

# 1Q FY 3/2014 Summary of Consolidated Financial Results

July 30, 2013

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. 1Q FY3/14 Consolidated Financial Results (April 1, 2013 – June 30, 2013)

### (1) Business Performance (Consolidated)

(rounded off to mY)

	Sales		Operating Profit		Recurring Profit		Net Profit	
	mY	%	mY	%	mY	%	mY	%
1Q FY 3/14	15,414	(53.3)	1,035	(24.7)	980	(10.0)	607	(-5.5)
1Q FY 3/13	10,058	(37.3)	830	(325.3)	891	(375.2)	642	—

(Note) Comprehensive income: 1Q FY 3/14 1,065mY (610.9%) 1Q FY 3/13 150mY (—%)

	Net Profit per Share Outstanding		Net Profit per Diluted Share Outstanding	
	Yen	Sen	Yen	Sen
1Q FY 3/14		3.61		3.58
1Q FY 3/13		4.04		4.02

### (2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
1Q FY 3/14	45,285	28,415	62.5	168.27	
FY 3/13	50,124	29,212	58.1	173.15	

(For Ref.) Capital: 1Q FY 3/14 28,302mY FY 3/13 29,116mY

## 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
FY 3/13	-	0.00	-	4,500.00	4,500.00
FY 3/14	-				
FY 3/14 (estimates)		0.00	-	17.50	17.50

Changes in dividend per share forecast of FY 3/14 : No

A 400-for-1 share split was implemented effective June 1st 2013. Dividends for FY 3/13 are described in actual amount before the split.

## 3. Consolidated Business Forecasts of FY3/14 (April 1, 2013 – March 31, 2014)

	Sales		Operating Profit		Recurring Profit		Net Profit		Net Profit Per Share Outstanding
	mY	%	mY	%	mY	%	mY	%	Yen Sen
2Q (1H FY3/14)	37,700	(65.8)	3,550	(33.6)	3,530	(32.1)	2,290	(29.5)	13.62
Full Year	88,000	(44.1)	11,380	(43.8)	11,340	(50.0)	7,370	(54.5)	43.82

Changes in Consolidated business forecasts of FY 3/14 : No

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 : No
  - Changes other than those above : No
  - 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
1Q FY 3/14	169,046,400	FY 3/13	169,046,400

Number of treasury stock outstanding at end of year:

	Shares		Shares
1Q FY 3/14	852,800	FY 3/13	892,800

Number of average shares for fiscal period

	Shares		Shares
1Q FY 3/14	168,166,830	1Q FY 3/13	159,046,400

\* 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 Information and financial statements**

### **Consolidated business performance**

*Note: All comparisons are with the same period of the previous fiscal year, unless otherwise stated.  
Amounts for financial results are rounded to the nearest million yen*

In the first three months (April 1, 2013 to June 30, 2013) of the current fiscal year, the business environment remained generally stable. Domestic business sentiment improved, supported by 'Abenomics' government economic policies and new quantitative and qualitative monetary easing measures by the Bank of Japan. The global economic recovery strengthened, mainly due to improvement of the employment situation in U.S. and despite the prolonged debt problem in Europe and restrained investment in China.

In foreign exchange, the yen weakened up to the level of 100 yen to the dollar, reflecting expectations of easing monetary policy by the Bank of Japan and improving economic indicators in the U.S.

In the IT industry, there was continued growth in smartphones and tablets, as well as SNS and cloud computing, which are forming a new platform. At the same time, the PC market became more borderless and more competitive with the entry into the tablet market of global OS manufacturers looking to gain a foothold in the new market.

Turning to markets in which Wacom Group participates, in the Creative business market in our Brand business category, we are seeing a growing need for cutting-edge solutions as 3D technologies are increasingly adopted for industrial design, in addition to the global expansion of digital content creation in the movie, game and film animation sectors. In the Consumer business market, we are seeing a continuing need for intuitive input-by-hand functions in smartphones and tablets. In the Vertical Market business, the demand for security improvement and paperless environments across a broad range of sectors are growing. Electronic settlement using digital signatures is showing particularly high potential as a remarkably effective way to improve information security and operational efficiency while reducing document management costs.

