

## 2Q FY 3/2014 Summary of Consolidated Financial Results

October 25, 2013

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

(Code Number: 6727 TSE1)

(URL [www.wacom.com](http://www.wacom.com))

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Preparation of Supplemental Explanatory Material for Financial Results: Yes

Holding of Large Meeting for Financial Results: Yes

### 1. 2Q FY3/14 Consolidated Financial Results (April 1, 2013 – September 30, 2013)

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

	Sales		Operating Profit		Recurring Profit		Net Profit	
	mY	YOY%	mY	YOY%	mY	YOY%	mY	YOY%
2Q FY 3/14	34,440	51.4	3,059	15.1	2,982	11.6	1,958	10.7
2Q FY 3/13	22,742	41.7	2,657	197.9	2,671	200.0	1,769	226.5

(Note) Comprehensive income: 2Q FY 3/14 2,498mY (100.5%) 2Q FY 3/13 1,246mY (—%)

	Net Profit per Share Outstanding		Net Profit per Diluted Share Outstanding	
	Yen	Sen	Yen	Sen
2Q FY 3/14		11.64		11.57
2Q FY 3/13		11.12		11.07

#### (2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
2Q FY 3/14	50,887	29,895	58.5	176.88	
FY 3/13	50,124	29,212	58.1	173.15	

(For Ref.) Capital: 2Q FY 3/14 29,773mY 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	-	0.00			
FY 3/14 (estimates)			-	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	YOY%	mY	YOY%	mY	YOY%	mY	YOY%	Yen Sen
Full Year	81,500	33.5	9,830	24.2	9,740	28.9	6,340	32.9	37.67

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
2Q FY 3/14	169,046,400	FY 3/13	169,046,400

Number of treasury stock outstanding at end of year:

	Shares		Shares
2Q FY 3/14	722,800	FY 3/13	892,800

Number of average shares for fiscal period

	Shares		Shares
2Q FY 3/14	168,199,348	2Q FY 3/13	159,102,269

\* 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 Comprehensive Income Statement, 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 six months (April 1, 2013 to September 30, 2013) of the current fiscal year, the business environment remained generally stable. Domestic business sentiment improved, supported by government economic policies, referred to as *Abenomics*, and monetary easing measures by the Bank of Japan. In the global economy, the recession in Europe seems to have bottomed out and the debt problem stabilized, the down turn in the Chinese economy has started to show signs of recovery, and the U.S. economy has maintained a gradual recovery trend supported by strong consumer spending.

In foreign exchange, the yen weakened reflecting monetary easing by the Bank of Japan and improvements in U.S. economic figures.

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 competitive following the entry of a major OS manufacturer looking to gain a foothold in the new tablet market.

With regards to Wacom Group markets, in the Creative business area, in our Brand business category, digital content creation in the movie, game and film animation sectors is expanding into emerging countries. These countries include Asia, with a large and young labor force, and South America, soon to host the World Cup and Olympics. In developed countries, we are seeing a growing need for cutting-edge solutions as 3D technologies which are being increasingly adopted for industrial design. Further, all design environments are expanding from conventional desk tops to mobile environments due to cloud computing. In the Consumer business market, we are seeing a growing need for intuitive input-by-hand functions in smartphones and tablets, which is further developing into a new electronic stationery market. In the Vertical Market business, use of LCD pen tablet products is increasing, with growing demand for security improvement and paperless environments across a broad range of sectors. Electronic settlement using digital signatures is showing particularly high potential as a remarkably effective way to improve information security and operational efficiency while reducing paper resources and document management costs. In our Component business, amidst significant growth of the tablet market, 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. 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 our medium-term business plan WAP 1215 (for the three-year period April 2013 to March 2016) through proactive online marketing and sales activities, expanding our product lineup by developing new products, and by strengthening development systems for pen applications. We have also focused on enhancing our SCM by activating the automatically assembling facility of electronic pens and QA systems in Shanghai, China, developing a new ERP

system for subsidiaries in Asia and Oceania, and enhancing work environments to improve productivity and efficiency.

