

FY10 Summary of Consolidated Financial Results

Apr. 27, 2011

Company Name **Wacom Co., Ltd.**

(Code Number: 6727 TSE1)

(URL <http://wacom.jp/en/company/outline>)

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Preparation of Supplemental Explanatory Material for Financial Results: Yes

Holding of Large Meeting for Financial Results: Yes

1. FY10 Consolidated Financial Results (April 1, 2010 – March 31, 2011)

(1) Business Performance (Consolidated) (rounded off to mY)

	Sales		Operating Profit		Recurring Profit		Net Profit	
	mY	%	mY	%	mY	%	mY	%
FY10	33,075	(3.2)	3,284	(5.0)	3,396	(7.6)	1,987	(0.9)
FY09	32,045	(-5.2)	3,128	(-27.5)	3,156	(-24.5)	1,968	(-23.7)

(Note) Comprehensive income FY10 1,427mY (-14.8%) FY09 1,676mY (--- %)

	Net Profit per Share Outstanding		Net Profit per Diluted Share Outstanding		Return on Equity (ROE)	Total Asset Recurring profit ratio	Operating Profit Margin
	Yen	Sen	Yen	Sen	%	%	%
FY10	4,943.81		4,928.81		10.8	12.3	9.9
FY09	4,899.57		4,888.56		10.9	11.7	9.8

(For Reference) Equity in (earnings) losses of affiliates FY10 ----- mY FY09 ----- mY

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
FY10	27,135	18,524	68.1	46,020.10	
FY09	28,199	18,270	64.8	45,467.55	

(For Reference) Net Assets FY10 18,492mY FY09 18,270mY

(3) Consolidated Cash Flow

	Operating Cash Flow	Investing Cash Flow	Financing Cash Flow	Cash & Cash Equivalent
	mY	mY	mY	mY
FY10	1,179	-1,470	-1,202	10,455
FY09	3,606	-805	-1,199	12,350

2. Dividend

(Record date)	Dividend Per Share					FY Amount of dividend	Payout ratio	Dividend on equity ratio	
	1Q	2Q	3Q	End of FY	FY Total				
	Yen	Sen	Yen	Sen	Yen	Sen	mY	%	%
FY09	-	-	-	3,000.00	3,000.00	3,000.00	1,205	61.2	6.7
FY10	-	-	-	3,000.00	3,000.00	3,000.00	1,205	60.7	6.6
FY11 (estimates)	-	-	-	3,000.00	3,000.00	3,000.00		51.5	

3. Consolidated Business Forecasts of FY11 (April 1, 2011 – March 31, 2012)

	Sales		Operating Profit		Recurring Profit		Net Profit		Net Profit per Share Outstanding	
	mY	%	mY	%	mY	%	mY	%	Yen	Sen
2Q (1H FY11)	15,200	(-4.6)	400	(-66.3)	375	(-72.3)	240	(-72.6)	597.29	
Full Year	36,500	(10.4)	3,700	(12.7)	3,650	(7.5)	2,340	(17.8)	5,823.56	

4. Other

- 1) Reclassification of significant subsidiaries during the period (Reclassification due to the change in scope of consolidation) : No
- 2) Changes in accounting principles, procedures and methods of presentation in consolidated financial statements
 - Changes resulting from revisions in accounting standards : Yes
 - Changes other than those above : No
- 3) Numbers of shares outstanding (Common stock)

Number of shares outstanding at end of year (including treasury stock): 3/2011: 421,816
3/2010: 421,816

Number of treasury stock outstanding at end of year: 3/2011: 20,000 3/2010: 20,000

Number of average shares for fiscal period (total consolidated fiscal year): FY2010: 401,816
FY2009: 401,751

Trend of Consolidated Cash Flow Indicator (for Reference)

	FY07	FY08	FY09	FY10
	Full-term End	Full-term End	Full-term End	Full-term End
Total Shareholder's Equity Ratio (%)	63.5	69.4	64.8	68.1
Market Cap based Total Shareholder's Equity Ratio (%)	303.4	161.7	203	150.6
Debt Redemption(Yr)	0.2	0.4	0.2	0.5
Interest Coverage Ratio	310.3	118.9	253.7	124.4

(Note) Total Shareholder's Equity Ratio: Total Shareholder's Equity / Total Assts
 Market Cap based Total Shareholder's Equity Ratio: Market Cap / Total Assets
 Debt Redemption Year: Interest-Bearing Debt / Operating Cash Flow
 (For mid-term end, operating cash flow is doubled for full year measurement.)
 Interest Coverage Ratio: Operating Cash Flow / Interest Payment

* Regarding the implementation of quarterly review procedures

These financial results are not subject to review procedures. Thus, at the time of disclosure of these financial results, the financial statement review procedures based on "Financial Instruments and Exchange Law" have not been completed.

* Forward-looking statements regarding future events and performance contained in this presentation are based on currently available information and involve risks and uncertainties. Please note that actual results could materially differ from those expressed or implied by the forward-looking statements in this presentation due to these risks and uncertainties.