In our Component business, pen technology is being incorporated into an increasing number of models, including Samsung's Galaxy Note Series and the expanding range of tablets based on Windows 8 Pro, and there has also been a rapid expansion of smartphones and tablets using the Android OS, and tablets using Windows OS. There is also a growing need for pen technology as a differentiator in the field of e-book readers as the market expands. Demand for multi-touch technology is growing broadly in everything from smartphones and tablets to large-sized monitors such as all-in-one PCs.

Against this background, Wacom Group has been working to realize the goals of the medium-term business plan WAP 1215 (for the three-year period April 2013 to March 2016) through proactive online marketing and sales activities, developing new products, expanding the product lineup and strengthening development systems for pen applications. We have also focused on enhancing our SCM system in Shanghai, China, developing a new ERP system for subsidiaries in Asia and Oceania, and enhancing the work environment to improve productivity and efficiency.

As a result, for the three-month period ended June 30, 2013 consolidated net sales increased 53.3% to ¥15,414 million, operating profit increased 24.7% to ¥1,035 million, Recurring Profit increased 10.0% to ¥980 million and net profit decreased 5.5% to ¥607 million.

*Note: As of the fiscal year commencing April 1, 2013, product lines for the Brand business have been reorganized into three categories: "Creative business", "Consumer business", and "Vertical Market business".*

## **Segment results**

### **1. Brand business**

In the Brand business category, sales increased as a result of robust growth in Creative business and Vertical Market business.

In Creative business, display sales increased substantially. *Cintiq13HD* launched in March, generating favorable sales and strong endorsement for its thin compact body and high performance. Sales growth was further supported by the April launch of a new high-definition, wide LCD model of the *Cintiq 22HD touch* incorporating our multi-touch technologies. In pen tablet products, the *bamboo* series grew strongly. Accordingly, overall sales in the Creative business increased.

In Consumer business, we expanded our offering of stylus pens for tablets and smartphones with the April launch of *Bamboo Stylus mini*, with a handy design as a mobile phone accessory, and *Bamboo Stylus feel for Samsung Galaxy Note*, optimized for Galaxy Note series tablets. We also launched *Bamboo Loop*, a communicating application that enables handwriting directly on a picture to share online, in May. However, overall sales in Consumer business declined substantially, reflecting weaker sales of existing models of stylus pen for touch screens in the second year after being launched.

In Vertical Market business, sales increased as we expanded our signature pen tablets *STU*

series globally. Sales increased for LCD pen tablets, with solid demand for *DTH 2242* launched in February and *DTK 2241* launched in April reflecting the paperless trend. *DTU1031*, a compact LCD pen tablet for digital signatures, is also receiving strong market endorsement.

By region, sales in the U.S. and Europe increased owing to growth of the *Cintiq* series and *Bamboo* series, supported by foreign exchange gains arising from depreciation of the yen. In Japan, sales remained generally flat, with a decline in pen tablet sales offset by a substantial increase in sales of the *Cintiq* series. In Asia and Oceania, regional sales progressed favorably as a whole, supported by higher sales of the *Cintiq* series, expanded sales of the *STU* series in China, the successful introduction of emerging market models of pen tablets, and the influence of yen depreciation in each region.

Overall sales in the Brand business category for the first-quarter period under review increased 19.6% to ¥7,832 million, and operating profit decreased 16.0% to ¥872 million.

- ※ Creative business : Display .....*Cintiq* series  
Pen tablet .....*Intuos* series, *Bamboo* series
- Consumer business : Stylus pen .....*Bamboo Stylus* series
- Vertical Market business : signature tablet.....*STU* series  
LCD pen tablet.....*DT* series

## 2. Component business

In Component business, sales increased substantially owing to favorable progress in mass production of pen sensor systems for Windows 8 Pro tablets and notebook PCs. Sales of pen sensor systems for smartphones declined, as shipments for Samsung's Galaxy Note II declined due to inventory adjustment on model transition.

Sales of pen sensor systems for tablets increased substantially as a new business segment in the Component business. Since the beginning of the calendar year, major manufacturers have begun mass production of Windows 8 tablets incorporated our electric pen, and mass production of Android OS tablets, such as the Galaxy Note10.1 and 8.0, has also progressed since last summer.

Demand for pen sensor systems for notebook PCs is growing with the proliferation of electric pens in the business world.