As a result, for the six-month period ended September 30, 2013 consolidated net sales increased 51.4% to ¥34,440 million, operating income increased 15.1% to ¥3,059 million, ordinary income increased 11.6 % to ¥2,982 million and net income increased 10.7% to ¥1,958 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". In addition, the former "Bamboo" pen tablets have been integrated into 'Intuos' series in Creative business.

## Segment results

### 1. Brand business

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

In Creative business, we launched *Intuos Pro* and developed a pen tablet model installing wireless function as a standard feature, in September. Additionally, we renewed the design of the former *Bamboo* tablets integrating them into newly categorized *Intuos* series launched simultaneously, both of which had high sales. In mobile products, our first OS installed product, *Cintiq Companion* with Windows 8 Pro and *Cintiq Companion Hybrid* with Android 4.2, were launched in August. These new products have acquired a good reputation among creators as professional tablets for mobile environment based on cloud computing and initial products allotted for subscription were sold out on day of launch. On the same day, we launched *Intuos Creative Stylus*, a high-end stylus pen with the pen pressure detection function enabling drawing on iPad, with both products contributing to current sales. In display products, sales have increased substantially following sales of *Cintiq 13HD*, a thin compact body and high performance model launched in March. Sales growth was further supported by the April launch of the *Cintiq 22HD touch* incorporating our multi-touch technologies.

In Consumer business, sales declined reflecting weaker sales of existing models of the stylus pen in the second year after being launched. In September, *Bamboo Stylus solo* and *Bamboo Stylus duo* for touch screens, such as iPad were renewed and *Bamboo Stylus alpha*, with a simple design and lower price, was added to our product line up. Furthermore, we launched *Bamboo Pad*, a touch pad which enables gesture operations using multi touch technology, or taking notes and writing with an accompanying electronic pen on a PC, as a new category to expand the electronic stationery category. Additionally, we also developed application software to utilize these new products in the Creative business. As a popular note book application for handwriting, we launched *Bamboo Page* optimized for Windows 8 in September, and upgraded existing *Bamboo Paper* as well. We also launched *Bamboo Loop*, a communications application that enables handwriting directly on a picture to share online, in May.

In Vertical Market business, sales increased substantially as we expanded our signature pen tablet, *STU* series, globally. *DTU 1031*, an LCD small-sized pen tablet for digital signature, has also earned a good reputation.



## **Consolidated financial position**

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

Total assets as of September 30, 2013 increased by ¥763 million to ¥50,887 million compared to the end of the previous fiscal year. The main factors for increasing were increases of ¥701 million in Notes and Accounts Receivable, ¥4,702 million in Inventory, ¥1,001 million in Tangible Fixed Assets by capital expenditure and ¥740 million in Investment and Other Assets by Purchases of Investment Securities, Payments for Lease and Guarantee Deposits for expanding office space. The main factor for decreasing was a decrease of ¥6,515 million in Cash and Cash Equivalents.

Total liabilities as of September 30, 2013 increased by ¥80 million to ¥20,993 million compared to the end of the previous fiscal year. The main factor for increasing was a ¥869 million increase in Notes and Accounts Payable by purchasing materials for new products and the main factor for decreasing was a ¥573 million decrease in Income Taxes Payable.

Total net assets increased by ¥683 million to ¥29,895 million compared to the end of the previous fiscal year. The main factors for increasing were ¥1,958 million in quarterly net profit and ¥533 million in foreign currency translation adjustments for the weakening currency. The main factor for decreasing was a ¥1,892 million payment of shareholders' dividends.

### **2. Cash Flow**

Consolidated cash & cash equivalents for the first-half of the current fiscal year totaled ¥15,081 million, a decrease of ¥6,515 million from the end of the previous fiscal year (a 2,309 million decrease over the same previous fiscal period) .