(Accompanying data)

Consolidated Balance Sheet (Summary), Consolidated Profit and Loss Statement (Summary), Consolidated Statement of Changes in Shareholder's Equity, Consolidated Cash Flow Statement (Summary), Segment Information (Summary), and Complementary Information

[Qualitative news and financial statements]

〈Qualitative news for consolidated business performance〉

Wacom Group's business environment for FY10 (from April 1, 2010 to March 31, 2011) didn't attain full-scale recovery despite signs of improvement in the global economy. The rekindled credit crunch in EU and a rise in crude oil prices, due to political instability in the Middle East dampened the recovery of consumer spending, besides continuous economic growth in emerging markets and the improvement of business confidence owing to a quantitative easing policy in the U.S. In addition, the Great East Japan earthquake in March severely damaged eastern parts of Japan, causing supply chain stagnation of key components (due to the damage of parts manufacturers' sites) and left Japan with a future of uncertainty and rapid domestic economic slowdown. In the foreign exchange market, the substantial appreciation of the Japanese yen developed against the major currencies. In the IT field, smart phones and tablet-type devices such as Apple's iPad (based on mobile communications networks) are growing rapidly as new IT platforms. PC manufacturers and handset makers have started serious efforts to win in the new markets.

Turning to our product markets in the field of professional graphics, the graphics industry continues to expand rapidly in emerging markets such as China and India. The productivity improvement in digital processing became further focused on, owing to the growing trend to produce 3D films and the expansion of the digital animation industry in Asian regions. As for consumer products, customers for hobby use are increasing in all regions. In the health, education, and financial fields, the use of LCD tablets has increased with the demand for more paperless and secure processes. Moreover, in the component fields, as well as existing Tablet PC markets for Windows OS, Tablet-type devices and e-Books running on Google's Android OS are raising new demand for pen and touch technologies. Under the conditions described above, Wacom strived for an increase in sales through aggressive marketing activities in each business, through cost management and through the expansion of new fields. As a result, both sales and profits had marked growth compared to the previous fiscal year, despite the influence of a rapid appreciation of the JPY. For the Tablet business, it aimed to expand the demand for replacement upgrades and to attract new users of professional products through marketing campaigns. It also began offering free downloads of applications for consumer tablets and won international awards in U.S. and EU. To meet the needs of advanced paperless security requirements, the Tablet business added a new color LCD model to the signature tablet "STU" series. In addition, Wacom acquired the software business for digital signature certification of "Florentis Ltd." in the UK to enhance the capability to provide

advanced solutions in this field. For the Component business, it not only strived to expand the business on Tablet-type devices and e-Book category devices but also continued to strengthen production of its multi-touch sensor system. Moreover, considering the recent rapid growth in the Indian market, Wacom established an Indian subsidiary in order to have a business base from October and began launching a low cost product for consumers. In terms of capital expenditure, Wacom continued to develop its global IT infrastructure which helps increase productivity and support future growth. The company smoothly cut over a new global SCM system in April and also continues to improve its ERP system. In relation to the capital market, the Company's IR activities, after being listed on TSE were evaluated and have received the 16th "Disclosure Award" from TSE. Meanwhile, the restoration expense of Wacom's factory building headquarters, (Kazo city, Saitama pref.) affected by the Great East Japan Earthquake on March 11 and the business liquidation loss of the professional DJ device, "Nextbeat" were booked as extraordinary losses. As a result, the consolidated FY10 business results ended in sales of ¥33.08bn (+3.2% YoY), operating profit of ¥3.28bn (+5.0% YoY), recurring profit of ¥3.40bn (+7.6% YoY), and net profit of ¥1.99bn (+0.9% YoY).

(Business Segment Performance)

1) Tablet business

For the Tablet business as a whole, sales maintained nearly the same level as the previous fiscal year despite its steady sales figures for each region in local currencies, mainly due to the substantial appreciation of the Japanese yen. For the Professional Tablet business, "Intuos 4" decreased in sales compared to the previous fiscal year, due to the struggle in the U.S. economy and despite the expansion of demand in developing regions, China and India. Regarding the Consumer Tablet business, "Bamboo" series remained the same sales level as the previous fiscal year owing to favorable business in the U.S. and Asia-Oceania areas. For the LCD tablet business, "Cintiq 21UX" for the professional graphics market continues to receive a strong industry reputation but is unable to keep pace with orders due to the tight supplies of high definition LCD panels. As a result, LCD Tablets carried a backlog of orders globally. Geographically, in the U.S., sales of the signature tablet for the security field showed growth, while high-priced products suffered from the difficult economic conditions. In EU, the Tablet business was significantly influenced by the Euro's depreciation, despite steady sales based on local currency. In Japan, sales decreased due to the concentrated demand for specific products such as TVs which are available in the eco-point system for home electronics in retailers. In

Asia and Oceania, sales grew favorably, especially in China and Korea as well as India, in a rapid expansion market.

As a result, the Tablet business FY10 sales ended at ¥26.51bn (-0.6% YoY), and operating profit was ¥5.66bn (-2.6% YoY).

2) Component business

Regarding Wacom Components, sales for PCs incorporating pen and multi-touch sensor components recorded significant growth compared to the previous fiscal year and shipments of pen sensor components to Tablet-type devices and e-Books based on the Android OS expanded, however its scale was not enough to improve profitability.

As a result, the component business FY10 sales ended at ¥6.12bn (+24.8% YoY) and operating loss was ¥0.24mn (operating loss ¥0.62 FY09).

