥562	¥133	¥—
Bonds	—	—	—
Others	—	—	—
Total	¥562	¥133	¥—

	Thousands of U.S. Dollars		
	2012		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities	$6,854	$1,622	$—
Bonds	—	—	—
Others	—	—	—
Total	$6,854	$1,622	$—

	Millions of Yen		
	2011		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥60	¥29	¥—
Bonds	—	—	—
Others	—	—	—
Total	¥60	¥29	¥—

(4) Short-term investment securities impaired

Certain short-term investment securities are impaired. An impairment loss of ¥231 million, comprising ¥229 million on other securities except for trading securities ("available-for-sale securities") for which fair value was readily determinable, ¥0 million on securities of which the fair value was extremely difficult to estimate and ¥2 million on other securities was recorded for the year ended March 31, 2011. No impairment of short-term investment securities was recorded for the year ended March 31, 2012.

With respect to impairment loss, investment securities with a fair value that has declined by 50% or more against their acquisition cost are booked as impairment loss. Among investment securities that have declined by 30% or more, but less than 50% against their acquisition cost, those that have been comprehensively assessed and deemed as unlikely to recover their value are also booked as impairment loss.

8. Derivative Transactions

Fair value of derivative transactions

The aggregate amounts contracted to be paid or received and the fair values of derivative transactions of the Group at March 31, 2012 and 2011:

Derivative transactions not subject to hedge accounting

(1) Currency-related derivatives:

	Millions of Yen			
	2012			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
Sterling pounds	¥ 597	¥—	¥ 621	¥ (24)
Chinese yuan	3,487	—	3,630	(143)
Total	—	—	—	¥(167)

	Thousands of U.S. Dollars			
	2012			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
Sterling pounds	$ 7,280	$—	$ 7,573	$ (293)
Chinese yuan	42,524	—	44,268	(1,744)
Total	—	—	—	$(2,037)

	Millions of Yen			
	2011			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
U.S. dollars	¥ 40	¥—	¥ 40	¥ (0)
Euros	5,426	—	5,570	(144)
Sterling pounds	345	—	342	3
To buy:				
U.S. dollars	244	—	249	5
Total	—	—	—	¥(136)

Note: Fair values of derivative transactions are determined by forward exchange rates.

(2) Interest rate-related derivatives:

	Millions of Yen			
	2012			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Interest rate swaps:				
Receive fix/Pay float	¥10,000	¥10,000	¥(43)	¥112
Total	¥10,000	¥10,000	¥(43)	¥112

	Thousands of U.S. Dollars			
	2012			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Interest rate swaps:				
Receive fix/Pay float	$121,951	$121,951	$(524)	$1,366
Total	$121,951	$121,951	$(524)	$1,366

	Millions of Yen			
	2011			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Interest rate swaps:				
Receive fix/Pay float	¥10,000	¥10,000	¥(155)	¥(6)
Total	¥10,000	¥10,000	¥(155)	¥(6)

Note: Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.

Derivative transactions subject to hedge accounting

(1) Currency-related derivatives

			Millions of Yen		
			2012		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell Chinese yuan	Foreign-currency deposits	¥9,839	¥—	Note 2
Total			¥9,839	¥—	¥—

			Thousands of U.S. Dollars		
			2012		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell Chinese yuan	Foreign-currency deposits	$119,988	$—	Note 2
Total			$119,988	$—	$—

			Millions of Yen		
			2011		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell Chinese yuan	Foreign-currency deposits	¥10,056	¥—	Note 2
Total			¥10,056	¥—	¥—

(2) Interest rate-related derivatives

			Millions of Yen		
			2012		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥22,457	¥22,457	Note 3
Total			¥22,457	¥22,457	¥—

			Thousands of U.S. Dollars		
			2012		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	$273,866	$273,866	Note 3
Total			$273,866	$273,866	$—

			Millions of Yen		
			2011		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Principle accounting method	Interest rate swaps: Receive fix/ Pay float	Long-term loans payable, etc.	¥10,000	¥ —	¥136
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	18,000	18,000	Note 3
Total			¥28,000	¥18,000	¥ —

Notes: 1. Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.
2. Since forward contracts that are subject to appropriated treatment are accounted for together with deposits, which are hedged items, their fair value is included in the fair value of the said deposits.
3. Since interest rate swaps that are subject to special treatment are accounted for with long-term loans payable, which are hedged items, their fair value is included in the fair value of the said long-term loans payable.

