

# FY11 1Q Summary of Consolidated Financial Results

Jul. 28, 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: No

## 1. FY11 Consolidated Financial Results (April 1, 2011 – June 30, 2011)

### (1) Business Performance (Consolidated)

(rounded off to mY)

	Sales		Operating Profit		Recurring Profit		Net Profit	
	mY	%	mY	%	mY	%	mY	%
FY11 1Q	7,323	(-6.2)	195	(-47.8)	187	(-58.2)	36	(-88.9)
FY10 1Q	7,806	(6.6)	374	(-22.0)	449	(-14.5)	325	(-7.4)

(Note) Comprehensive income FY11 1Q -79mY (---%) FY10 1Q -304mY (---%)

	Net Profit per Share Outstanding		Net Profit per Diluted Share Outstanding	
	Yen	Sen	Yen	Sen
FY11 1Q		89.47		89.32
FY10 1Q		808.82		807.17

### (2) Financial Position (Consolidated)

	Total Assets		Net Assets		Equity Ratio	
	mY		mY		%	
FY11 1Q	25,678		17,213		66.9	
FY10 1Q	27,094		18,482		68.1	

(For Reference) Net Assets FY11 1Q 17,169mY FY10 1Q 18,450mY

## 2. Dividend

(Record date)	Dividend Per Share				
	1Q	2Q	3Q	End of FY	FY Total
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen
FY10	-	0.00	-	3,000.00	3,000.00
FY11	-				
FY11 (estimates)		0.00	-	3,000.00	3,000.00

## 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	(-4.5)	400	(-65.9)	375	(-72.0)	240	(-72.4)	597.02	
Full Year	36,500	(10.5)	3,700	(13.8)	3,650	(8.5)	2,340	(19.0)	5,820.95	

#### 4. Other

- 1) Reclassification of significant subsidiaries during the period (Reclassification due to the change in scope of consolidation) : No
- 2) Adoption of special accounting policies for quarterly financial statements : Yes
- 3) 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 : Yes
  - Changes resulting from accounting estimates : No
  - Changes resulting from restatements : No
- 4) Numbers of shares outstanding (Common stock)

Number of shares outstanding at end of year (including treasury stock):

	Shares		Shares
FY11 1Q	421,996	FY10 1Q	421,816

Number of treasury stock outstanding at end of year:

	Shares		Shares
FY11 1Q	20,000	FY10 1Q	20,000

Number of average shares for fiscal period (total in quarter):

	Shares		Shares
FY11 1Q	401,916	FY10 1Q	401,816

\* 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 FY11 1Q (from April 1, 2011 to June 30, 2011) showed the slowdown of the domestic economy and the stagnation of global production activities from the Great East Japan earthquake. The uncertainty also increased because of the credit crunch in EU which was due to a reactivation of the Greek financial crisis. On the other hand, emerging markets including China and India continued rapid growth despite facing inflation and other problems. As a result, there remained significant regional differences in business confidence. As for exchange rates, the substantial appreciation of the Japanese yen against the U. S. dollar was recognized, compared to the same period last year. In the IT field smart phones and tablet-type devices such as Apple's iPad are growing rapidly as new IT platforms. PC manufacturers and handset makers have strived to expand their product lines for securing a good position in the new markets.

In our Professional Products market productivity improvement in digital imaging, as well as requirements for advanced expressiveness, have become critical needs for our customers. This is in part owing to a growing trend of 3D in the film and games industries, the general spread of digital design globally and in Asian regions, governments have been actively engaged in developing local digital content industries.

In our Consumer Products market the use of pen functionalities to communicate on social networks such as Facebook and Twitter showed expansion in addition to the common use of expressive pen interaction for the creation of illustrations, photo retouching and web design. The spread of Tablet-type devices also caused new demand for the natural feel of handwriting input.

In our Business Products market of healthcare, education and finance, businesses continue to adopt our LCD tablets in accordance with growing needs for more highly secured and paperless processes. In particular, certification solutions using a digital pen for signing digital settlements have been attracting business attention. Improved personal information management, efficient transactions and paperless processes as a solution for cost reduction in document storage has had excellent effects for our business market.

