

FY2011 Summary of Consolidated Financial Results

April 26, 2012

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. FY11 Consolidated Financial Results (April 1, 2011 – March 31, 2012)

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

	Sales		Operating Profit		Recurring Profit		Net Profit	
	mY	%	mY	%	mY	%	mY	%
FY11	40,706	(23.2)	4,067	(25.1)	3,892	(15.7)	2,181	(10.9)
FY10	33,030	(3.1)	3,252	(4.0)	3,363	(6.6)	1,967	(-0.1)

(Note) Comprehensive income FY11 2,007mY (42.6.3%) FY10 1,408mY (-16.0%)

	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	%	%	%
FY11	5,463.95		5,458.66		11.7	12.7	10.0
FY10	4,895.48		4,885.72		10.7	12.2	9.8

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
FY11	34,129	18,918	55.2	47,350.46	
FY10	27,094	18,482	68.1	45,916.61	

(For Ref.) Capital: FY11 18,827mY FY10 18,450mY

(3) Consolidated Cash Flow

	Operating Cash Flow	Investing Cash Flow	Financing Cash Flow	Cash & Cash Equivalent
	mY	mY	mY	mY
FY11	4,881	-1,697	-1,627	11,970
FY10	1,179	-1,470	-1,202	10,455

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	Yen Sen	Yen Sen			
FY10	-	0.00	-	3,000.00	3,000.00	1,205	60.7	6.6
FY11	-	0.00	-	3,000.00	3,000.00	1,193	54.9	6.4
FY12 (estimates)	-	0.00	-	3,500.00	3,500.00		38.7	

3. Consolidated Business Forecasts of FY12 (April 1, 2012 – March 31, 2013)

	Sales		Operating Profit		Recurring Profit		Net Profit		Net Profit Per Share Outstanding
	mY	%	mY	%	mY	%	mY	%	Yen Sen
2Q (1H FY12)	20,370	(26.9)	950	(6.5)	940	(5.6)	592	(9.3)	1,488.87
Full Year	50,400	(23.8)	5,600	(37.7)	5,570	(43.1)	3,600	(65.0)	9,053.96

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 : Yes
 - Changes resulting from accounting estimates : No
 - Changes resulting from restatements : No
- 3) Numbers of shares outstanding (Common stock)

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

	Shares		Shares
FY11	422,616	FY10	421,816

Number of treasury stock outstanding at end of year:

	Shares		Shares
FY11	25,000	FY10	20,000

Number of average shares for fiscal period

	Shares		Shares
FY11	399,224	FY10	401,816

(For Reference) Trend of Consolidated Cash Flow Indicator

	FY08	FY09	FY10	FY11
	Full-term End	Full-term End	Full-term End	Full-term End
Capital Ratio (%)	69.4	64.8	68.1	55.2
Market Cap. based Capital Ratio (%)	161.7	203	150.8	201.9
Debt Redemption(Yr)	0.4	0.2	0.5	0.1
Interest Coverage Ratio	118.9	253.7	124.4	592.1

(Note) Capital Ratio: Capital / Total Assts

Market Cap. based Capital Ratio: Market Cap. / Total Assets

Debt Redemption Year: Interest-Bearing Debt / Operating Cash Flow

Interest Coverage Ratio: Operating Cash Flow / Interest Payment

* Regarding the implementation of 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 (from April 1, 2011 to March 31, 2012) showed a drop in the domestic economy and the stagnation of production activities in 1Q due to the Great East Japan earthquake and supply chain disruptions caused by the flood disaster in Thailand in 2Q. As for the global economy, the U.S. economy kept a steady growth owing to improvement in employment, however the uncertain economic outlook in EU continued because of the credit crisis. Emerging markets including China and India, which maintained high economic growth rates, also faced inflation and a slowdown of exports to EU. As for exchange rates, an appreciation of the Japanese yen against the U.S. dollar and Euro developed which influenced our business results. In the IT field the number of smart phones and tablet-type devices are growing rapidly as new IT platforms. Major makers of PCs and handsets have strived to expand their product lines to secure strong positions in the new markets.