9. Short-term Loans Payable and Long-term Debt

Short-term loans payable represent unsecured bank loans and its average interest rates are 1.5% and 1.2% per annum at March 31, 2012 and 2011, respectively.

Bonds and long-term loans payable at March 31, 2012 and 2011:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Euro-yen convertible bonds with stock warrants due in 2015*	¥ 250	¥ 50,000	$ 3,049
1.32% unsecured bonds due in 2014	10,000	10,000	121,951
1.07% unsecured bonds due in 2015	15,000	15,000	182,927
1.785% unsecured Eurobonds due in 2015	5,710	—	69,634
Unsecured loans principally from banks at an average interest rate of 0.6% maturing 2013 through 2019**	77,457	48,000	944,598
Total	108,417	123,000	1,322,159
Less amount due within one year	—	10,000	—
	108,417	113,000	1,322,159

* Details of issuances of share subscription rights attached to bonds ("warrants"):
Type of shares involved: ordinary shares of common stock
Price of warrant: gratis
Share issue price: ¥1,952
Total issue amount: ¥50,000 million
Total value of new shares issued upon exercise of warrants: —
Warrant-linked: 100%
Period of exercise of warrants: July 3, 2008 to March 17, 2015
Upon request to exercise warrants in question, payments usually required for the issuance of the corresponding number of shares shall be exempted as the issuer of bonds in question, in return, will be automatically exempted from obligation of redemption of the bonds in lump-sum.
Exercise of warrants in question shall be regarded as eligible request for exercise of share subscription rights.

** An average interest rate is the weighted average rate on the year-end balance of loans payable.

The annual maturities of bonds and long-term loans payable at March 31, 2012:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2013	¥ —	$ —
2014	35,000	426,829
2015	53,417	651,427
2016	15,000	182,927
2017	—	—
Thereafter	5,000	60,976

The annual maturities of lease obligations at March 31, 2012:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2013	¥632	$7,707
2014	495	6,037
2015	340	4,146
2016	188	2,293
2017	65	793
Thereafter	88	1,073

The lines of credit with the main financial institutions agreed as of March 31, 2012 and 2011:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Line of credit	¥57,815	¥88,735	$705,061
Unused	57,815	88,735	705,061

10. Income Taxes

The Company and its consolidated subsidiaries in Japan used the statutory income tax rate of 40.7% for calculation of deferred income tax assets and liabilities at March 31, 2012 and 2011.

The following table summarizes the significant differences between statutory tax rate and the Group's actual income tax rate for financial statement purposes for the years ended March 31, 2012 and 2011.

	2012	2011
Statutory tax rate	40.7%	40.7%
Increase (reduction) in tax resulting from:		
Nondeductive expenses (Entertainment, etc.)	11.2	1.1
Difference in statutory tax rate (included in foreign subsidiaries)	(150.2)	(8.3)
Valuation allowance	179.4	7.7
Equity in earnings of affiliates	122.8	6.3
Impact of organizational restructuring	(816.3)	—
Decreasing adjustment in deferred tax assets at the year-end due to statutory tax rate	292.9	—
Other	41.5	1.7
Actual income tax rate	(278.0)%	49.2%

Significant components of deferred tax assets and liabilities as of March 31, 2012 and 2011:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Deferred tax assets:			
Net operating loss carryforwards	¥27,637	¥15,606	$337,037
Provision for retirement benefits	7,369	7,895	89,866
Inventories	2,555	2,521	31,159
Accrued expenses (bonuses to employees)	1,888	2,242	23,024
Property, plant and equipment	1,175	1,331	14,329
Other	9,460	8,641	115,366
Gross deferred tax assets	50,084	38,236	610,781
Valuation allowance	(22,171)	(15,501)	(270,378)
Total deferred tax assets	27,913	22,735	340,403
Deferred tax liabilities:			
Unrealized holding gain	(1,651)	(1,878)	(20,134)
Valuation difference on available-for-sale securities	(1,119)	(2,022)	(13,647)
Reserve for advanced depreciation of noncurrent assets	(104)	(126)	(1,268)
Other	(62)	(62)	(756)
Total deferred tax liabilities	(2,936)	(4,088)	(35,805)
Net deferred tax assets	¥24,977	¥18,647	$304,598