Moreover, in our Components market, as well as our existing Tablet PC markets for Windows OS, smart phones, Tablet-type devices, and e-Book devices 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 with aggressive marketing activities, improved business operations in each business, cost management and the expansion of our product lineup in new fields such as Table-type devices. However, our performance has been affected by having the influences of not only a tight supply chain on parts but also the sluggish domestic consumption rate after the Great East Japan earthquake, a slowdown in business products in the U.S. and the fluctuation of exchange rates in major countries, worsening business confidence.

The Tablet Business focused on the risk management of parts supplies coming from the Earthquake affected regions and the development of new products scheduled for launch in this fiscal year. The business also released a stylus pen “Bamboo Stylus” for Apple’s range of iPads to achieve natural drawing and handwriting. It strived to improvement brand recognition for new users in addition to the expansion of partner relationships in the signature tablet fields. For the Component business, it not only strived to expand the business on Tablet-type devices and e-Book devices but also continued to strengthen production of its Multi-Touch Sensor System and made efforts to improve the profitability of its business.

For the Plant and Equipment investment, Wacom continued to develop its global IT infrastructure which helps increase productivity and supports future growth. Its new ERP system will cut over in FY11 1H.

On the other hand, the Company decided to secede from the pension fund, anticipating approximately ¥131 million as a supplemental cost in extraordinary losses. As a result, the consolidated FY11 1Q business results ended in sales of ¥7.32bn (-6.2% YoY), operating profit of ¥0.20bn (-47.8% YoY), recurring profit of ¥0.19bn (-58.2% YoY), and net profit of ¥0.04bn (-88.9% YoY).

The product lines of the Tablet Business are now reorganized into the three new categories of “Professional Products”, “Consumer Products”, and “Business Products” for use in FY11. As a result, “Cintiq series” which was included in “LCD tablets” for the professional graphics market is now reclassified into “Professional Products” and products for the education market which was originally included in “Consumer tablets” is now reclassified into “Business Products”.

## (Business Segment Performance)

### 1) Tablet business

For the Tablet business, sales decreased due to the influence of a tight supply chain of products, sluggish domestic consumption by the Great East Japan earthquake, and the appreciation of the Japanese yen against the U. S. dollar compared to the same period of the previous fiscal year. For the Professional products, Wacom aimed to expand the demand for replacement upgrades from existing products and to attract new users to "Intuos 4" through marketing campaigns. On the other hand, the sales of "Cintiq 21UX" LCD tablet, used for professional graphics, decreased compared to the same period of the previous fiscal year because it could not catch up with production demand. This was due to a temporary supply suspension of high definition LCD panels caused by the Great East Japan Earthquake. With regard to Consumer Products, sales remained at a slight increase compared to the same period of the previous fiscal year. A new stylus pen for the iPad, "Bamboo Stylus" has performed well in sales. and we also began new solutions such as download services of "Bamboo Paper" which is available as a free hand-writing software application for the Apple iPad. For Business Products, sales significantly decreased due to the sluggish sale of products for vertical markets in the U. S. compared to the same period of the previous fiscal year, despite the sales increase of "STU" series for digital signature certification.

Geographically, in the U.S., sales significantly decreased due to the end of sales contracts in some OEM product lines and the fluctuation of the exchange rate for the same period of the previous fiscal year. In EU, for all product lines, sales remained at the same level to the previous fiscal year due to the brake of manufacturers' investments in plant and equipment. In Japan, for Professional Products, sales was sluggish due the influence of the Earthquake, though Consumer Products favorably expanded its sales. In Asia and Oceania, as a whole, sales steadily grew despite the fluctuation of exchange rates.

As a result, the Tablet business FY11 1Q sales ended at ¥5.49bn (-12.0% YoY), and operating profit was ¥0.64bn (-35.5% YoY).

### 2) Component business

Regarding the Component business, sales of pen and multi-touch sensor components favorably increased owing to the strong sales of Tablet PCs by major PC manufacturers. Shipments for Tablet-type devices on Windows OS and e-Books based on the Android OS also expanded. The Business, as a whole, increased sales compared to the same period of the previous fiscal year and turned positive in income.

As a result, the component business FY11 1Q sales ended at ¥1.71bn (17.4% YoY) and operating income was ¥71mn (operating loss ¥71mn FY10 1Q).

### 3) Other businesses

The Software business showed favorable sales growth owing to the improvement in efficiency and strengthening of partnerships with major distributors as well as favorable sales of the new product.