3) Other businesses

Other businesses so far consist of the Software business and the DJ Device business. Software business, formerly known as Engineering Collaborative Solutions (ECS), showed favorable growth owing to a recovery of manufacturers' investments in plant and equipment. In September by launching a new product "ECAD dio 2011" which enhanced the advanced wire harness design capability, the business began to appeal in the mechatronics market. For the DJ device business, although the professional DJ device "Nextbeat" has received high acclaims and reputation from professional DJ artists, the market penetration did not advance well and sales struggled.

As a result, other businesses FY10 sales ended at ¥0.45bn (-3.7% YoY), and operating loss was ¥0.15bn (operating loss ¥0.42 FY09).

〈Qualitative news on the forecast of consolidated results〉

In FY11 (from April 1, 2011 to March 31, 2012), Wacom forecasts that the global economy as a whole is expected to show further recovery after the financial crisis, owing to the economic growth of emerging countries in Asia led by China and India and Latin America. On the other hand, the uncertain outlook spreads due to political instability in the Middle East, soaring crude oil prices and the credit crunch in EU, as well as the damage from the Great East Japan Earthquake. Regionally, the Company has an assumption as follows: US continues to show economic recovery, owing to an increase in exports to emerging regions and recovery in domestic consumption. Europe continues to show regional weak demand due to austerity measures in each country. In

Japan, the first half is expected as negative growth, due to weak consumer spending and the slump in manufacturing, affected by the earthquake.

Under the assumptions described above, Wacom continues to control the supply chain of key components affected by the earthquake, positively promotes releases of new products and continues to develop new technologies for the development of new business and future growth. The Company assumes the average foreign exchange rates to be ¥82.5 per 1 U.S. dollar and ¥120 per 1 Euro in this fiscal year, and is expecting consolidated yearly sales of ¥36.50bn (+10.4% YoY), operating profit of ¥3.70bn (+12.7% YoY), recurring profit of ¥3.65bn (+7.5% YoY), and net profit of ¥2.34bn (+17.8% YoY).

The tablet business, in the flagship products for professionals, promotes to existing users for replacements and to new users buying in this fiscal period with the “Inuos4” and the release of new models. The Company will also expand its “Cintiq” series for professional graphics tablet users and release new products. On the consumer product side, the Company enhances the “Bamboo” brand and positively expands sales owing to releases of new products. On the business product side, the Company expects a further growth, thanks to promoting new products for the education field and marketing signature tablet, which was developed for digital signature capture. As a result of the above products promotions, the tablet business is expecting FY11 sales reaching ¥29.00bn.

The components business will expand the supplies of pen and multi-touch sensor components to PC manufacturers as well as developing markets such as smart phones, e-books and slate-type devices. In addition, the business is also developing industrial equipment markets, including POS devices and arcade game devices. As a result of the above promotions, the components business is expecting FY11 sales to reach ¥7.00bn.

The software business continues to enhance sales and development of the product series in the electronics designing CAD field and will positively promote solution proposals against competing products. As a result of the above promotions the software business is expecting FY11 sales ending at ¥0.50bn.

Wacom strives to improve visibility as a global brand, aggressively promoting products in every business field. On the technology development side, the Company continues to develop new products and technologies and strengthens the business base for sustainable growth. Global SCM and Quality Assurance systems, critical to support future growth and profit are structured and maintained continuously. Wacom strives to strengthen the global SCM system, promote compliance with the Financial Instruments and Exchange Law (J-SOX), and cut over the next ERP system as intensive projects.

〈Qualitative news for consolidated financial position〉

1. Assets, Liabilities, and Net Assets

Total assets decreased by ¥0.98bn to ¥27.22bn in FY10 compared to the end of FY09. The main reason was a ¥1.90bn decrease in cash and cash equivalents by a payment of shareholders' dividends and income tax as well as the reduction of cash and deposits converted by the appreciation of the Japanese yen, despite a ¥0.78bn increase in inventories.

Total liabilities decreased by ¥1.23bn to ¥8.70bn in FY10 compared to the end of FY09. The main reasons were a ¥0.99bn decrease in notes and accounts payable due to the decrease in the purchase of materials and a ¥0.51bn decrease in accrued income tax, despite a ¥2.00bn increase in provision for Loss on disaster.

Total net assets increased by ¥0.25bn to ¥18.52bn compared to the end of FY09. The main reason for the increase was a ¥1.99bn increase in retained earnings for FY10, despite a ¥1.21bn payment of shareholders' dividends and a ¥0.56bn change in foreign currency translation adjustments due to the appreciation of the Japanese yen.

2. Cash Flow

Consolidated cash & cash equivalents for FY10 decreased by ¥1.90bn (¥1.34bn increase in FY09) to ¥10.45bn in FY10 compared to the end of FY09.

(Cash Flow from Operating Activities)

Earned operating cash flow for FY10 was ¥1.18bn (¥3.61bn gained in FY09). The main reason was a ¥2.98bn of NPBT, despite a payment of income tax of ¥1.34bn.

(Cash Flow from Investing Activities)

Investing cash flow for FY10 was ¥1.47bn. (¥0.81bn expended in FY09) The main reasons were the purchases of molds and IT system of ¥1.19bn in fixed assets and a payment of ¥0.29bn for business acquisition.