Overall sales in the Component business category for the first-quarter period under review

increased 121.0% to ¥7,423 million, and operating profit increased 214.4% to ¥905 million.

### **3. Other business**

In the software business, sales trended favorably, reflecting the winning of a large new project and success in stimulating demand for systems replacement from existing customers. *HARNES+*, a sophisticated, high margin model within the *ECAD DIO 2013* range, formed a larger proportion of total sales.

Overall sales in the Software business category for the first-quarter period under review increased 6.5% to ¥159 million, and operating profit decreased 8.6% to ¥14 million.

### **Consolidated financial position**

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

Total assets as of June 30, 2013 decreased by ¥4,840 million to ¥45,285 million compared to the end of the previous fiscal year. The main factor decreasing assets was a decrease of ¥4,400 million in cash and cash equivalents by the payments of shareholders' dividends, tax and so on.

Total liabilities as of June 30, 2013 decreased by ¥4,043 million to ¥16,870 million compared to the end of the previous fiscal year. The main factors decreasing liabilities were a ¥1,533 million decrease in notes and accounts payable due to purchase increase for new products releases and business expansion and a ¥1,626 million decrease in income tax payable.

Total net assets decreased by ¥797 million to ¥28,415 million compared to the end of the previous fiscal year. The main factors for the increase were ¥607 million in quarterly net profit and ¥452 million in foreign currency translation adjustments for the weakening currency. The main factor for the decrease was a ¥1,892 million payment of shareholders' dividends.

#### **2. Cash Flow**

Consolidated cash & cash equivalents for 1Q totaled ¥10,197 million, a decrease of ¥11,400 million from the end of the previous fiscal year (compared to a ¥1,701 million decrease over the same previous fiscal period) .

#### **(Cash Flow from Operating Activities)**

Cash expended in operating activities during 1Q period was ¥2,101 million (compared to ¥109 million gained in the same previous fiscal period). The main factor was ¥2,026 million income tax payment.

(Cash Flow from Investing Activities)

Cash flow used in investing activities during 1Q period was ¥7,851 million (compared to ¥446 million used in the same previous fiscal period), due to payment into time deposits of ¥7,000 million and ¥591 million acquisition of fixed assets such as machine equipment and the ERP system.

(Cash Flow from Financing Activities)

Cash flow used in financing activities during 1Q period was ¥1,732 million (compared to ¥1,086 million used in the same previous fiscal period). The primary contributing factor was a ¥1,742 million payment of shareholders' dividends.

**Consolidated results forecast**

Wacom did not revise the consolidated results forecast for the first half and the full of the current fiscal year released on April 30, 2013, and the figures remained the same.

(Accompanying data)

## 1. Summary of Consolidated Balance Sheet

(Unit: '000 Yen)

Subject	FY 3/13 (as of Mar. 31, 2013)	1Q FY 3/14 (as of Jun. 30, 2013)
	Amount	Amount
(Assets)		
Current Assets		
1. Cash and Cash Equivalents	21,596,429	17,196,574
2. Notes and Accounts Receivable	10,601,728	8,272,127
3. Merchandise and Finished Products	3,742,068	4,676,929
4. Work in Process	426,982	519,680
5. Raw Materials and Supplies	1,314,261	2,127,842
6. Others	5,087,986	4,430,390
7. Allowance for Doubtful Accounts	-17,686	-17,997
Total Current Assets	42,751,768	37,205,545
Fixed Assets		
1. Tangible Fixed Assets		
(2) Others (net amount)	4,409,910	4,877,042
Total Tangible Fixed Assets	4,409,910	4,877,042
2. Intangible Fixed Assets		
(1) Goodwill	25,257	19,845
(2) Others	2,382,308	2,356,773
Total Intangible Fixed Assets	2,407,565	2,376,618
3. Investment and Other Assets		
(1) Others	573,987	844,906
(2) Allowance for Doubtful Accounts	-19,037	-19,431
Total Investment and Other Assets	554,950	825,475
Total Fixed Assets	7,372,425	8,079,135
Total Assets	50,124,193	45,284,680



(Unit: '000 Yen)