As a result, other businesses FY11 sales ended at ¥0.12bn (10.0% YoY), and operating income was ¥30mn (operating loss ¥34mn FY10 1Q).

#### 〈Qualitative news on the forecast of consolidated results〉

In view of the recent situation of the foreign exchange rate, Wacom revised its assumption of the average exchange rate from ¥82.5 per 1 U.S. dollar and ¥120 per 1 Euro to ¥80.0 per 1 U.S. dollar and ¥110.0 per 1 Euro since FY11 2Q starting from 1<sup>st</sup> July. However, the Company recognized that it was not necessary to revise the forecast of the consolidated result released on 27<sup>th</sup> April following the review with the revised assumed exchange rate.

#### 〈Changes in accounting principles〉

(Change in revenue recognition)

Wacom adopted the revenue recognition method mainly on shipment basis for domestic standard mass-produced products up to FY10. However, we have now changed this since FY11 1Q and adopted new accounting principles with revenue recognition on a delivery basis to the customer site.

Wacom reviewed the internal systems availing the opportunity of the latest international harmonization of accounting treatment and introduction of a new ERP and adopted the above change in order to calculate periodic profit and loss properly.

This change in accounting principles is to be applied retroactively. New accounting principles are retroactively applied to the financial statements of FY10 1Q and FY10 on this paper. We recognize a minor financial influence on the results of FY10 1Q.

## 〈Qualitative news for consolidated financial position〉

### 1. Assets, Liabilities, and Net Assets

Total assets decreased by ¥1.42bn to ¥25.68bn in FY11 1Q compared to the end of FY10. The main reasons were a ¥0.96bn decrease in cash and cash equivalents by a payment of shareholders' dividends and the reduction of cash and deposits converted by the appreciation of the Japanese yen as well as a ¥0.41bn decrease in merchandise and finished products.

Total liabilities decreased by ¥0.15bn to ¥8.46bn in FY11 1Q compared to the end of FY10. The main reasons were a ¥0.18bn decrease in accrued income tax and a ¥0.10bn decrease in allowance for bonus payable despite a ¥0.13bn increase in allowance for the loss of secession from a pension fund.

Total net assets decreased by ¥1.27bn to ¥17.21bn compared to the end of FY10. The main reasons for the decrease were a ¥1.21bn payment of shareholders' dividends and a ¥0.11bn change in foreign currency translation adjustments due to the appreciation of the Japanese yen.

### 2. Cash Flow

Consolidated cash & cash equivalents for FY11 1Q decreased by ¥0.96bn compared to the end of FY10 (¥1.68bn decrease in FY10 1Q) to ¥9.49bn in FY11 1Q.

#### (Cash Flow from Operating Activities)

Earned operating cash flow gained for FY11 1Q was ¥0.53bn (¥0.10bn expended in FY10 1Q). The main reasons were the depreciation of ¥0.20, a ¥0.13bn increase in allowance for the loss of secession from a pension fund, and a ¥0.31bn decrease of inventories despite a payment of income tax of ¥0.23bn.

#### (Cash Flow from Investing Activities)

Investing cash flow expended for FY11 1Q was ¥0.37bn. (¥0.24bn expended in FY10 1Q) The main reason was the increase of purchases of molds and a new ERP system of ¥0.37bn in fixed assets.

#### (Cash Flow from Financing Activities)

Financing cash flow expended for FY11 1Q was ¥1.06bn. (¥1.05bn expended in FY10 1Q) The reason was a ¥1.06bn payment of shareholders' dividends.

(Accompanying data)

## 1. Summary of Consolidated Balance Sheet

(Unit: '000 Yen)

Subject	FY10 (as of Mar. 31, 2010)	FY11 1Q (as of Jun. 30, 2011)
	Amount	Amount
(Assets)		
Current Assets		
1. Cash and cash equivalents	10,454,820	9,491,574
2. Notes and accounts receivable	4,216,958	4,378,714
3. Merchandise and Finished Products	2,876,770	2,469,277
4. Work in process	183,468	275,419
5. Raw Materials and Supplies	709,995	674,863
6. Others	2,524,036	2,240,836
7. Allowance for doubtful accounts	-16,335	-17,021
Total Current Assets	20,949,712	19,513,662
Fixed Assets		
1. Tangible fixed assets		
(1) Buildings and facilities (net amount)	1,617,544	1,592,014
(2) Others (net amount)	2,017,735	2,004,773
Total tangible fixed assets	3,635,279	3,596,787
2. Intangible fixed assets		
(1) Goodwill	68,554	63,142
(2) Others	2,174,826	2,240,467
Total intangible fixed assets	2,243,380	2,303,609
3. Investment and other assets		
(1) Others	281,731	280,855
(2) Allowance for doubtful accounts	-16,599	-16,514
Total investment and other assets	265,132	264,341
Total Fixed assets	6,143,791	6,164,737
Total Assets	27,093,503	25,678,399