Adjustments of amount of deferred tax assets and liabilities for enacted changes in tax laws and rates

The "Law to Revise the Income Tax etc., in Order to Construct a Tax System Addressing Changes in Socio-Economic Structure" (Act No. 114 of 2011) and the "Act on Special Measures Relating to Securing the Fiscal Resources Necessary for Implementing Measures to Effect a Recovery from the Great East Japan Earthquake" (Law No. 117 of 2011) were enacted on December 2, 2011. In line with this legislation, the income tax rate applicable to corporate accounts for the business year beginning April 1, 2012 was lowered, and a Special Disaster-Recovery Corporation Tax was levied.

As a result of these changes, income taxes-deferred increased by ¥2,094 million ($25,537 thousand), while valuation difference on available-for-sale securities increased by ¥36 million ($439 thousand), and a deferred loss on hedges of ¥10 million ($122 thousand) was registered.

11. Provision for Retirement Benefits

The liabilities for the provision for retirement benefits at March 31, 2012 and 2011:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Projected benefit obligation	¥77,051	¥70,846	$939,646
Less fair value of pension assets*	(47,142)	(48,407)	(574,902)
Unrecognized actuarial differences	(23,899)	(17,892)	(291,451)
Unrecognized prior service costs	5,285	6,149	64,451
Prepaid pension cost	—	—	—
Liabilities for the provision for retirement benefits	¥11,295	¥10,696	$137,744

* Including employee retirement benefit trust

The provision for retirement benefits expenses for the years ended 2012 and 2011:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Service cost—benefits earned during the year	¥2,858	¥2,455	$34,854
Interest cost on projected benefit obligation	1,638	1,653	19,976
Expected return on plan assets	(1,344)	(1,441)	(16,390)
Amortization of actuarial differences	2,058	1,911	25,097
Amortization of prior service costs	(865)	(865)	(10,549)
Other	141	144	1,719
Provision for retirement benefit expenses	¥4,486	¥3,857	$54,707

The discount rate and the rate of expected return on plan assets used by the Group are 1.7% and 3.0%, respectively, in 2012. These rates for the previous year are 2.5% and 3.0%, 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 differences 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). Prior service costs 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).

12. Net Assets

Under the Japanese Corporation Law ("the Law") and regulations, the entire amount paid for new shares is required to be designated as capital stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

In cases where dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of capital stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Law.

13. Lease Transactions

(1) Finance lease transactions which do not transfer the ownership of the leased property to the lessee, and that were concluded prior to the first year for which the new accounting standards were applied

The outstanding future lease payments and accumulated impairment loss on lease assets due at March 31, 2012 and 2011:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Future lease payments:			
Due within one year	¥ 50	¥ 861	$ 610
Due over one year	103	367	1,256
Total	153	1,228	1,866
Year-end balance of accumulated impairment loss on lease assets	—	646	—

Total lease expenses (corresponding to reversal of accumulated impairment loss on lease assets, total assumed depreciation cost, total assumed interest cost and impairment loss) as lessee for the years ended march 31, 2012 and 2011:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Total lease expenses	¥599	¥1,290	$7,305
Reversal of accumulated impairment loss on lease assets	342	787	4,171
Total assumed depreciation cost	210	490	2,561
Total assumed interest cost	19	61	232
Impairment loss	—	12	—

Assumed data as to acquisition cost, accumulated depreciation, accumulated impairment loss and net book value of the lease assets under the finance lease contracts as lessee at March 31, 2012 and 2011:

	Millions of Yen		
	2012		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥264	¥159	¥105
Tools, furniture and fixtures	90	81	9
Other	174	153	21
Total	¥528	¥393	¥135

	Thousands of U.S. Dollars		
	2012		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	$3,219	$1,939	$1,280
Tools, furniture and fixtures	1,098	988	110
Other	2,122	1,866	256
Total	$6,439	$4,793	$1,646