(Cash Flow from Financing Activities)

Financing cash flow for FY10 was ¥1.20bn. (¥1.20bn expended in FY09) The reason was a payment of shareholders' dividends.

〈Dividend payout policy and dividend at the end of FY〉

Wacom's dividend payout policy is to maintain stable payouts to ensure future business development and reinforce the financial base. The payout ratio is targeted to be more than 30% on a consolidated basis and increased in the long-term in order to attract global investment into the Company.

With regard to repurchase of own shares, it is not a regular payout policy like

dividend but the Company makes a decision with the purpose of ensuring a flexible capital strategy that is effective in variable business situations.

In accordance with the above policy the Wacom Board of Directors has decided to pay a dividend of ¥3,000 per share. As a result, the payout ratio is 60.7% at the end of FY10.

The dividend for FY11 is estimated at ¥3,000 per share. As a result, the payout ratio will be 51.5% at the end of FY11.

(Accompanying data)

1. Summary of Consolidated Balance Sheet

(Unit: '000 Yen)

Subject	FY10 (as of Mar. 31, 2011)	FY09 (as of Mar. 31, 2010)
	Amount	Amount
(Assets)		
Current Assets		
1. Cash and cash equivalents	10,454,820	12,350,113
2. Notes and accounts receivable	4,323,650	4,701,126
3. Merchandise and Finished Products	2,839,043	2,123,002
4. Work in process	183,468	149,084
5. Raw Materials and Supplies	709,995	683,440
6. Accounts receivable	1,562,297	1,920,657
7. Deferred tax assets	520,948	542,650
8. Others	413,411	393,620
9. Allowance for doubtful accounts	-16,335	-39,753
Total Current Assets	20,991,297	22,823,939
Fixed Assets		
1. Tangible fixed assets		
(1) Buildings and facilities (net amount)	1,617,544	1,739,717
(2) Machinery, equipment and vehicles (net amount)	90,977	90,057
(3) Tools and furniture (net amount)	490,269	461,607
(4) Land	1,436,489	1,446,994
Total tangible fixed assets	3,635,279	3,738,375
2. Intangible fixed assets		
(1) Goodwill	68,554	84,097
(2) Others	2,174,826	1,323,391
Total intangible fixed assets	2,243,380	1,407,488
3. Investment and other assets		
(1) Investment securities	14,778	35,077
(2) Deferred tax assets	23,815	16,515
(3) Others	243,138	178,035
(4) Allowance for doubtful accounts	-16,599	—
Total investment and other assets	265,132	229,627
Total Fixed assets	6,143,791	5,375,490
Total Assets	27,135,088	28,199,429

(Unit: '000 Yen)

Subject	FY10 (as of Mar. 31, 2011)	FY09 (as of Mar. 31, 2010)
	Amount	Amount
(Liabilities)		
Current Liabilities		
1. Notes and accounts payable	3,994,330	4,983,535
2. Short-term debt	600,000	600,000
3. Accrued income taxes	221,326	813,874
4. Provision for bonuses	274,987	314,192
5. Provision for director's bonuses	30,254	32,357
6. Provision for Loss on disaster	197,212	—
7. Provision for loss on business liquidation	25,403	—
8. Others	2,241,020	2,137,885
Total Current Liabilities	7,584,532	8,881,843
Fixed Liabilities		
1. Deferred tax liabilities	30,481	102,386
2. Provision for retirement benefits	479,117	438,024
3. Provision for directors' retirement benefits	—	459,085
4. Asset Retirement Obligations	48,596	—
5. Others	468,831	48,501
Total Fixed Liabilities	1,027,025	1,047,996
Total Liabilities	8,611,557	9,929,839
(Net Assets)		
Shareholders' Equity		
1. Capital Stock	4,196,405	4,196,405
2. Capital Surplus	4,037,819	4,037,819
3. Retained earnings	13,841,885	13,060,831
4. Treasury stock	-1,848,486	-1,848,486
Total Shareholders' Equity	20,227,623	19,446,569
Accumulated Comprehensive Income		
Foreign currency translation adjustments	-1,736,009	-1,176,979
Total Accumulated Comprehensive Income	-1,736,009	-1,176,979
Subscription rights to shares	31,917	—
Total Net Assets	18,523,531	18,269,590
Total Liabilities & Net Assets	27,135,088	28,199,429

2. Consolidated Profit & Loss Statement

(Unit: '000 Yen)