(Unit: '000 Yen)

Subject	FY10 (as of Mar. 31, 2010)	FY11 1Q (as of Jun. 30, 2011)
	Amount	Amount
<b>(Liabilities)</b>		
<b>Current Liabilities</b>		
1. Notes and accounts payable	3,994,330	3,987,946
2. Short-term debt	600,000	600,000
3. Accrued income taxes	221,326	42,541
4. Provision for bonuses	274,987	174,336
5. Provision for director's bonuses	30,254	8,583
6. Provision for Loss on disaster	197,212	189,889
7. Provision for loss on business liquidation	25,403	12,089
8. Provision for Loss on secession from employees' pension fund	—	131,175
9. Others	2,241,020	2,284,304
<b>Total Current Liabilities</b>	<b>7,584,532</b>	<b>7,430,863</b>
<b>Fixed Liabilities</b>		
1. Provision for retirement benefits	479,117	488,493
2. Asset Retirement Obligations	48,596	48,708
3. Others	499,312	496,845
<b>Total Fixed Liabilities</b>	<b>1,027,025</b>	<b>1,034,046</b>
<b>Total Liabilities</b>	<b>8,611,557</b>	<b>8,464,909</b>
<b>(Net Assets)</b>		
<b>Shareholders' Equity</b>		
1. Capital Stock	4,196,405	4,197,994
2. Capital Surplus	4,037,819	4,039,408
3. Retained earnings	13,800,300	12,630,812
4. Treasury stock	-1,848,486	-1,848,486
<b>Total Shareholders' Equity</b>	<b>20,186,038</b>	<b>19,019,728</b>
<b>Accumulated Comprehensive Income</b>		
Foreign currency translation adjustments	-1,736,009	-1,850,628
<b>Total Accumulated Comprehensive Income</b>	<b>-1,736,009</b>	<b>-1,850,628</b>
Subscription rights to shares	31,917	44,390
<b>Total Net Assets</b>	<b>18,481,946</b>	<b>17,213,490</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>27,093,503</b>	<b>25,678,399</b>

## 2. Consolidated Profit &amp; Loss Statement

(Unit: '000 Yen)

Subject	FY10 1Q (Apr. 1, 2010 to Jun. 30, 2010)	FY11 1Q (Apr. 1, 2011 to Jun. 30, 2011)
	Amount	Amount
Sales	7,806,118	7,323,419
Cost of Goods Sold	4,208,040	3,985,439
Gross Profit	3,598,078	3,337,980
Selling, General and Administrative Expenses	3,224,482	3,142,794
Operating Profit	373,596	195,186
Non-operating Revenue		
1. Interest and dividend income	2,572	2,836
2. Rental Charge Income	1,290	1,345
3. Foreign exchange gains	73,775	—
4. Others	1,547	2,426
Sub Total	79,184	6,607
Non-operating Expense		
1. Interest cost	3,174	1,796
2. Foreign Exchange Losses	—	7,859
3 Others	1,103	4,670
Sub Total	4,277	14,325
Recurring Profit	448,503	187,468
Extraordinary Gain		
1. Gain on sales of fixed assets	872	—
2.Reversal of allowance for doubtful accounts	3,561	—
Sub Total	4,433	—
Extraordinary Loss		
1. Loss on Sales of Fixed Assets	—	916
2. Loss on Disposal of Fixed Assets	5,799	25
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 Secession from Employees' Pension Fund	—	131,175
6.Others	—	18,696
Sub Total	54,377	150,812
Net Profit before Taxes and Other Adjustments	398,559	36,656
Total of Income Tax, Inhabitant Tax and Enterprise Tax	73,560	696
Net Profit before Minority Interests Adjustments	324,999	35,960
Net Profit	324,999	35,960

## Consolidated Comprehensive Income Statement

(Unit: '000 Yen)