Our Professional Products market continued a growing trend and accelerated due to of the use of 3D in the film and games industries and the spread of digital design in general. Also in Asian regions, industrial design and digital content industries show strong development. In our Consumer Products market the use of digital pens to communicate on social networks such as Facebook showed expansion, in addition to the common use of expressive digital pen interaction for the creation of illustrations, photo retouching and web design. The spread of tablet-type devices and e-Book devices also caused new demand for the natural and intuitive feel of handwriting input. In our Business Products covering a wide range of fields such as healthcare, education and finance, our LCD tablets are adopted in accordance with growing needs for more highly secured and paperless processes. In particular, digital settlements using a digital signature have been attracting attention for improved personal information management, efficient transactions and paperless processes for cost reduction in document storage. 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 demand for pen and touch technologies. In addition, a Samsung's smart phone, Galaxy Note featured pen function was released in October starting from Europe and gains a high reputation as a new category in the smart phones market.

Under the conditions described above Wacom strived to achieve the following measures, mainly the development and launch of the largest number of new products ever, expanding of product lines for tablet-type devices, the promotion of web-based marketing, the development of new technologies, the enhancement of supply chain management, production control systems and

improved profitability of the business, as well as addressing the business risk management continuously. Moreover, Wacom introduced a new ERP system as a global IT infrastructure investment which helps increase productivity and supports future growth. The new ERP system cut over last August and runs smoothly. On the other hand, the extraordinary loss was posted as the payment for the secession from the pension of which increasing financial risk was a concern, plus the cost of relocating to a new office for the Tokyo branch scheduled in July and restoration cost of the head office building that was stricken by the Great East Japan earthquake.

As a result, the consolidated FY11 business results ended in sales of ¥40.71bn (+23.2% YoY), operating profit of ¥4.07bn (+25.1% YoY), recurring profit of ¥3.89bn (+15.7% YoY), and net profit of ¥2.18bn (+10.9% YoY).

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

(Business Segment Performance)

1) Tablet business

For the Tablet business, sales increased owing to the successful new product release despite the fluctuations of the exchange rate. For Professional Products both of “Cintiq 24HD” released as the flagship product in September and “Intuos 5” released in March have received high reputations and showed favorable sales. The “Inkling” the digital sketch pen launched in October, which can capture a digital likeness of your work on paper, has received a high reputation and awarded “The 50 Best Inventions” by Time Magazine. With regard to Consumer Products, new models of “Bamboo” series released in September showed sluggish sales in the U. S. and European market, its sales stayed at a similar level to the previous fiscal year. However, owing to continuous strong sales of “Bamboo Stylus” pen for iPad which was launched in May and added new 5 color types in October, overall sales of Consumer Products showed favorable growth. We also launched download services of “Bamboo Paper” which is available as a hand-writing software application for the Apple iPad. For Business Products, overall sales decreased due to the end of sales in some OEM products for vertical markets in the U.S. despite doubling the sales of the “STU” series for digital signature certification.

Geographically, sales in the U.S. maintained the same level to the previous fiscal year owing to favorable sales of Professional Products and Consumer Products despite showing sales decline of Business Products. In EU as a whole, sales showed a favorable increase owing to the sales growth of all product lines. In Japan sales expanded thanks to a favorable increase in sales of the "Cintiq" series in Professional Products and the growth of Consumer Products. In Asia and Oceania as a whole, sales remained with a steady growth despite the fluctuation of exchange rates.

As a result, the Tablet business FY11 sales ended at ¥28.51bn (+7.7% YoY), and operating profit was ¥5.12bn (-9.0% YoY).

2) Component business

Regarding the Component business, as a whole, sales showed significant growth thanks to starting mass production of the pen sensor system adopted in Samsung's smart phone, Galaxy Note. Other components for tablet PCs and tablet-type devices on Windows OS and e-Books based on Android OS steadily maintained sales momentum. On the product development side, Wacom continues to develop new sensor controller ICs and sensor systems for Windows 8 of the next generation from Microsoft.

As a result, the component business FY11 sales ended at ¥11.68bn (+91.0% YoY) and operating income was ¥1.09bn (operating loss ¥0.24bn FY10).

3) Other businesses

The Software business showed favorable sales growth owing to improvements in efficiency and strengthening of partnerships with major distributors as well as the promotion of replacement and acquisition of new projects. "ECAD dio 2012" which is an enhanced new version for large-scale design, was released in September and gained a favorable reputation.

As a result, other businesses FY11 sales ended at ¥0.52bn (+15.3% YoY), and operating income was ¥0.07bn (operating loss ¥0.15bn FY10).

〈Qualitative news on the forecast of consolidated results〉

In FY12 (from April 1, 2012 to March 31, 2013), Wacom forecasts that the global economy as a whole is expected to show a gradual recovery including some risks such as the protracted credit crisis in EU and soaring crude oil prices due to political instability in the Middle East. US will continue to show a modest economic recovery owing to an increase in exports to emerging regions and recovery in consumer consumption. Europe will continue to show regional weak demand due to austerity measures in each country. In Japan, the demand in public sector is expected to expand to full-scale demand for recovery from the

Great East Japan earthquake. However, the pace of domestic economic recovery will be modest due to the continuous appreciation of the yen and the influence of economic slowdown in EU and China.