Subject	FY 3/13 (as of Mar. 31, 2013)	1Q FY 3/14 (as of Jun. 30, 2013)
	Amount	Amount
(Liabilities)		
Current Liabilities		
1. Notes and Accounts Payable	11,818,960	10,285,743
2. Short-term Debt	600,000	600,000
3. Income Taxes Payable	2,203,506	577,296
4. Provision for Bonuses	875,274	228,917
5. Provision for Director's Bonuses	168,299	117,566
6. Others	3,930,418	3,678,585
Total Current Liabilities	19,596,457	15,488,107
Fixed Liabilities		
1. Provision for Retirement Benefits	610,683	639,515
2. Asset Retirement Obligations	78,044	78,304
3. Others	627,476	663,842
Total Fixed Liabilities	1,316,203	1,381,661
Total Liabilities	20,912,660	16,869,768
(Net Assets)		
Shareholders' Equity		
1. Capital Stock	4,203,469	4,203,469
2. Capital Surplus	7,573,104	7,577,873
3. Retained Earnings	18,353,830	17,068,677
4. Treasury Stock	-204,205	-195,056
Total Shareholders' Equity	29,926,198	28,654,963
Accumulated Comprehensive Income		
1. Valuation Difference on Available-for-Sale Securities	23,641	29,552
2. Foreign Currency Translation Adjustments	-834,025	-382,087
Total Accumulated Comprehensive Income	-810,384	-352,535
Subscription Rights to Shares	95,719	112,484
Total Net Assets	29,211,533	28,414,912
Total Liabilities & Net Assets	50,124,193	45,284,680

## 2. Consolidated Profit &amp; Loss Statement

(Unit: '000 Yen)

Subject	1Q FY3/13 (Apr. 1, 2012 to Jun. 30, 2012)	1Q FY 3/14 (Apr. 1, 2013 to Jun. 30, 2013)
	Amount	Amount
Sales	10,057,725	15,414,012
Cost of Goods Sold	5,694,420	9,508,065
Gross Profit	4,363,305	5,905,947
Selling, General and Administrative Expenses	3,533,224	4,870,492
Operating Profit	830,081	1,035,455
Non-operating Revenue		
1. Interest	13,186	11,004
2. Foreign Exchange Gains	44,573	—
3. Others	6,808	14,136
Sub Total	64,567	25,140
Non-operating Expense		
1. Interest Cost	1,848	772
2. Foreign Exchange Losses	—	62,626
3 Others	2,002	17,158
Sub Total	3,850	80,556
Recurring Profit	890,798	980,039
Extraordinary Gain		
1. Gain on Sales of Fixed Assets	717	261
Sub Total	717	261
Extraordinary Loss		
1. Loss on Sales of Fixed Assets	163	2,280
2. Loss on Disposal of Fixed Assets	205	6,091
Sub Total	368	8,371
Net Profit before Taxes and Other Adjustments	891,147	971,929
Total of Income Tax, Inhabitant Tax and Enterprise Tax	248,836	364,767
Net Profit before Minority Interests Adjustments	642,311	607,162
Net Profit	642,311	607,162

## Consolidated Comprehensive Income Statement

(Unit: '000 Yen)

Subject	1Q FY 3/13 (Apr. 1, 2012 to Jun. 30, 2012)	1Q FY 3/14 (Apr. 1, 2013 to Jun. 30, 2013)
	Amount	Amount
Income before Minority Interests	642,311	607,162
Other Comprehensive Income		
1. Valuation Difference on Available-for-Sale Securities	-5,910	5,911
2. Foreign Currency Translation Adjustment	-486,585	451,938
Total Other Comprehensive income	-492,495	457,849
Comprehensive Income	149,816	1,065,011
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	149,816	1,065,011
Comprehensive Income Attributable to Minority Interests	—	—

## 3. Summary of Consolidated Cash Flow Statement

(Unit: '000 Yen)