Subject	FY10 1Q (Apr. 1, 2010 to Jun. 30, 2010)	FY11 1Q (Apr. 1, 2011 to Jun. 30, 2011)
	Amount	Amount
Income before minority interests	324,999	35,960
Other comprehensive income		
Foreign currency translation adjustment	-629,246	-114,619
Total Comprehensive income	-629,246	-114,619
Comprehensive income	-304,247	-78,659
(Breakdown)		
Comprehensive income attributable to owners of the parent	-304,247	-78,659
Comprehensive income attributable to minority interests	—	—

## 3. Summary of Consolidated Cash Flow Statement

(Unit: '000 Yen)

	FY10 1Q (Apr. 1, 2010 to Jun. 30, 2010)	FY11 1Q (Apr. 1, 2011 to Jun. 30, 2011)
	Amount	Amount
Operating Cash Flow		
Net Profit Before Taxes and Other Adjustments	398,559	36,656
Depreciation	177,852	198,513
Share-based Compensation Expenses	—	12,472
Increase in Provisions (- represents decrease)	-634,870	-111,115
Increase Provision for Loss on Disaster (- represents decrease)	—	-7,323
Increase Provision for Loss on Business Liquidation (- represents decrease)	—	-13,296
Increase Provision for Secession from Employees' Pension Fund (- represents decrease)	—	131,175
Interest and Dividend Income	-2,572	-2,836
Interest Cost	3,174	1,796
Loss on Valuation of Investment Securities (- Gain)	20,000	—
Adjustment for Changes of Accounting Standard for Asset Retirement Obligations	28,578	—
Decrease in Notes and Accounts Receivable (- represents increase)	304,341	-120,026
Decrease in Inventory (- represents increase)	-650,501	312,411
Increase in Notes and Accounts Payable (- represents decrease)	707,717	12,224
Others	331,928	324,150
Sub Total	684,206	774,801
Interest and Dividend Received	2,571	2,836
Interest Paid	-3,348	-1,825
Disaster Expense Paid	—	-2,045
Business Liquidation Expense Paid	—	-13,296
Income Taxes Paid	-780,361	-232,572
Operating Cash Flow	-96,932	527,899
Investing Cash Flow		
Payments for Purchase of Tangible Assets	-244,164	-372,936
Others	1,485	-210
Investing Cash Flow	-242,679	-373,146
Financing Cash Flow		
Proceeds from stock issuance	—	3,162
Payments for Shareholders' Dividends	-1,053,680	-1,061,476
Financing Cash Flow	-1,053,680	-1,058,314
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-289,108	-59,685
Net Increase in Cash and Cash Equivalents (- represents Decrease)	-1,682,399	-963,246
Cash and Cash Equivalents at Beginning of Term	12,350,113	10,454,820
Cash and Cash Equivalents at End of Term	10,667,714	9,491,574

#### 4. Segment Information

FY10 1Q (April 1, 2010 – June 30, 2010)

(Unit: '000 Yen)

	Reportable Segments			Other businesses	Total	Adjustment (Note)	Amount of Consolidated P/L
	Tablet business	Component Business	Sub Total				
<b>Sales</b>							
Sales towards external customers	6,236,421	1,459,394	7,695,815	110,303	7,806,118	—	7,806,118
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
<b>Total</b>	<b>6,236,421</b>	<b>1,459,394</b>	<b>7,695,815</b>	<b>110,303</b>	<b>7,806,118</b>	<b>—</b>	<b>7,806,118</b>
<b>Segment Profit or Loss (-)</b>	<b>995,822</b>	<b>-71,014</b>	<b>924,808</b>	<b>-34,066</b>	<b>890,742</b>	<b>-517,146</b>	<b>373,596</b>

(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".

FY11 1Q (April 1, 2011 – June 30, 2011)

(Unit: '000 Yen)

	Reportable Segments			Other businesses	Total	Adjustment (Note)	Amount of Quarterly Consolidated P/L
	Tablet business	Component Business	Sub Total				
<b>Sales</b>							
Sales towards external customers	5,488,844	1,713,293	7,202,137	121,282	7,323,419	—	7,323,419
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
<b>Total</b>	<b>5,488,844</b>	<b>1,713,293</b>	<b>7,202,137</b>	<b>121,282</b>	<b>7,323,419</b>	<b>—</b>	<b>7,323,419</b>
<b>Segment Profit or Loss (-)</b>	<b>641,854</b>	<b>70,537</b>	<b>712,391</b>	<b>29,680</b>	<b>742,071</b>	<b>-546,885</b>	<b>195,186</b>

(Note) "Other businesses" consist of Software 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".