Under the assumptions described above, Wacom will positively promote releases of new products and develop new technologies and new business for future growth and competitiveness. The Company assumes the average foreign exchange rates to be ¥75 per 1 U.S. dollar and ¥100 per 1 Euro in this fiscal year, and is expecting consolidated yearly sales of ¥50.40bn (+23.8% YoY), operating profit of ¥5.60bn (+37.7% YoY), recurring profit of ¥5.57bn (+43.1% YoY), and net profit of ¥3.60bn (+65.0% YoY).

Brand product business, in the core products for professionals, promotes to existing users' replacements and new users' buying in this fiscal period with the "Inuos5" released in May. It also strives to expand the product line of "Cintiq" series of LCD pen tablets. On the consumer product side, the Company positively aims its sales growth owing to enhancing the "Bamboo" brand and expanding the product line of "Bamboo Stylus". On the business product side, the Company expects a further growth thanks to promoting new products and marketing signature tablets. As a result of the above products promotions, Brand business is expecting FY12 sales reaching ¥31.80bn (+11.6% YOY).

Components business will aggressively promote the adoption to smart phones, e-books and slate-type devices as well as expanding the supplies of pen and multi-touch sensor components for Windows 8 OS to PC manufacturers. As a result of the above promotions, the components business is expecting FY12 sales to reach ¥18.00bn (+54.1% YOY).

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 FY12 sales ending at ¥0.60bn (+16.4% YOY)..

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 strengthen the business base for sustainable growth. It's critical for supporting future growth and profit to enhance Global SCM, to develop the multi-site production of key parts and to structure and maintain Quality Assurance systems continuously. Wacom also strives to promote internal control among our affiliate companies.

(Note)

"Tablet business" has changed its name to "Brand product business" since FY12. There are no influences in our financial statements by this change.

〈Qualitative news for consolidated financial position〉

1. Assets, Liabilities, and Net Assets

Total assets increased by ¥7.04bn to ¥34.13bn in FY11 compared to the end of FY10. The main reasons were a ¥2.96bn increase in notes and accounts receivable, a ¥1.52bn increase in cash and cash equivalents, and a ¥1.01bn increase in merchandise and finished goods.

Total liabilities increased by ¥6.60bn to ¥15.21bn in FY11 compared with the end of FY10. The main reasons for the increase were a ¥4.31bn in notes and accounts payable and a ¥1.15bn in income tax payable.

Total net assets increased by ¥0.44bn to ¥18.92bn. The main reason for the increase was a ¥2.18bn of net profit despite the decrease due to a ¥1.21bn payment of shareholders' dividends and a ¥0.44bn repurchase of own shares.

2. Cash Flow

Consolidated cash & cash equivalents for FY11 increased by ¥1.52bn compared to the end of FY10 (¥1.90bn decrease in FY10) to ¥11.97bn in FY11.

(Cash Flow from Operating Activities)

Earned operating cash flow gained for FY11 was ¥4.88bn (¥1.18bn gained in FY10). The main reasons for the increase were a ¥3.50bn in the sum of NPBT and a ¥4.35bn increase in accounts payable despite a ¥3.12bn increase in account receivable.

(Cash Flow from Investing Activities)

Investing cash flow expended for FY11 was ¥1.70bn (¥1.47bn expended in FY10). The main reasons were the purchase of the ERP system for ¥0.87bn in software, the purchase of molds of ¥0.53bn in fixed assets, and the purchase of ¥0.17bn for investment securities.

(Cash Flow from Financing Activities)

Financing cash flow expended for FY11 was ¥1.63bn (¥1.2bn expended in FY10). The reason was a ¥1.2bn payment of shareholders' dividends and a repurchase of own shares of ¥0.44bn.

〈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 54.9% at the end of FY11.

The dividend for FY12 is estimated at ¥3,500 per share. As a result, the payout ratio will be 38.7%.