	Millions of Yen			
	2011			
	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Net book value
Machinery, equipment and vehicles	¥4,631	¥2,244	¥2,011	¥376
Tools, furniture and fixtures	393	322	5	66
Other	311	243	—	68
Total	¥5,335	¥2,809	¥2,016	¥510

(2) Operating leases

The outstanding future noncancellable lease payments due at March 31, 2012 and 2011:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Future lease payments:			
Due within one year	¥ 63	¥ 57	$ 768
Due over one year	321	72	3,915
Total	¥384	¥129	$4,683

14. Segment Information

(1) Overview of reportable segments

The Company's reportable segments consist of the Company's constituent units for which separate financial information is available and which are subject to periodic examination in order for the board of directors to determine the allocation of management resources and evaluate financial results.

The Company designates three areas of segment reporting, which are the "Consumer," "System equipment," and "Others" segments, based on the type of products and services, and the market and consumer categories.

The categories of the main products and services belonging to each reportable segment:

Consumer................. Watches, Clocks, Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, Digital cameras, etc.

System equipment..... Handheld terminals, Electronic cash registers, Office computers, Page printers, Data projectors, etc.

Others....................... WLP processing consignments, LCDs, Molds, etc.

(2) Basis of measurement about net sales, income or loss, assets and other categories for each reportable segment

The accounting method for the reportable segments is largely in line with the descriptions in Notes 1–2. Inter-segment profits are based on the market price.

(3) Information on net sales, income or loss, assets and other categories for each reportable segment

Segment information as of and for the years ended March 31, 2012 and 2011:

	Millions of Yen					
	Reportable segments					
For 2012	Consumer	System equipment	Others	Total	Adjustment	Consolidated
Net sales:						
Outside customers	¥215,327	¥43,103	¥43,230	¥301,660	¥ —	¥301,660
Inside Group	4	552	4,834	5,390	(5,390)	—
Total	215,331	43,655	48,064	307,050	(5,390)	301,660
Segment income (loss)	14,643	(2,350)	299	12,592	(3,527)	9,065
Segment assets	151,339	47,055	40,738	239,132	127,080	366,212
Others						
Depreciation and amortization	4,978	2,684	1,437	9,099	178	9,277
Amortization of goodwill	100	24	—	124	—	124
Investment to equity method affiliates	—	—	2,258	2,258	—	2,258
Increase in property, plant and equipment and intangible assets	6,034	2,682	1,048	9,764	138	9,902

	Thousands of U.S. Dollars					
	Reportable segments					
For 2012	Consumer	System equipment	Others	Total	Adjustment	Consolidated
Net sales:						
Outside customers	$2,625,939	$525,646	$527,195	$3,678,780	$ —	$3,678,780
Inside Group	49	6,732	58,951	65,732	(65,732)	—
Total	2,625,988	532,378	586,146	3,744,512	(65,732)	3,678,780
Segment income (loss)	178,573	(28,658)	3,646	153,561	(43,012)	110,549
Segment assets	1,845,598	573,841	496,805	2,916,244	1,549,756	4,466,000
Others						
Depreciation and amortization	60,707	32,732	17,524	110,963	2,171	113,134
Amortization of goodwill	1,219	293	—	1,512	—	1,512
Investment to equity method affiliates	—	—	27,537	27,537	—	27,537
Increase in property, plant and equipment and intangible assets	73,585	32,707	12,781	119,073	1,683	120,756

	Millions of Yen					
	Reportable segments					
For 2011	Consumer	System equipment	Others	Total	Adjustment	Consolidated
Net sales:						
Outside customers	¥252,083	¥46,511	¥43,084	¥341,678	¥ —	¥341,678
Inside Group	18	627	5,963	6,608	(6,608)	—
Total	252,101	47,138	49,047	348,286	(6,608)	341,678
Segment income (loss)	16,521	(1,488)	576	15,609	(3,567)	12,042
Segment assets	151,808	44,735	45,699	242,242	160,214	402,456
Others						
Depreciation and amortization	8,013	2,916	1,781	12,710	205	12,915
Amortization of goodwill	140	24	—	164	—	164
Investment to equity method affiliates	2,272	—	2,212	4,484	—	4,484
Increase in property, plant and equipment and intangible assets	7,116	2,354	923	10,393	57	10,450