	1Q FY 3/13 (Apr. 1, 2012 to Jun. 30, 2012)	1Q FY 3/14 (Apr. 1, 2013 to Jun. 30, 2013)
	Amount	Amount
Operating Cash Flow		
Net Profit Before Taxes and Other Adjustments	891,147	971,929
Depreciation	249,341	384,417
Share-based Compensation Expenses	15,906	20,307
Increase in Provisions (- represents decrease)	-294,178	-683,140
Interest	-13,186	-11,004
Interest Cost	1,848	772
Decrease in Notes and Accounts Receivable (- represents increase)	2,706,580	2,918,462
Decrease in Inventory (- represents increase)	-55,026	-1,613,046
Increase in Notes and Accounts Payable (- represents decrease)	-2,301,936	-1,605,242
Others	82,583	-460,953
Sub Total	1,283,079	-77,498
Interest Received	13,257	3,958
Interest Paid	-1,876	-770
Income Taxes Paid	-1,185,812	-2,026,240
Operating Cash Flow	108,648	-2,100,550
Investing Cash Flow		
Payments into time deposits	—	-7,000,000
Payments for Purchase of Tangible Assets	-345,057	-590,772
Payments for Lease and Guarantee Deposits	-122,322	-264,248
Proceeds from Collection of Lease and Guarantee Deposits	2,128	1,659
Others	19,321	2,843
Investing Cash Flow	-445,930	-7,850,518
Financing Cash Flow		
Proceeds from Disposal of Treasury stock	—	10,273
Payments for Shareholders' Dividends	-1,085,813	-1,742,244
Financing Cash Flow	-1,085,813	-1,731,971
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-277,600	283,184
Net Increase in Cash and Cash Equivalents (- represents Decrease)	-1,700,695	-11,399,855
Cash and Cash Equivalents at Beginning of Term	11,969,873	21,596,429
Cash and Cash Equivalents at End of Term	10,269,178	10,196,574

## 5. Segment Information

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

1Q FY 3/13 (April 1, 2012 – June 30, 2012)

(Unit: '000 Yen)

	Reportable Segments			Other business	Total	Adjustment (Note)	Amount of Quarterly Consolidated P/L
	Brand business	Component business	Sub Total				
<b>Sales</b>							
Sales towards external customers	6,549,448	3,359,110	9,908,558	149,167	10,057,725	—	10,057,725
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
<b>Total</b>	<b>6,549,448</b>	<b>3,359,110</b>	<b>9,908,558</b>	<b>149,167</b>	<b>10,057,725</b>	<b>—</b>	<b>10,057,725</b>
<b>Segment Profit or Loss (-)</b>	<b>1,038,398</b>	<b>287,859</b>	<b>1,326,257</b>	<b>15,818</b>	<b>1,342,075</b>	<b>-511,994</b>	<b>830,081</b>

(Note) “Other business” consists of Software business.

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

“Segment Profit or Loss” is adjusted for “Operating Profit”.

1Q FY 3/14 (April 1, 2013 – June 30, 2013)

(Unit: '000 Yen)

	Reportable Segments			Other business	Total	Adjustment (Note)	Amount of Quarterly Consolidated P/L
	Brand business	Component business	Sub Total				
<b>Sales</b>							
Sales towards external customers	7,831,891	7,423,188	15,255,079	158,933	15,414,012	—	15,414,012
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
<b>Total</b>	<b>7,831,891</b>	<b>7,423,188</b>	<b>15,255,079</b>	<b>158,933</b>	<b>15,414,012</b>	<b>—</b>	<b>15,414,012</b>
<b>Segment Profit or Loss (-)</b>	<b>872,031</b>	<b>905,140</b>	<b>1,777,171</b>	<b>14,463</b>	<b>1,791,634</b>	<b>-756,179</b>	<b>1,035,455</b>

(Note) “Other business” consists of Software business.

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

“Segment Profit or Loss” is adjusted for “Operating Profit”.

**1Q FY 3/2014 Summary of Consolidated Financial Results**  
from April 1, 2013 to June 30, 2013

**(1) Business Performance**

	FY 3/14		FY 3/13		YOY Change		FY 3/14		FY 3/13		YOY Change	
	1Q Result	1Q Result	Amount	Ratio	Full Year Forecast	Full Year Result	Amount	Ratio	Full Year Forecast	Full Year Result	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Sales	15,414	10,058	5,356	53.3%	88,000	61,068	26,932	44.1%	88,000	61,068	26,932	44.1%
Operating Profit (Operation Profit Margin)	1,035 6.7%	830 8.3%	205	24.7%	11,380 12.9%	7,915 13.0%	3,465	43.8%	11,380 12.9%	7,915 13.0%	3,465	43.8%
Recurring Profit (Recurring Profit Margin)	980 6.4%	891 8.9%	89	10.0%	11,340 12.9%	7,559 12.4%	3,781	50.0%	11,340 12.9%	7,559 12.4%	3,781	50.0%
Net Profit (Net Profit Margin)	607 3.9%	642 6.4%	-35	-5.5%	7,370 8.4%	4,770 7.8%	2,600	54.5%	7,370 8.4%	4,770 7.8%	2,600	54.5%
P/L FX Rate (Average in the Term) (US Daller)	¥ 97.94	¥ 80.40	¥ 17.54	21.8%	¥ 90.00	¥ 83.23	¥ 6.77	8.1%	¥ 90.00	¥ 83.23	¥ 6.77	8.1%
(Euro)	127.35	103.35	24.00	23.2%	115.00	107.57	7.43	6.9%	115.00	107.57	7.43	6.9%