(Accompanying data)

1. Summary of Consolidated Balance Sheet

(Unit: '000 Yen)

Subject	FY10 (as of Mar. 31, 2011)	FY11 (as of Mar. 31, 2012)
	Amount	Amount
(Assets)		
Current Assets		
1. Cash and cash equivalents	10,454,820	11,969,873
2. Notes and accounts receivable	4,216,958	7,174,640
3. Merchandise and Finished Products	2,876,770	3,887,185
4. Work in process	183,468	377,985
5. Raw Materials and Supplies	709,995	812,756
6. Deferred tax assets	548,328	1,107,663
7. Others	1,975,708	2,176,394
8. Allowance for doubtful accounts	-16,335	-16,480
Total Current Assets	20,949,712	27,490,016
Fixed Assets		
1. Tangible fixed assets		
(1) Buildings and facilities (net amount)	1,617,544	1,577,106
(2) Machinery, equipment and vehicles (net amount)	90,977	68,657
(3) Tools and furniture (net amount)	490,269	535,880
(4) Land	1,436,489	1,435,469
Total tangible fixed assets	3,635,279	3,617,112
2. Intangible fixed assets		
(1) Software	1,921,230	2,190,664
(2) Goodwill	68,554	46,905
(3) Others	253,596	239,592
Total intangible fixed assets	2,243,380	2,477,161
3. Investment and other assets		
(1) Investment securities	14,778	195,115
(2) Deferred tax assets	23,815	13,786
(3) Others	243,138	352,069
(4) Allowance for doubtful accounts	-16,599	-15,861
Total investment and other assets	265,132	545,109
Total Fixed assets	6,143,791	6,639,382
Total Assets	27,093,503	34,129,398

(Unit: '000 Yen)

Subject	FY10 (as of Mar. 31, 2011)	FY11 (as of Mar. 31, 2012)
	Amount	Amount
(Liabilities)		
Current Liabilities		
1. Notes and accounts payable	3,994,330	8,307,536
2. Short-term debt	600,000	600,000
3. Income taxes payable	221,326	1,375,072
4. Provision for bonuses	274,987	613,708
5. Provision for director's bonuses	30,254	89,174
6. Provision for Loss on disaster	197,212	—
7. Provision for loss on business liquidation	25,403	—
8. Asset Retirement Obligations	—	60,800
9. Others	2,241,020	3,149,516
Total Current Liabilities	7,584,532	14,195,806
Fixed Liabilities		
1. Deferred tax liabilities	30,481	46,227
2. Provision for retirement benefits	479,117	511,262
3. Asset Retirement Obligations	48,596	15,495
3. Others	468,831	442,713
Total Fixed Liabilities	1,027,025	1,015,697
Total Liabilities	8,611,557	15,211,503
(Net Assets)		
Shareholders' Equity		
1. Capital Stock	4,196,405	4,203,469
2. Capital Surplus	4,037,819	4,044,882
3. Retained earnings	13,800,300	14,776,193
4. Treasury stock	-1,848,486	-2,287,245
Total Shareholders' Equity	20,186,038	20,737,299
Accumulated Comprehensive Income		
1. Valuation Difference on Available-for-Sale Securities	—	8,443
2. Foreign Currency Translation Adjustments	-1,736,009	-1,918,442
Total Accumulated Comprehensive Income	-1,736,009	-1,909,999
Subscription Rights to Shares	31,917	90,595
Total Net Assets	18,481,946	18,917,895
Total Liabilities & Net Assets	27,093,503	34,129,398

2. Consolidated Profit & Loss Statement

(Unit: '000 Yen)

Subject	FY10 (Apr. 1, 2010 to Mar. 31, 2011)	FY11 (Apr. 1, 2011 to Mar. 31, 2012)
	Amount	Amount
Sales	33,030,359	40,705,578
Cost of Goods Sold	17,395,914	22,809,642
Gross Profit	15,634,445	17,895,936
Selling, General and Administrative Expenses	12,382,359	13,828,461
Operating Profit	3,252,086	4,067,475
Non-operating Revenue		
1. Interest and dividend income	73,246	28,579
2. Refund of value-added taxes of overseas subsidiaries	56,748	6,945
3. Others	23,413	25,302
Sub Total	153,407	60,826
Non-operating Expense		
1. Interest cost	9,262	8,229
2. Foreign Exchange Losses	28,658	203,087
3 Others	4,269	25,284
Sub Total	42,189	236,600
Recurring Profit	3,363,304	3,891,701
Extraordinary Gain		
1. Gain on sales of fixed assets	1,208	1,337
2.Reversal of allowance for doubtful accounts	4,558	—
Sub Total	5,766	1,337
Extraordinary Loss		
1. Loss on Sales of Fixed Assets	873	2,057
2. Loss on Disposal of Fixed Assets	12,742	10,751
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 Liquidation of Business	134,243	—
6. Loss on Withdrawal from Employees' Pension Fund	—	253,775
7. Office transfer expenses	—	59,150
8. Others	220,126	62,768
Sub Total	416,562	388,501
Net Profit before Taxes and Other Adjustments	2,952,508	3,504,537
Total of Income Tax, Inhabitant Tax and Enterprise Tax	985,425	1,323,196
Net Profit before Minority Interests Adjustments	1,967,083	2,181,341
Net Profit	1,967,083	2,181,341