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

Cash expended in operating activities during the first-half of the current fiscal year was ¥2,798 million (¥86 million used in the same previous fiscal period). The main factor was ¥2,280 million Income Tax Paid.

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

Cash flow used in investing activities during the first-half of the current fiscal year was ¥2,166 million (¥799 million used in the same previous fiscal period), due to payment into ¥1,439 million Payments for Purchase of Tangible Assets such as machine equipment and ERP system and ¥468 million Purchases of Investment Securities.

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

Cash flow used in financing activities during the first-half of the current fiscal year was ¥1,846 million (¥1,100 million used in the same previous fiscal period). The primary contributing factor was a ¥1,885 million payment of shareholders' dividends.

## **Consolidated results forecast**

Wacom did not revise the consolidated results forecast for the full of the current fiscal year released on October 18, 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)	2Q FY 3/14 (as of Sep. 30, 2013)
	Amount	Amount
(Assets)		
Current Assets		
1. Cash and Cash Equivalents	21,596,429	15,081,068
2. Notes and Accounts Receivable	10,601,728	11,303,127
3. Merchandise and Finished Products	3,742,068	7,223,028
4. Work in Process	426,982	467,606
5. Raw Materials and Supplies	1,314,261	2,494,242
6. Others	5,087,986	5,222,870
7. Allowance for Doubtful Accounts	-17,686	-15,925
Total Current Assets	42,751,768	41,776,016
Fixed Assets		
1. Tangible Fixed Assets		
(1) Others (net amount)	4,409,910	5,410,485
Total Tangible Fixed Assets	4,409,910	5,410,485
2. Intangible Fixed Assets		
(1) Goodwill	25,257	14,432
(2) Others	2,382,308	2,391,769
Total Intangible Fixed Assets	2,407,565	2,406,201
3. Investment and Other Assets		
(1) Others	573,987	1,314,247
(2) Allowance for Doubtful Accounts	-19,037	-19,600
Total Investment and Other Assets	554,950	1,294,647
Total Fixed Assets	7,372,425	9,111,333
Total Assets	50,124,193	50,887,349

(Unit: '000 Yen)

Subject	FY 3/13 (as of Mar. 31, 2013)	2Q FY 3/14 (as of Sep. 30, 2013)
	Amount	Amount
(Liabilities)		
Current Liabilities		
1. Notes and Accounts Payable	11,818,960	12,687,578
2. Short-term Debt	600,000	600,000
3. Income Taxes Payable	2,203,506	1,630,637
4. Provision for Bonuses	875,274	438,938
5. Provision for Director's Bonuses	168,299	25,009
6. Others	3,930,418	4,124,019
Total Current Liabilities	19,596,457	19,506,181
Fixed Liabilities		
1. Provision for Retirement Benefits	610,683	664,436
2. Asset Retirement Obligations	78,044	150,587
3. Others	627,476	671,481
Total Fixed Liabilities	1,316,203	1,486,504
Total Liabilities	20,912,660	20,992,685
(Net Assets)		
Shareholders' Equity		
1. Capital Stock	4,203,469	4,203,469
2. Capital Surplus	7,573,104	7,585,270
3. Retained Earnings	18,353,830	18,420,334
4. Treasury Stock	-204,205	-165,322
Total Shareholders' Equity	29,926,198	30,043,751
Accumulated Comprehensive Income		
1. Valuation Difference on Available-for-Sale Securities	23,641	30,396
2. Foreign Currency Translation Adjustments	-834,025	-301,266
Total Accumulated Comprehensive Income	-810,384	-270,870
Subscription Rights to Shares	95,719	121,783
Total Net Assets	29,211,533	29,894,664
Total Liabilities & Net Assets	50,124,193	50,887,349



## 2. Consolidated Profit &amp; Loss Statement

(Unit: '000 Yen)