**(2) Sales by Business Segment**

	FY 3/14		FY 3/13		YOY Change		FY 3/14		FY 3/13		YOY Change	
	1Q Result	1Q Result	Amount	Ratio	Full Year Forecast	Full Year Result	Amount	Ratio	Full Year Forecast	Full Year Result	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Brand business												
Sales	7,832	6,550	1,282	19.6%	40,100	29,406	10,694	36.4%	40,100	29,406	10,694	36.4%
Operating Profit (Operation Profit Margin)	872 11.1%	1,038 15.9%	-166	-16.0%	6,640 16.6%	4,895 16.6%	1,745	35.7%	6,640 16.6%	4,895 16.6%	1,745	35.7%
Component business												
Sales	7,423	3,359	4,064	121.0%	47,200	31,056	16,144	52.0%	47,200	31,056	16,144	52.0%
Operating Profit (Operation Profit Margin)	905 12.2%	288 8.6%	617	214.4%	7,600 16.1%	5,554 17.9%	2,046	36.8%	7,600 16.1%	5,554 17.9%	2,046	36.8%
Other business												
Sales	159	149	10	6.5%	700	606	94	15.6%	700	606	94	15.6%
Operating Profit (Operation Profit Margin)	14 9.1%	16 10.6%	-2	-8.6%	120 17.1%	102 16.9%	18	17.1%	120 17.1%	102 16.9%	18	17.1%

Note) The above operating profit in each segment doesn't include the cost of corporate segment.