We have changed this since FY11 1Q and adopted new accounting principles with revenue recognition on a delivery basis to the customer site from shipment basis. We recognize a minor financial influence.

**FY2011 1Q Summary of Financial Results (Consolidated)**  
from April 1, 2011 to June 30, 2011

**(1) Business Performance**

	FY2011		FY2010		YOY Change		FY2011		FY2010		YOY Change	
	1Q Result	1Q Result	Amount	Ratio	Full Year Forecast	Full year Result	Amount	Ratio	Full Year Forecast	Full year Result	Amount	Ratio
Sales	7,323	7,806	-483	-6.2%	36,500	33,030	3,470	10.5%	36,500	33,030	3,470	10.5%
Operating Profit	195	374	-179	-47.8%	3,700	3,252	448	13.8%	3,700	3,252	448	13.8%
(Operation Profit Margin)	2.7%	4.8%			10.1%	9.8%			10.1%	9.8%		
Recurring Profit	187	449	-262	-58.2%	3,650	3,363	287	8.5%	3,650	3,363	287	8.5%
(Recurring Profit Margin)	2.6%	5.8%			10.0%	10.2%			10.0%	10.2%		
Net Profit	36	325	-289	-88.9%	2,340	1,967	373	19.0%	2,340	1,967	373	19.0%
(Net Profit Margin)	0.5%	4.2%			6.4%	6.0%			6.4%	6.0%		
P/L FX rate (Average in the term)	JPY	JPY	JPY		JPY	JPY	JPY		JPY	JPY	JPY	
(US Daller)	81.71	91.73	-10.02	-10.9%	82.50	85.82	-3.32	-3.9%	82.50	85.82	-3.32	-3.9%
(Euro)	118.11	117.35	0.76	0.6%	120.00	113.56	6.44	5.7%	120.00	113.56	6.44	5.7%

**(2) Sales by Business Segment**

	FY2011		FY2010		YOY Change		FY2011		FY2010		YOY Change	
	1Q Result	1Q Result	Amount	Ratio	Full Year Forecast	Full year Result	Amount	Ratio	Full Year Forecast	Full year Result	Amount	Ratio
Tablet business	5,489	6,236	-747	-12.0%	29,000	26,465	2,535	9.6%	29,000	26,465	2,535	9.6%
Component business	1,713	1,459	254	17.4%	7,000	6,117	883	14.4%	7,000	6,117	883	14.4%
Other businesses	121	110	11	10.0%	500	448	52	11.7%	500	448	52	11.7%
<b>Total</b>	<b>7,323</b>	<b>7,806</b>	<b>-483</b>	<b>-6.2%</b>	<b>36,500</b>	<b>33,030</b>	<b>3,470</b>	<b>10.5%</b>	<b>36,500</b>	<b>33,030</b>	<b>3,470</b>	<b>10.5%</b>