Subject	FY09 (Apr. 1, 2009 to Mar. 31, 2010)	FY10 (Apr. 1, 2010 to Mar. 31, 2011)
	Amount	Amount
Sales	32,044,578	33,075,177
Cost of Goods Sold	16,376,431	17,408,533
Gross Profit	15,668,147	15,666,644
Selling, General and Administrative Expenses	12,540,325	12,382,359
Operating Profit	3,127,822	3,284,285
Non-operating Revenue	50,197	153,407
1. Interest and dividend income	21,510	73,246
2. Refund of value-added taxes of overseas subsidiaries	—	56,748
3. Others	28,687	23,413
Non-operating Expense	21,855	42,189
1. Interest cost	14,131	9,262
2. Foreign Exchange Losses	4,210	28,658
3 Others	3,514	4,269
Recurring Profit	3,156,164	3,395,503
Extraordinary Gain	—	5,766
1. Gain on sales of fixed assets	—	1,208
2.Reversal of allowance for doubtful accounts	—	4,558
Extraordinary Loss	35,297	416,562
1. Loss on sales of fixed assets	1,243	873
2. Loss on disposal of fixed assets	34,054	12,742
3. Loss on Write-down of Investment Securities	—	20,000
4. Loss on adjustment for changes of accounting standard for asset retirement obligations	—	28,578
5. Loss on disaster	—	197,212
6. Loss on business liquidation	—	134,243
7.Others	—	22,914
Net Profit before Taxes and Other Adjustments	3,120,867	2,984,707
Total of Income Tax, Inhabitant Tax and Enterprise Tax	1,152,461	998,205
Net Profit before Minority Interests Adjustments	—	1,986,502
Net Profit	1,968,406	1,986,502

Consolidated Comprehensive Income Statement

(Unit: '000 Yen)

Subject	FY09 (Apr. 1, 2009 to Mar. 31, 2010)	FY10 (Apr. 1, 2010 to Mar. 31, 2011)
	Amount	Amount
Income before minority interests	—	1,986,502
Other comprehensive income		
Foreign currency translation adjustment	—	-559,030
Total Comprehensive income	—	-559,030
Comprehensive income	—	1,427,472
(Breakdown)		
Comprehensive income attributable to owners of the parent	—	1,427,472
Comprehensive income attributable to minority interests	—	—

3. Consolidated Statement of Changes in Shareholder's Equity

FY10 (Apr. 1, 2010 to Mar. 31, 2011)

(Unit: '000 Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stocks	Total Shareholders' Equity
Balance as of March 31, 2010	4,196,405	4,037,819	13,060,831	-1,848,486	19,446,569
Increase/decrease during the fiscal 2010					
Stock Issuance					
Distribution of Retained earnings			-1,205,448		-1,205,448
Net Profit			1,986,502		1,986,502
Net increase/decrease during the fiscal 2009 of non shareholders' equity items					
Total increase/decrease during the fiscal 2010			781,054		781,054
Balance as of March 31, 2011	4,196,405	4,037,819	13,841,885	-1,848,486	20,227,623

	Accumulated Other Comprehensive Income		Subscription Rights to Shares	Total Net Assets
	Foreign Currency Transaction Adjustment	Total Accumulated Other Comprehensive Income		
Balance as of March 31, 2010	-1,176,979	-1,176,979	0	18,269,590
Increase/decrease during the fiscal 2010				
Stock Issuance				—
Distribution of Retained earnings				-1,205,448
Net Profit				1,986,502
Net increase/decrease during the fiscal 2010 of non shareholders' equity items	-559,030	-559,030	31,917	-527,113
Total increase/decrease during the fiscal 2010	-559,030	-559,030	31,917	253,941
Balance as of March 31, 2011	-1,736,009	-1,736,009	31,917	18,523,531

FY09 (Apr. 1, 2009 to Mar. 31, 2010)

(Unit: '000 Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stocks	Total Shareholders' Equity
Balance as of March 31, 2009	4,195,345	4,036,759	12,297,513	-1,848,486	18,681,131
Increase/decrease during the fiscal 2009					
Stock Issuance	1,060	1,060			2,120
Distribution of Retained earnings			-1,205,088		-1,205,088
Net Profit			1,968,406		1,968,406
Repurchase of own Shares					
Net increase/decrease during the fiscal 2009 of non shareholders' equity items					
Total increase/decrease during the fiscal 2009	1,060	1,060	763,318		765,438
Balance as of March 31, 2010	4,196,405	4,037,819	13,060,831	-1,848,486	19,446,569

	Accumulated Other Comprehensive Income		Subscription Rights to Shares	Total Net Assets
	Foreign Currency Transaction Adjustment	Total Accumulated Other Comprehensive Income		
Balance as of March 31, 2010	-884,644	-884,644	0	17,796,487
Increase/decrease during the fiscal 2010				
Stock Issuance				2,120
Distribution of Retained earnings				-1,205,088
Net Profit				1,968,406
Net increase/decrease during the fiscal 2010 of non shareholders' equity items	-292,335	-292,335		-292,335
Total increase/decrease during the fiscal 2010	-292,335	-292,335		473,103
Balance as of March 31, 2011	-1,176,979	-1,176,979	0	18,269,590

4. Summary of Consolidated Cash Flow Statement

(Unit: '000 Yen)