Notes: 1. Adjustments are as shown below:

(1) Adjustments to segment income or loss for the years ended March 31, 2012 and 2011 are ¥(3,527) million ($(43,012) thousand) and ¥(3,567) million, respectively. These amounts include corporate expenses that are not allocated to reportable segments of ¥(3,527) million ($(43,012) thousand) and ¥(3,567) million, respectively. Corporate expenses principally consist of administrative expenses and R&D expenses for fundamental research of the Company that are not attributable to reportable segments.

(2) Adjustments to segment assets for the years ended March 31, 2012 and 2011 are ¥127,080 million ($1,549,756 thousand) and ¥160,214 million, respectively. These amounts include corporate assets that are not allocated to reportable segments of ¥127,242 million ($1,551,732 thousand) and ¥161,088 million, respectively.

(3) Adjustments to depreciation and amortization for the years ended March 31, 2012 and 2011 are ¥178 million ($2,171 thousand) and ¥205 million, respectively. These amounts consist of depreciation and amortization of assets related to administrative divisions that are not attributable to reportable segments.

(4) Adjustment to the increase in property, plant and equipment and intangible assets for the years ended March 31, 2012 and 2011 are ¥138 million ($1,683 thousand) and ¥57 million, respectively. These amounts consist of capital expenditures of administrative divisions that are not attributable to reportable segments.

2. Segment income or loss is reconciled with operating income on the consolidated income statements.

(4) Information about geographic areas

	Millions of Yen					
For 2012	Japan	North America	Europe	Asia	Others	Total
Net sales	¥142,400	¥30,613	¥45,989	¥55,307	¥27,351	¥301,660

	Thousands of U.S. Dollars					
For 2012	Japan	North America	Europe	Asia	Others	Total
Net sales	$1,736,585	$373,329	$560,841	$674,476	$333,549	$3,678,780

	Millions of Yen					
For 2011	Japan	North America	Europe	Asia	Others	Total
Net sales	¥162,351	¥42,109	¥54,155	¥54,465	¥28,598	¥341,678

Note: Sales are classified by country or region where customers are located.

(5) Information on impairment loss for each reportable segment

	Millions of Yen				
For 2012	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Impairment loss	¥861	¥—	¥487	¥—	¥1,348

	Thousands of U.S. Dollars				
For 2012	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Impairment loss	$10,500	$—	$5,939	$—	$16,439

	Millions of Yen				
For 2011	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Impairment loss	¥—	¥—	¥646	¥—	¥646

(6) Information on amortization of goodwill and unamortized balance in each reportable segment

	Millions of Yen				
For 2012	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	¥187	¥60	¥—	¥—	¥247
Negative goodwill					
Amortization for the reporting year	115	—	0	—	115
Balance at the end of the reporting year	57	—	1	—	58

	Thousands of U.S. Dollars				
For 2012	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	$2,280	$732	$—	$—	$3,012
Negative goodwill					
Amortization for the reporting year	1,402	—	0	—	1,402
Balance at the end of the reporting year	695	—	12	—	707

	Millions of Yen				
For 2011	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	¥303	¥84	¥—	¥—	¥387
Negative goodwill					
Amortization for the reporting year	115	—	0	—	115
Balance at the end of the reporting year	171	—	1	—	172

15. Commitments and Contingent Liabilities

At March 31, 2012 and 2011, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥1,455 million ($17,744 thousand) and ¥1,673 million, respectively.

16. Stock Option

By special resolution at the 48th annual shareholders' meeting held on June 29, 2004, the Company introduced a stock option plan in accordance with Article 280-20, 21 of the Commercial Code in Japan, and granted stock purchase rights at advantageous terms to employees of the Company and directors of affiliates, as of June 29, 2004.

The stock purchase rights could be exercised at a price of ¥1,575 ($19.21) per share in the period from July 1, 2006 to June 30, 2011, and a total of 141.1 thousand shares of common stock could be issued by the exercise of these rights. The stock purchase rights for those 141.1 thousand shares that had not been exercised expired on June 30, 2011.

