

## CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 1998 and 1997  
Casio Computer Co., Ltd.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	1998	1997	1998
<b>Net sales</b> (Note 11)	<b>¥502,012</b>	¥459,105	<b>\$3,803,121</b>
<b>Costs and expenses</b> (Note 11):			
Cost of sales	<b>329,323</b>	326,950	<b>2,494,871</b>
Selling, general and administrative expenses	<b>107,225</b>	96,966	<b>812,311</b>
Research and development expenses	<b>22,973</b>	19,225	<b>174,038</b>
	<b>459,521</b>	443,141	<b>3,481,220</b>
<b>Operating income</b> (Note 11)	<b>42,491</b>	15,964	<b>321,901</b>
<b>Other income (expense):</b>			
Interest and dividend income	<b>2,969</b>	1,674	<b>22,492</b>
Interest expense	<b>(4,898)</b>	(5,230)	<b>(37,106)</b>
Foreign exchange gain—net	<b>3,560</b>	4,128	<b>26,970</b>
Disposal and devaluation of inventories	<b>(4,973)</b>	(4,338)	<b>(37,674)</b>
Other—net	<b>(4,651)</b>	(1,045)	<b>(35,235)</b>
	<b>(7,993)</b>	(4,811)	<b>(60,553)</b>
<b>Income before income taxes</b>	<b>34,498</b>	11,153	<b>261,348</b>
<b>Income taxes</b> (Note 7):			
Current	<b>23,538</b>	7,483	<b>178,318</b>
Deferred	<b>(778)</b>	(30)	<b>(5,894)</b>
	<b>22,760</b>	7,453	<b>172,424</b>
<b>Net income</b>	<b>¥ 11,738</b>	¥ 3,700	<b>\$ 88,924</b>
		Yen	U.S. dollars (Note 1)
<b>Amounts per share of common stock:</b>			
Net income	<b>¥ 42.13</b>	¥ 13.33	<b>\$ 0.32</b>
Diluted net income	<b>39.84</b>	13.28	<b>0.30</b>
Cash dividends applicable to the year	<b>12.50</b>	12.50	<b>0.09</b>

See accompanying notes.