	FY10 (Apr. 1, 2009 to Mar. 31, 2011)	FY09 (Apr. 1, 2009 to Mar. 31, 2010)
	Amount	Amount
Operating Cash Flow		
Net profit before taxes and other adjustments	2,984,707	3,120,867
Depreciation	749,373	757,167
Share-based compensation expenses	31,917	—
Increase in provision for doubtful accounts (- represents decrease)	-4,589	3,247
Increase in provision for bonus payable (- represents decrease)	-35,100	-27,704
Increase in provision for director's bonus payable (- represents decrease)	327	32,943
Increase provision for loss on disaster (- represents decrease)	197,212	—
Increase provision for loss on business liquidation (- represents decrease)	25,020	—
Increase provision for retirement benefits (- represents decrease)	43,168	14,058
Increase provision for director's retirement benefits (- represents decrease)	-452,089	34,024
adjustment for changes of accounting standard for asset retirement obligations	28,578	—
Interest and dividend income	-73,246	-21,510
Interest cost	9,262	14,131
Loss on valuation of investment securities (- Gain)	20,000	—
Foreign Exchange Loss (- Gain)	71,197	160,114
Loss on Sale and Disposal of Fixed Assets	12,407	35,297
Decrease in notes and accounts receivable (- represents increase)	318,470	-1,492,802
Decrease in inventory (- represents increase)	-945,493	31,497
Increase in notes and accounts payable (- represents decrease)	-877,947	1,131,963
Others	371,118	534,994
Subtotal	2,474,292	4,328,286
Interest and dividend received	73,210	34,676
Interest paid	-9,474	-14,213
Settlement package paid	-21,113	—
Income tax paid	—	-742,442
Income taxes (paid) refund	-1,337,958	—
Operating Cash Flow	1,178,957	3,606,307
Investing Cash Flow		
Payments for purchase of Tangible Assets	-409,386	-375,920
Payments for purchase of Intangible Assets	—	-192,361
Payments for purchase of Software	-781,514	-739,787
Proceeds from Sale of Fixed assets	6,606	11,353
Payments for Business acquisition	※2 -291,637	—

Proceeds from redemption of securities	—	500,000
Others	5,889	-8,372
Investing Cash Flow	-1,470,042	-805,087
Financing Cash Flow		
Proceeds from stock issuance	—	2,092
Payments for shareholders' dividends	-1,202,132	-1,201,459
Financing Cash Flow	-1,202,132	-1,199,367
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-402,076	-265,854
Net Increase in Cash and Cash Equivalents (- represents Decrease)	-1,895,293	1,335,999
Cash and Cash Equivalents at beginning of term	12,350,113	11,014,114
Cash and Cash Equivalents at end of term	10,454,820	12,350,113

4. Segment Information

[By Division]

FY09 (April 1, 2009 – March 31, 2010)

(Unit: '000 Yen)

	ESD Business	ECS Business	Total	Internal Elimination	Consolidated
I Sales					
(1) Sales towards external customers	31,633,801	410,777	32,044,578	—	32,044,578
(2) Sales between internal segments and internal transfer	—	—	—	—	—
Total	31,633,801	410,777	32,044,578	—	32,044,578
Operating Cost	26,753,816	519,787	27,273,603	1,643,153	28,916,756
Operating Profit	4,879,985	△109,010	4,770,975	-1,643,153	3,127,822
II Asset, Depreciation, Capital expenditure					
(1) Asset	17,699,823	468,556	18,168,379	10,031,050	28,199,429
(2) Depreciation	601,094	31,623	632,717	124,450	757,167
(3) Capital expenditure	573,774	22,361	596,135	789,114	1,385,249

[By Area]

FY09 (April 1, 2009 – March 31, 2010)

(Unit: '000 Yen)

	Japan	US	Europe	Asia & Oceania	Total	Internal Elimination	Consolidated
I Sales							
(1) Sales towards external customers	10,931,061	9,280,641	8,240,731	3,592,145	32,044,578	—	32,044,578
(2) Sales between internal segments and internal transfer	13,930,949	329,117	52,665	224,158	14,536,889	-14,536,889	—
Total	24,862,010	9,609,758	8,293,396	3,816,303	46,581,467	-14,536,889	32,044,578
Operating Cost	21,152,881	9,655,323	7,791,244	3,580,644	42,180,092	-13,263,336	28,916,756
Operating Profit	3,709,129	-45,565	502,152	235,659	4,401,375	-1,273,553	3,127,822
II Asset	12,605,109	5,212,724	3,652,776	1,805,363	23,275,972	4,923,457	28,199,429

[Overseas Sales]

FY09 (April 1, 2009 – March 31, 2010)

(Unit: '000 Yen)

	US	Europe	Asia & Oceania	Others	Total
I Overseas Sales	9,397,082	8,072,554	7,081,700	504,019	25,055,355
II Consolidated Sales	—	—	—	—	32,044,578
Ratio (%)	29.3	25.2	22.1	1.6	78.2

U.S.: U.S. Canada

Europe: U.K. Germany, France, Netherland etc.

Asia & Oceania: South Korea, Taiwan, Australia, P. R. of China etc.

Others: Middle East, South America, Africa etc.

5. Segment Operating Results

Effective from FY10, “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” has been applied. The Company consists of “Tablet business” and “Component business” as the reportable segments and “Other businesses”.