Consolidated Comprehensive Income Statement

(Unit: '000 Yen)

Subject	FY10 (Apr. 1, 2010 to Mar. 31, 2011)	FY11 (Apr. 1, 2011 to Mar. 31, 2012)
	Amount	Amount
Income before minority interests	1,967,083	2,181,341
Other comprehensive income		
1. Valuation Difference on Available-for-Sale Securities	—	8,443
2. Foreign Currency Translation Adjustment	-559,030	-182,433
Total Other Comprehensive income	-559,030	-173,990
Comprehensive income	1,408,053	2,007,351
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,408,053	2,007,351
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
Cumulative effect of changes in accounting policies			-22,166		-22,166
Balance brought forward as restated			13,038,665		19,424,403
Increase/decrease during the fiscal 2010					
Distribution of Retained earnings			-1,205,448		-1,205,448
Net Profit			1,967,083		1,967,083
Net increase/decrease during the fiscal 2010 of non shareholders' equity items					—
Total increase/decrease during the fiscal 2010			761,635		761,635
Balance as of March 31, 2011	4,196,405	4,037,819	13,800,300	-1,848,486	20,186,038

	Accumulated Other Comprehensive Income			Subscription Rights to Shares	Total Net Assets
	Valuation difference on available-for-sale securities	Foreign Currency Transaction Adjustment	Total Accumulated Other Comprehensive Income		
Balance as of March 31, 2010	—	-1,176,979	-1,176,979	—	18,269,590
Cumulative effect of changes in accounting policies					-22,166
Balance brought forward as restated					18,247,424
Increase/decrease during the fiscal 2010					
Distribution of Retained earnings					-1,205,448
Net Profit					1,967,083
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	234,522
Balance as of March 31, 2011	—	-1,736,009	-1,736,009	31,917	18,481,946

FY11 (Apr. 1, 2011 to Mar. 31, 2012)

(Unit: '000 Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stocks	Total Shareholders' Equity
Balance as of March 31, 2011	4,196,405	4,037,819	13,800,300	-1,848,486	20,186,038
Increase/decrease during the fiscal 2011					
Stock Issuance	7,064	7,063			14,127
Distribution of Retained earnings			-1,205,448		-1,205,448
Net Profit			2,181,341		2,181,341
Purchase of treasury stock				-438,759	-438,759
Net increase/decrease during the fiscal 2011 of non shareholders' equity items					
Total increase/decrease during the fiscal 2011	7,064	7,063	975,893	-438,759	551,261
Balance as of March 31, 2012	4,203,469	4,044,882	14,776,193	-2,287,245	20,737,299

	Accumulated Other Comprehensive Income			Subscription Rights to Shares	Total Net Assets
	Valuation difference on available-for-sale securities	Foreign Currency Transaction Adjustment	Total Accumulated Other Comprehensive Income		
Balance as of March 31, 2011	—	-1,736,009	-1,736,009	31,917	18,481,946
Increase/decrease during the fiscal 2011					
Stock Issuance					14,127
Distribution of Retained earnings					-1,205,448
Net Profit					2,181,341
Purchase of treasury stock				-438,759	-438,759
Net increase/decrease during the fiscal 2011 of non shareholders' equity items	8,443	-182,433	-173,990	58,678	-115,312
Total increase/decrease during the fiscal 2011	8,443	-182,433	-173,990	58,678	435,949
Balance as of March 31, 2012	8,443	-1,918,442	-1,909,999	90,595	18,917,895

4. Summary of Consolidated Cash Flow Statement

(Unit: '000 Yen)