**(3) Sales by Product Lines**

(by Subsidiaries)	FY2011		FY2010		YOY Change		FY2011		FY2010		YOY Change	
	1Q Result	1Q Result	Amount	Ratio	Full Year Forecast	Full year Result	Amount	Ratio	Full Year Forecast	Full year Result	Amount	Ratio
<b>Tablet business</b>	<b>5,489</b>	<b>6,236</b>	<b>-748</b>	<b>-12.0%</b>	<b>29,000</b>	<b>26,465</b>	<b>2,535</b>	<b>9.6%</b>	<b>29,000</b>	<b>26,465</b>	<b>2,535</b>	<b>9.6%</b>
Professional Products	3,013	3,203	-190	-5.9%	14,600	13,650	950	6.9%	14,600	13,650	950	6.9%
Pen tablets	2,273	2,362	-89	-3.8%	10,600	9,756	844	8.6%	10,600	9,756	844	8.6%
(Japan)	389	479	-90	-18.8%		1,810				1,810		
(U.S.)	709	686	23	3.3%		3,115				3,115		
(Germany)	586	627	-41	-6.4%		2,977				2,977		
(Asia-Oceania)	589	571	18	3.2%		1,854				1,854		
LCD tablets	740	841	-101	-12.0%	4,000	3,894	106	2.7%	4,000	3,894	106	2.7%
(Japan)	96	172	-76	-43.8%		644				644		
(U.S.)	345	393	-48	-12.2%		1,770				1,770		
(Germany)	227	196	31	15.9%		1,061				1,061		
(Asia-Oceania)	72	80	-8	-10.9%		419				419		
Consumer Products	1,919	1,863	56	3.0%	10,800	9,025	1,775	19.7%	10,800	9,025	1,775	19.7%
(Japan)	468	398	70	17.5%		1,868				1,868		
(U.S.)	494	572	-78	-13.7%		2,600				2,600		
(Germany)	501	494	7	1.6%		3,067				3,067		
(Asia-Oceania)	456	399	57	14.3%		1,490				1,490		
Business tablets	557	1,171	-614	-52.5%	3,600	3,790	-190	-5.0%	3,600	3,790	-190	-5.0%
(Japan)	211	201	10	5.1%		1,050				1,050		
(U.S.)	130	755	-625	-82.7%		1,700				1,700		
(Germany)	157	152	5	3.1%		569				569		
(Asia-Oceania)	59	63	-4	-7.2%		471				471		
<b>Component business</b>	<b>1,713</b>	<b>1,459</b>	<b>254</b>	<b>17.4%</b>	<b>7,000</b>	<b>6,117</b>	<b>883</b>	<b>14.4%</b>	<b>7,000</b>	<b>6,117</b>	<b>883</b>	<b>14.4%</b>
(Japan)	1,701	1,459	242	16.5%		6,117				6,117		
(U.S.)	7	0	7	—		0				0		
(Germany)	5	0	5	—		0				0		
<b>Other businesses</b>	<b>121</b>	<b>110</b>	<b>11</b>	<b>10.0%</b>	<b>500</b>	<b>448</b>	<b>52</b>	<b>11.7%</b>	<b>500</b>	<b>448</b>	<b>52</b>	<b>11.7%</b>
CAD for electrical engineering	121	110	11	10.0%		448				448		
(Japan)	121	109	12	11.2%		463				463		
(Germany)	0	1	-1	-100.0%		-15				-15		
<b>Total</b>	<b>7,323</b>	<b>7,806</b>	<b>-483</b>	<b>-6.2%</b>	<b>36,500</b>	<b>33,030</b>	<b>3,470</b>	<b>10.5%</b>	<b>36,500</b>	<b>33,030</b>	<b>3,470</b>	<b>10.5%</b>

Note) The product lines of "Tablet business" are reorganized into three categories of "Professional Products", "Consumer Products", and "Business Products" by use in FY2011.

Note) The figures of FY2010 were recalculated retroactively because of the adoption of the new accounting principles in revenue recognition.

**(4) Sales by Subsidiaries**

	FY2011		FY2010		YOY Change		FY2011		FY2010		YOY Change	
	1Q Result	1Q Result	Amount	Ratio	Full Year Forecast	Full year Result	Amount	Ratio	Full Year Forecast	Full year Result	Amount	Ratio
Japan	2,986	2,818	168	6.0%						11,951		
U.S.	1,685	2,406	-721	-30.0%						9,186		
Germany	1,478	1,470	8	0.5%						7,659		
Asia-Oceania	1,175	1,113	62	5.6%						4,234		
<b>Total</b>	<b>7,323</b>	<b>7,806</b>	<b>-483</b>	<b>-6.2%</b>	<b>36,500</b>	<b>33,030</b>	<b>3,470</b>	<b>10.5%</b>	<b>36,500</b>	<b>33,030</b>	<b>3,470</b>	<b>10.5%</b>

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

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

	FY2011		FY2010		YOY Change		FY2011		FY2010		YOY Change	
	1Q Result	1Q Result	Amount	Ratio	Full Year Forecast	Full year Result	Amount	Ratio	Full Year Forecast	Full year Result	Amount	Ratio
Capital Expenditure	249	225	24	10.7%	1,100	1,591	-491	-30.9%	1,100	1,591	-491	-30.9%
Depreciation	199	178	21	11.5%	970	749	221	29.4%	970	749	221	29.4%
R&D Expenditure	408	298	110	36.9%	1,800	1,291	509	39.5%	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.