FY09 (April 1, 2009 – March 31, 2010)

(Unit: '000 Yen)

	Reportable Segments			Other businesses	Total	Adjustment (Note)	Amount of Consolidated P/L
	Tablet business	Component business	Sub Total				
Sales							
Sales towards external customers	26,678,833	4,900,689	31,579,522	465,056	32,044,578	—	32,044,578
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	26,678,833	4,900,689	31,579,522	465,056	32,044,578	—	32,044,578
Segment Profit or Loss (-)	5,812,010	-617,482	5,194,528	-423,553	4,770,975	-1,643,153	3,127,822
Segment Total Assets	13,862,420	3,675,042	17,537,462	630,917	18,168,379	10,031,050	28,199,429
Other items							
Depreciation	511,079	68,164	579,243	33,291	612,534	124,450	736,984
amortization in goodwill	—	20,183	20,183	—	20,183	—	20,183
Increase in Tangible fixed Assets and Intangible fixed assets	529,545	44,115	573,660	22,475	596,135	789,114	1,385,249

(Note) “Other businesses” consist of Software business and DJ Device business.

The above “Adjustment” in “Segment Profit” is mainly the cost of financial and general affairs departments which are not included in the reportable segments. “Segment Profit” is adjusted for “Operating Income”.

FY10 (April 1, 2010 – March 31, 2011)

(Unit: '000 Yen)

	Reportable Segments			Other businesses	Total	Adjustment (Note)	Amount of Quarterly Consolidated P/L
	Tablet business	Component business	Sub Total				
Sales							
Sales towards external customers	26,510,321	6,117,184	32,627,505	447,672	33,075,177	—	33,075,177
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	26,510,321	6,117,184	32,627,505	447,672	33,075,177	—	33,075,177
Segment Profit or Loss (-)	5,661,850	-235,864	5,425,986	-149,775	5,276,211	-1,991,926	3,284,285
Segment Total Assets	11,873,055	3,890,013	15,763,068	367,039	16,130,107	11,004,981	27,135,088
Other items							
Depreciation amortization in goodwill	503,744	78,513	582,257	42,134	624,391	103,446	727,837
Increase in Tangible fixed Assets and Intangible fixed assets	—	21,536	21,536	—	21,536	—	21,536
	861,273	54,938	916,211	22,068	938,279	652,627	1,590,906

(Note) "Other businesses" consist of Software business and DJ Device business.

The above "Adjustment" in "Segment Profit" is mainly the cost of financial and general affairs departments which are not included in the reportable segments. "Segment Profit" is adjusted for "Operating Income".

6. Related Information

FY10 (April 1, 2010 – March 31, 2011)

[Information by products and services]

Ditto (substitution with the above business segment information)

[Sales]

(Unit: '000 Yen)

Japan	US	Europe	Asia & Oceania	Others	Total
7,080,043	9,249,529	7,385,325	8,640,823	719,457	33,075,177

(Notes) The above sales are classified by countries or regions based on customer's location

[Tangible fixed assets]

(Unit: '000 Yen)

Japan	US	Europe	Asia & Oceania	Total
2,840,521	538,068	145,217	111,473	3,635,279

7. Impairment loss in fixed assets by segment

FY10 (April 1, 2010 – March 31, 2011)

N/A

8. Balance of amortization and unamortization in goodwill

(Unit: '000 Yen)

	Tablet business	Component business	Others	Internal Elimination	Total
Balance in FY10	—	68,554	—	—	68,554

9. Balance of amortization in gain on negative goodwill

FY10 (April 1, 2010 – March 31, 2011)

N/A

FY2010 Summary of Financial Results (Consolidated)

from April 1, 2010 to March 31, 2011

(1) Business Performance

	FY2010		FY2009		YOY Change	
	Full Year Result	Full Year Result	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	
Sales	33,075	32,045	1,030		3.2%	
Operating Profit	3,284	3,128	156		5.0%	
(Operation Profit Margin)	9.9%	9.8%				
Recurring Profit	3,396	3,156	240		7.6%	
(Recurring Profit Margin)	10.3%	9.8%				
Net Profit	1,987	1,968	19		0.9%	
(Net Profit Margin)	6.0%	6.1%				
P/L FX rate (Average in the term)	JPY	JPY	JPY			
(US Daller)	85.82	93.04	-7.22		-7.8%	
(Euro)	113.56	130.62	-17.06		-13.1%	

(2) Sales by Business Segment

	FY2010		FY2009		YOY Change	
	Full Year Result	Full Year Result	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	
Tablet business	26,510	26,679	-169		-0.6%	
Component business	6,117	4,901	1,216		24.8%	
Other businesses	448	465	-17		-3.7%	
Total	33,075	32,045	1,030		3.2%	

(3) Sales by Product Lines

	FY2010		FY2009		YOY Change	
	Full Year Result	Full Year Result	Amount	Ratio	Amount	Ratio
(by Subsidiaries)	mil JPY	mil JPY	mil JPY		mil JPY	
Tablet business	26,510	26,679	-169		-0.6%	
Professional tablets	9,798	10,104	-306		-3.0%	
(Japan)	1,851	1,817	34		1.9%	
(U.S.)	3,115	3,498	-383		-11.0%	
(Germany)	2,978	3,094	-116		-3.8%	
(Asia-Oceania)	1,854	1,695	159		9.4%	
Consumer tablets	9,745	9,742	3		0.0%	
(Japan)	1,867	2,001	-134		-6.7%	
(U.S.)	3,321	3,155	166		5.3%	
(Germany)	3,067	3,299	-232		-7.0%	
(Asia-Oceania)	1,490	1,287	203		15.8%	
LCD tablets	6,967	6,834	133		1.9%	
(Japan)	1,698	1,789	-91		-5.1%	
(U.S.)	2,749	2,627	122		4.6%	
(Germany)	1,630	1,808	-178		-9.8%	
(Asia-Oceania)	890	610	280		45.9%	
Component business	6,117	4,901	1,216		24.8%	
(Japan)	6,117	4,901	1,216		24.8%	
Other businesses	448	465	-17		-3.7%	
CAD for electrical engineering	470	411	59		14.4%	
(Japan)	470	411	59		14.4%	
Next beat	-22	54	-76		-141.2%	
(Japan)	-7	13	-20		-153.4%	
(Germany)	-15	41	-56		-137.1%	
Total	33,075	32,045	1,030		3.2%	