	FY10 (Apr. 1, 2010 to Mar. 31, 2011)	FY11 (Apr. 1, 2011 to Mar. 31, 2012)
	Amount	Amount
Operating Cash Flow		
Net Profit Before Taxes and Other Adjustments	2,952,508	3,504,537
Depreciation	749,373	1,068,140
Share-based Compensation Expenses	31,917	58,678
Increase in Provision for Doubtful Accounts (- represents decrease)	-4,589	176
Increase in Provision for Bonus Payable (- represents decrease)	-35,100	338,217
Increase in Provision for Director's Bonus Payable (- represents decrease)	327	59,963
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	33,404
Increase Provision for Director's Retirement Benefits (- represents decrease)	-452,089	—
Adjustment for Changes of Accounting Standard for Asset Retirement Obligations	28,578	—
Interest and Dividend Income	-73,246	-28,579
Interest Cost	9,262	8,229
Loss on Valuation of Investment Securities (- Gain)	20,000	—
Foreign Exchange Loss (- Gain)	71,197	-50,149
Loss on Sale and Disposal of Fixed Assets (- Gain)	12,407	11,471
Decrease in Notes and Accounts Receivable (- represents increase)	363,288	-3,115,094
Decrease in Inventory (- represents increase)	-958,113	-1,371,687
Increase in Notes and Accounts Payable (- represents Decrease)	-877,947	4,346,111
Others	371,119	1,135,384
Sub Total	2,474,292	5,998,801
Interest and Dividend Received	73,210	27,933
Interest Paid	-9,474	-8,242
Payments for Settlement Package	-21,113	—
Disaster Expense Paid	—	-144,102
Business Liquidation Expense Paid	—	-24,696
Increase Provision for Withdrawal from Employees' Pension Fund (- represents decrease)	—	-253,775
Income Taxes Paid	—	-696,692
Income Taxes Refund (-Paid)	-1,337,958	—
Others	—	-18,684
Operating Cash Flow	1,178,957	4,880,543

Investing Cash Flow		
Payments for Purchase of Tangible Assets	-409,386	-526,039
Payments for Purchase of Intangible Assets	—	-47,906
Payments for Purchase of Software	-781,514	-865,288
Purchase of Investment Securities	—	-167,703
Proceeds from Sale of Fixed Assets	6,606	31,129
Payments for Business Acquisition	-291,637	—
Payments for Lease and Guarantee Deposits	-13,791	-125,811
Proceeds from Collection of Lease and Guarantee Deposits	19,680	3,596
Others	—	643
Investing Cash Flow	-1,470,042	-1,697,379
Financing Cash Flow		
Proceeds from Stock Issuance	—	14,049
Purchase of Treasury Stock	—	-439,603
Payments for Shareholders' Dividends	-1,202,132	-1,201,162
Financing Cash Flow	-1,202,132	-1,626,716
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-402,076	-41,395
Net Increase in Cash and Cash Equivalents (- represents Decrease)	-1,895,293	1,515,053
Cash and Cash Equivalents at Beginning of Term	12,350,113	10,454,820
Cash and Cash Equivalents at End of Term	10,454,820	11,969,873

5. Segment Information

The Company consists of “Tablet business” and “Component business” as the reportable segments and “Other businesses”.

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	26,465,928	6,117,184	32,583,112	447,247	33,030,359	—	33,030,359
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	26,465,928	6,117,184	32,583,112	447,247	33,030,359	—	33,030,359
Segment Profit or Loss (-)	5,629,951	-235,864	5,394,087	-150,075	5,244,012	-1,991,926	3,252,086
Segment Total Assets	13,910,839	3,890,013	17,800,852	366,739	18,167,591	8,925,912	27,093,503
Other items							
Depreciation	503,744	78,513	582,257	42,134	624,391	103,446	727,837
Amortization in Goodwill	—	21,536	21,536	—	21,536	—	21,536
Increase in Tangible fixed Assets and Intangible fixed Assets	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”.

FY11 (April 1, 2011 – March 31, 2012)

(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	28,507,159	11,682,921	40,190,080	515,498	40,705,578	—	40,705,578
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	28,507,159	11,682,921	40,190,080	515,498	40,705,578	—	40,705,578
Segment Profit or Loss (-)	5,124,727	1,090,508	6,215,235	70,193	6,285,428	-2,217,953	4,067,475

Segment Total Assets	17,712,705	5,594,110	23,306,815	349,715	23,656,530	10,472,868	34,129,398
Other items							
Depreciation	745,383	163,797	909,180	42,850	952,030	116,110	1,068,140
Amortization in Goodwill	—	21,652	21,652	—	21,652	—	21,652
Increase in Tangible fixed Assets and Intangible fixed Assets	869,220	242,140	1,111,360	70,500	1,181,860	199,518	1,381,378

(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".

Changes in accounting principles

. We have changed this since FY11 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.