**(3) Sales by Product Lines**

(by Subsidiaries)	FY 3/14		FY 3/13		YOY Change		FY 3/14		FY 3/13		YOY Change	
	1Q Result	1Q Result	Amount	Ratio	Full Year Forecast	Full Year Result	Amount	Ratio	Full Year Forecast	Full Year Result	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
<b>Brand business</b>	<b>7,832</b>	<b>6,550</b>	<b>1,282</b>	<b>19.6%</b>	<b>40,100</b>	<b>29,406</b>	<b>10,694</b>	<b>36.4%</b>	<b>40,100</b>	<b>29,406</b>	<b>10,694</b>	<b>36.4%</b>
Creative business	6,667	5,380	1,287	23.9%	31,800	24,963	6,837	27.4%	31,800	24,963	6,837	27.4%
Pen tablets	4,319	4,073	246	6.0%	20,000	18,379	1,621	8.8%	20,000	18,379	1,621	8.8%
(Japan)	715	908	-193	-21.2%		3,572				3,572		
(U.S.)	1,487	1,311	176	13.5%		5,792				5,792		
(Germany)	1,094	882	212	24.0%		5,676				5,676		
(Asia-Oceania)	1,023	972	51	5.2%		3,339				3,339		
Mobiles	73	207	-134	-64.4%	4,500	534	3,966	742.0%	4,500	534	3,966	742.0%
(Japan)	26	5	21	418.7%		29				29		
(U.S.)	10	59	-49	-82.1%		126				126		
(Germany)	12	117	-105	-89.5%		302				302		
(Asia-Oceania)	25	26	-1	-6.0%		77				77		
Displays	2,275	1,100	1,175	106.7%	7,300	6,050	1,250	20.7%	7,300	6,050	1,250	20.7%
(Japan)	497	250	247	98.5%		1,209				1,209		
(U.S.)	976	443	533	120.2%		2,505				2,505		
(Germany)	533	227	306	134.9%		1,597				1,597		
(Asia-Oceania)	269	180	89	49.4%		739				739		
Consumer business	296	579	-283	-48.9%	3,600	1,825	1,775	97.3%	3,600	1,825	1,775	97.3%
(Japan)	23	41	-18	-43.0%		111				111		
(U.S.)	76	195	-119	-60.9%		520				520		
(Germany)	155	304	-149	-49.1%		1,051				1,051		
(Asia-Oceania)	42	39	3	7.5%		143				143		
Vertical market business	869	591	278	47.1%	4,700	2,618	2,082	79.5%	4,700	2,618	2,082	79.5%
(Japan)	207	228	-21	-8.9%		1,029				1,029		
(U.S.)	136	75	61	81.4%		352				352		
(Germany)	404	228	176	77.1%		1,004				1,004		
(Asia-Oceania)	122	60	62	102.5%		233				233		
<b>Component business</b>	<b>7,423</b>	<b>3,359</b>	<b>4,064</b>	<b>121.0%</b>	<b>47,200</b>	<b>31,056</b>	<b>16,144</b>	<b>52.0%</b>	<b>47,200</b>	<b>31,056</b>	<b>16,144</b>	<b>52.0%</b>
For smartphones	1,747	1,977	-230	-11.7%	23,200	17,666	5,534	31.3%	23,200	17,666	5,534	31.3%
For tablets	3,949	422	3,527	836.8%	17,500	8,317	9,183	110.4%	17,500	8,317	9,183	110.4%
For notebook PCs	1,651	959	692	72.2%	6,300	5,000	1,300	26.0%	6,300	5,000	1,300	26.0%
For touch use	76	1	75	-	200	73	127	174.6%	200	73	127	174.6%
<b>Other business</b>	<b>159</b>	<b>149</b>	<b>10</b>	<b>6.5%</b>	<b>700</b>	<b>606</b>	<b>94</b>	<b>15.6%</b>	<b>700</b>	<b>606</b>	<b>94</b>	<b>15.6%</b>
CAD for electrical engineering	159	149	10	6.5%	700	606	94	15.6%	700	606	94	15.6%
(Japan)	159	149	10	6.5%		606				606		
<b>Total</b>	<b>15,414</b>	<b>10,058</b>	<b>5,356</b>	<b>53.3%</b>	<b>88,000</b>	<b>61,068</b>	<b>26,932</b>	<b>44.1%</b>	<b>88,000</b>	<b>61,068</b>	<b>26,932</b>	<b>44.1%</b>

Note) The product lines of the brand product business are reorganized into new three categories of "Creative business", "Consumer business", and "Vertical market business" from FY2013 ended on March, 2014. As a result, Bamboo pen tablets of included in "Consumer products" is reclassified in pen tablets of "Creative business", "Business products" is replaced by "Vertical market business".

**(4) Sales by Subsidiaries**

	FY 3/14		FY 3/13		YOY Change		FY 3/14		FY 3/13		YOY Change	
	1Q Result	1Q Result	Amount	Ratio	Full Year Forecast	Full Year Result	Amount	Ratio	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Japan	9,051	4,940	4,111	83.2%	54,400	37,611	16,789		44.6%			
( Japan excluding Component business )	1,628	1,581	47	3.0%	7,200	6,555	645		9.8%			
U.S.	2,685	2,083	602	29.0%	13,900	9,295	4,605		49.5%			
Germany	2,198	1,758	440	25.0%	13,000	9,630	3,370		35.0%			
Asia-Oceania	1,480	1,277	203	15.9%	6,700	4,532	2,168		47.9%			
<b>Total</b>	<b>15,414</b>	<b>10,058</b>	<b>5,356</b>	<b>53.3%</b>	<b>88,000</b>	<b>61,068</b>	<b>26,932</b>		<b>44.1%</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.  
Note) The sales of the Component Business is categorized in Japan.

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

	FY 3/14		FY 3/13		YOY Change		FY 3/14		FY 3/13		YOY Change	
	1Q Result	1Q Result	Amount	Ratio	Full Year Forecast	Full Year Result	Amount	Ratio	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Capital Expenditure	780	301	479	159.6%	3,200	1,845	1,355		73.4%			
Depreciation	384	249	135	54.2%	2,120	1,160	960		82.7%			
R&D Expenditure	714	454	260	57.1%	2,520	2,382	138		5.8%			

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