17. Impairment Loss

For 2012:

The Company and its consolidated subsidiaries post impairment loss.

Use	Type of assets	Location
Business assets	Machinery, equipment and vehicles, tools, furniture and fixtures, software, etc.	Hamura City, Tokyo, and others
Idle assets	Land, buildings and structures, etc.	Chuo City, Yamanashi Pref., and others

With respect to business assets, the Company and its consolidated subsidiaries carry out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation. Idle assets are managed on an individual basis.

The Company and its consolidated subsidiaries have applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amounts (¥1,348 million [$16,439 thousand]) are recognized as "loss on disaster," "loss on liquidation of subsidiaries and affiliates," and "impairment loss."

The breakdown of the losses is: ¥297 million ($3,622 thousand) for buildings and structures, ¥58 million ($707 thousand) for machinery, equipment and vehicles, ¥359 million ($4,378 thousand) for tools, furniture and fixtures, ¥515 million ($6,281 thousand) for land, ¥67 million ($817 thousand) for software, and ¥52 million ($634 thousand) for others.

Recoverable amounts are estimated using net selling prices which are reasonably estimated. Recoverable amounts for land are calculated based on roadside land prices, etc. and those for other assets are based on estimated disposal values.

For 2011:

The Company and its consolidated subsidiaries post impairment loss.

Use	Type of assets	Location
Business assets used in the other businesses of some Group companies	Land, buildings and structures, machinery, equipment and vehicles, tools, furniture and fixtures, lease assets, etc.	Chuo City and Fuefuki City, Yamanashi Pref.
Idle assets	Land, buildings and structures, etc.	Fujinomiya City and Fuji City, Shizuoka Pref., and others

With respect to business assets, the Company and its consolidated subsidiaries carry out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation. Idle assets are managed on an individual basis.

The Company and its consolidated subsidiaries have applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amounts (¥646 million) are recognized as "impairment loss."

The breakdown of the losses is: ¥314 million for land, ¥155 million for buildings and structures, ¥90 million for machinery, equipment and vehicles, and ¥87 million for others.

Recoverable amounts are estimated using net selling prices which are reasonably estimated. Recoverable amounts for land are calculated based on real estate appraisal values or roadside land prices and those for other assets are based on estimated disposal values.

18. Business Divestiture

For 2012:

On October 1, 2011 the wafer level package ("WLP")-related business of the Company and of its consolidated subsidiary Casio Micronics Co., Ltd. was spun off and transferred to Teramikros. Inc., a subsidiary newly-established for that purpose by the Company. All issued shares in Teramikros. Inc. were then sold and transferred to Tera Probe, Inc.

Summary of business divestiture

1) Name of the company to which the business in being divested

Tera Probe, Inc.

2) Details of the business divested

WLP-related business

3) Principal reason for business divestiture

As the pursuit of this business by the Casio Group on its own faces constraints on fund procurement, marketing and other aspects, it has been deemed necessary to pursue this business in collaboration with other companies, including the transfer of certain business operations, in order to strengthen the Group's operational base in this field.

4) Date of business divestiture

October 1, 2011

Summary of accounting procedures

1) Transfer of gain (loss)

¥(1,640) million [$(20,000) thousand]

2) Proper book-value of assets and liabilities employed in the business transferred:

	Millions of Yen	Thousands of U.S. Dollars
Current assets	¥2,006	$24,463
Noncurrent assets	2,546	31,049
Total assets	4,552	55,512
Current liabilities	1,985	24,208
Noncurrent liabilities	345	4,207
Total liabilities	2,330	28,415

3) Reportable segment in which the business divested is included

Others

4) Estimated total income of the business divested in the consolidated income statement for the year ended March 31, 2012

Net sales ¥3,257 million ($39,720 thousand)

19. Subsequent Events

At the annual shareholders' meeting held on June 28, 2012, the Company's shareholders approved the payment of a cash dividend of ¥17.00 ($0.21) per share aggregating ¥4,571 million ($55,744 thousand) to registered shareholders as of March 31, 2012.