(4) Sales by Subsidiaries

	FY2010		FY2009		YOY Change	
	Full Year Result	Full Year Result	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	
Japan	11,996	10,931	1,065		9.7%	
U.S.	9,186	9,281	-95		-1.0%	
Germany	7,659	8,241	-582		-7.1%	
Asia-Oceania	4,234	3,592	642		17.9%	
Total	33,075	32,045	1,030		3.2%	

Note) Sales of Japan includes sales of Taiwan area. Sales of Asia-Oceania is a total of sales of the subsidiaries in China, Korea, Australia, and Singapore.

(5) Capital Expenditure, Depreciation, and R&D Expenditure

	FY2010		FY2009		YOY Change	
	Full Year Result	Full Year Result	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	
Capital Expenditure	1,591	1,385	206		14.9%	
Depreciation	749	757	-8		-1.0%	
R&D Expenditure	1,291	1,580	-289		-18.3%	

Note) The amount of capital expenditure is a total of new purchases of tangible assets and intangible assets

FY2011 Summary of Financial Forecast (Consolidated)

from April 1, 2011 to March 31, 2012

(1) Forecast of Business Performance

	FY2011	FY2010	YOY Change	
	Full Year Forecast	Full Year Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Sales	36,500	33,075	3,425	10.4%
Operating Profit	3,700	3,284	416	12.7%
<i>(Operation Profit Margin)</i>	10.1%	9.9%		
Recurring Profit	3,650	3,396	254	7.5%
<i>(Recurring Profit Margin)</i>	10.0%	10.3%		
Net Profit	2,340	1,987	353	17.8%
<i>(Net Profit Margin)</i>	6.4%	6.0%		
P/L FX rate (Average in the term)	JPY	JPY	JPY	
<i>(US Daller)</i>	82.50	85.82	-3.32	-3.9%
<i>(Euro)</i>	120.00	113.56	6.44	5.7%

(2) Sales Forecast by Business Segment

	FY2011	FY2010	YOY Change	
	Full Year Forecast	Full Year Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Tablet business	29,000	26,510	2,490	9.4%
Component business	7,000	6,117	883	14.4%
Other businesses	500	448	52	11.7%
Total	36,500	33,075	3,425	10.4%

(3) Sales Forecast by Product Lines

	FY2011	FY2010	YOY Change	
	Full Year Forecast	Full Year Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Tablet business	29,000	26,510	2,490	9.4%
Professional Products	14,600	13,692	908	6.6%
Pen tablets	10,600	9,798	802	8.2%
<i>(Japan)</i>		1,851		
<i>(U.S.)</i>		3,115		
<i>(Germany)</i>		2,978		
<i>(Asia-Oceania)</i>		1,854		
LCD tablets	4,000	3,894	106	2.7%
<i>(Japan)</i>		644		
<i>(U.S.)</i>		1,770		
<i>(Germany)</i>		1,061		
<i>(Asia-Oceania)</i>		419		
Consumer Products	10,800	9,024	1,776	19.7%
<i>(Japan)</i>		1,867		
<i>(U.S.)</i>		2,600		
<i>(Germany)</i>		3,067		
<i>(Asia-Oceania)</i>		1,490		
Business tablets	3,600	3,794	-194	-5.1%
<i>(Japan)</i>		1,054		
<i>(U.S.)</i>		1,700		
<i>(Germany)</i>		569		
<i>(Asia-Oceania)</i>		471		
Component business	7,000	6,117	883	14.4%
<i>(Japan)</i>	7,000	6,117	883	14.4%
Other businesses	500	448	52	11.7%
CAD for electrical engineering	500	448	52	11.7%
<i>(Japan)</i>	0	463	-463	0.0%
<i>(Germany)</i>	0	-15	15	0.0%
Total	36,500	33,075	3,425	10.4%

Note) The product lines of the Tablet Business are reorganized into new three categories of "Professional Products", "Consumer Products", and "Business Products" by use in FY2011 ended on March, 2012. As a result, "Cintiq series" which was included in "LCD tablet" for professional graphics is reclassified in "Professional Products" and a product for education which was included in "Consumer tablet" is reclassified in "Business product".

(5) Each Forecast of Capital Expenditure, Depreciation, and R&D Expenditure

	FY2011	FY2010	YOY Change	
	Full Year Forecast	Full Year Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Capital Expenditure	1,100	1,591	-491	-30.9%
Depreciation	970	749	221	29.4%
R&D Expenditure	1,800	1,291	509	39.5%

Note) The amount of capital expenditure is a total of new purchases of tangible assets and intangible assets.