6. Related Information

FY10 (April 1, 2010 – March 31, 2011)

[Information by products and services]

Ditto (substitution with the above reportable segment information)

[Sales]

(Unit: '000 Yen)

Japan	US	Europe	Asia & Oceania	Others	Total
7,035,225	9,249,529	7,385,325	8,640,823	719,457	33,030,359

(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

[Information of each major customer]

(Unit: '000 Yen)

Name of Major Customer	Sales	Related Segment
SAMSUNG ELECTRONICS JAPAN	7,061	Component Business

FY11 (April 1, 2011 – March 31, 2012)

[Information by products and services]

Ditto (substitution with the above reportable segment information)

[Sales]

(Unit: '000 Yen)

Japan	US	Europe	Asia & Oceania	Others	Total
12,780,756	9,148,302	8,650,728	9,424,116	701,676	40,705,578

(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
2,770,789	505,663	116,655	224,005	3,617,112

[Information of each major customer]

(Unit: '000 Yen)

Name of Major Customer	Sales	Related Segment
SAMSUNG ELECTRONICS JAPAN	5,086,360	Component Business

7. Impairment loss in fixed assets by segment

FY10 (April 1, 2010 – March 31, 2011)

N/A

FY11 (April 1, 2011 – March 31, 2012)

(Unit: '000 Yen)

	Tablet business	Component business	Others	Internal Elimination	Total
Balance in FY11	—	—	—	6,592	6,592

8. Balance of amortization and unamortization in goodwill

FY10 (April 1, 2010 – March 31, 2011)

(Unit: '000 Yen)

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

FY11 (April 1, 2011 – March 31, 2012)

(Unit: '000 Yen)

	Tablet business	Component business	Others	Internal Elimination	Total
Balance in FY11	—	46,905	—	—	46,905

9. Balance of amortization in gain on negative goodwill

FY10 (April 1, 2010 – March 31, 2011)

N/A

FY11 (April 1, 2011 – March 31, 2012)

N/A

FY2011 Summary of Financial Result (Consolidated)
from April 1, 2011 to March 31, 2012

(1) Business Performance

	FY2011		FY2010		YOY Change	
	Full Year Forecast	Full Year Results	Amount	Ratio	Amount	Ratio
	mil JPY		mil JPY		mil JPY	
Sales	40,706	33,030	7,676	23.2%		
Operating Profit	4,067	3,252	815	25.1%		
(Operation Profit Margin)	10.0%	9.8%				
Recurring Profit	3,892	3,363	529	15.7%		
(Recurring Profit Margin)	9.6%	10.2%				
Net Profit	2,181	1,967	214	10.9%		
(Net Profit Margin)	5.4%	6.0%				
P/L FX rate (Average in the term)	JPY	JPY	JPY			
(US Daller)	79.30	85.82	-6.52	-7.6%		
(Euro)	110.17	113.56	-3.39	-3.0%		

(2) Sales by Business Segment

	FY2011		FY2010		YOY Change	
	Full Year Forecast	Full Year Results	Amount	Ratio	Amount	Ratio
	mil JPY		mil JPY		mil JPY	
Tablet business	28,507	26,466	2,041	7.7%		
Component business	11,683	6,117	5,566	91.0%		
Other businesses	516	447	69	15.3%		
Total	40,706	33,030	7,676	23.2%		

(3) Sales by Product Lines

	FY2011		FY2010		YOY Change	
	Full Year Forecast	Full Year Results	Amount	Ratio	Amount	Ratio
	mil JPY		mil JPY		mil JPY	
Tablet business	28,507	26,466	2,041	7.7%		
Professional Products	15,381	13,696	1,685	12.3%		
Pen tablets	10,044	9,784	260	2.7%		
(Japan)	1,769	1,836	-67	-3.7%		
(U.S.)	3,169	3,115	54	1.7%		
(Germany)	3,115	2,978	137	4.6%		
(Asia-Oceania)	1,991	1,855	136	7.3%		
LCD tablets	5,337	3,912	1,425	36.4%		
(Japan)	924	639	285	44.7%		
(U.S.)	2,287	1,794	493	27.5%		
(Germany)	1,536	1,062	474	44.7%		
(Asia-Oceania)	590	417	173	41.5%		
Consumer Products	10,138	8,969	1,169	13.0%		
(Japan)	2,169	1,828	341	18.7%		
(U.S.)	2,844	2,608	236	9.0%		
(Germany)	3,394	3,047	347	11.4%		
(Asia-Oceania)	1,731	1,486	245	16.4%		
Business tablets	2,988	3,801	-813	-21.4%		
(Japan)	1,154	1,069	85	7.9%		
(U.S.)	706	1,668	-962	-57.7%		
(Germany)	854	588	266	45.3%		
(Asia-Oceania)	274	476	-202	-42.5%		
Component business	11,683	6,117	5,566	91.0%		
(Japan)	11,621	6,117	5,504	90.0%		
(U.S.)	52	0	52	—		
(Germany)	9	0	9	—		
Other businesses	515	447	68	15.3%		
CAD for electrical engineering	515	447	68	15.3%		
(Japan)	515	462	53	11.5%		
(Germany)	0	-15	15	—		
Total	40,706	33,030	7,676	23.2%		

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	
	Full Year Forecast	Full Year Results	Amount	Ratio	Amount	Ratio
	mil JPY		mil JPY		mil JPY	
Japan	18,152	11,951	6,201	51.9%		
U.S.	9,060	9,186	-126	-1.4%		
Germany	8,909	7,659	1,250	16.3%		
Asia-Oceania	4,585	4,234	351	8.3%		
Total	40,706	33,030	7,676	23.2%		

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	
	Full Year Forecast	Full Year Results	Amount	Ratio	Amount	Ratio
	mil JPY		mil JPY		mil JPY	
Capital Expenditure	1,381	1,591	-210	-13.2%		
Depreciation	1,068	749	319	42.5%		
R&D Expenditure	1,842	1,291	551	42.8%		

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

FY2012 Summary of Financial Forecast (Consolidated)

from April 1, 2012 to March 31, 2013

(1) Forecast of Business Performance

	FY2012	FY2011	YOY Change	
	Full Year Forecast	Full Year Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Sales	50,400	40,706	9,694	23.8%
Operating Profit	5,600	4,067	1,533	37.7%
<i>(Operation Profit Margin)</i>	11.1%	10.0%		
Recurring Profit	5,570	3,892	1,678	43.1%
<i>(Recurring Profit Margin)</i>	11.1%	9.6%		
Net Profit	3,600	2,181	1,419	65.1%
<i>(Net Profit Margin)</i>	7.1%	5.4%		
P/L FX rate (Average in the term)	JPY	JPY	JPY	
<i>(US Daller)</i>	75.00	79.30	-4.30	-5.4%
<i>(Euro)</i>	100.00	110.17	-10.17	-9.2%

(2) Sales Forecast by Business Segment

	FY2012	FY2011	YOY Change	
	Full Year Forecast	Full Year Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Brand product business	31,800	28,507	3,293	11.6%
Component business	18,000	11,683	6,317	54.1%
Other businesses	600	516	84	16.3%
Total	50,400	40,706	9,694	23.8%

(3) Sales Forecast by Product Lines

	FY2012	FY2011	YOY Change	
	Full Year Forecast	Full Year Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
<i>(by Subsidiaries)</i>				
Brand product business	31,800	28,507	3,293	11.6%
Professional Products	17,500	15,381	2,119	13.8%
Pen tablets	11,100	10,044	1,056	10.5%
<i>(Japan)</i>		1,769		
<i>(U.S.)</i>		3,169		
<i>(Germany)</i>		3,115		
<i>(Asia-Oceania)</i>		1,991		
LCD tablets	6,400	5,337	1,063	19.9%
<i>(Japan)</i>		924		
<i>(U.S.)</i>		2,287		
<i>(Germany)</i>		1,536		
<i>(Asia-Oceania)</i>		590		
Consumer Products	10,100	10,138	-38	-0.4%
<i>(Japan)</i>		2,169		
<i>(U.S.)</i>		2,844		
<i>(Germany)</i>		3,394		
<i>(Asia-Oceania)</i>		1,731		
Business tablets	4,200	2,988	1,212	40.6%
<i>(Japan)</i>		1,154		
<i>(U.S.)</i>		706		
<i>(Germany)</i>		854		
<i>(Asia-Oceania)</i>		274		
Component business	18,000	11,683	6,317	54.1%
<i>(Japan)</i>		11,622		
<i>(U.S.)</i>		52		
<i>(Germany)</i>		9		
Other businesses	600	516	84	16.3%
CAD for electrical engineering	600	516	84	16.3%
<i>(Japan)</i>		516		
Total	50,400	40,706	9,694	23.8%

Note) "Tablet business" has changed its name to "Brand product business" from FY2012.

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

	FY2012	FY2011	YOY Change	
	Full Year Forecast	Full Year Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Capital Expenditure	1,550	1,381	169	12.2%
Depreciation	1,290	1,068	222	20.8%
R&D Expenditure	2,300	1,842	458	24.9%

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