Subject	2Q FY3/13 (Apr. 1, 2012 to Sep. 30, 2012)	2Q FY 3/14 (Apr. 1, 2013 to Sep. 30, 2013)
	Amount	Amount
Sales	22,742,318	34,440,121
Cost of Goods Sold	12,850,252	21,052,325
Gross Profit	9,892,066	13,387,796
Selling, General and Administrative Expenses	7,235,034	10,328,828
Operating Profit	2,657,032	3,058,968
Non-operating Revenue		
1. Interest	16,868	24,183
2. Others	15,122	33,025
Sub Total	31,990	57,208
Non-operating Expense		
1. Interest Cost	3,140	4,064
2. Foreign Exchange Losses	11,478	64,947
3. Value-added Taxes of Overseas Subsidiaries for prior periods	—	49,584
4. Others	3,064	15,757
Sub Total	17,682	134,352
Recurring Profit	2,671,340	2,981,824
Extraordinary Gain		
1. Gain on Sales of Fixed Assets	1,404	287
2. Gain on Reversal of Subscription Rights to Shares	708	—
Sub Total	2,112	287
Extraordinary Loss		
1. Loss on Sales of Fixed Assets	837	2,523
2. Loss on Disposal of Fixed Assets	583	5,872
Sub Total	1,420	8,395
Net Profit before Taxes and Other Adjustments	2,672,032	2,973,716
Total of Income Tax, Inhabitant Tax and Enterprise Tax	903,435	1,015,484
Net Profit before Minority Interests Adjustments	1,768,597	1,958,232
Net Profit	1,768,597	1,958,232

## 3. Consolidated Comprehensive Income Statement

(Unit: '000 Yen)

Subject	2Q FY 3/13 (Apr. 1, 2012 to Sep. 30, 2012)	2Q FY 3/14 (Apr. 1, 2013 to Sep. 30, 2013)
	Amount	Amount
Income before Minority Interests	1,768,597	1,958,232
Other Comprehensive Income		
1. Valuation Difference on Available-for-Sale Securities	-5,910	6,755
2. Foreign Currency Translation Adjustment	-516,789	532,759
Total Other Comprehensive income	-522,699	539,514
Comprehensive Income	1,245,898	2,497,746
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	1,245,898	2,497,746
Comprehensive Income Attributable to Minority Interests	—	—

## 4. Summary of Consolidated Cash Flow Statement

(Unit: '000 Yen)

	2Q FY 3/13 (Apr. 1, 2012 to Sep. 30, 2012)	2Q FY 3/14 (Apr. 1, 2013 to Sep. 30, 2013)
	Amount	Amount
Operating Cash Flow		
Net Profit Before Taxes and Other Adjustments	2,672,032	2,973,716
Depreciation	517,564	809,414
Share-based Compensation Expenses	29,045	38,437
Increase in Provisions (- represents decrease)	-52,049	-545,226
Interest	-16,868	-24,183
Interest Cost	3,140	4,064
Decrease in Notes and Accounts Receivable (- represents increase)	-1,029,315	48,133
Decrease in Inventory (- represents increase)	-698,500	-4,401,435
Increase in Notes and Accounts Payable (- represents decrease)	-284,264	758,950
Others	-28,946	-199,446
Sub Total	1,111,839	-537,576
Interest Received	16,939	23,824
Interest Paid	-3,168	-4,063
Income Taxes Paid	-1,211,183	-2,280,397
Operating Cash Flow	-85,573	-2,798,212
Investing Cash Flow		
Payments into time deposits	—	-7,000,000
Proceeds from withdrawal of time deposits	—	7,000,000
Payments for Purchase of Tangible Assets	-750,507	-1,438,555
Purchase of Investment Securities	—	-468,450
Payments for Lease and Guarantee Deposits	-124,337	-264,152
Proceeds from Collection of Lease and Guarantee Deposits	128,735	2,580
Payments for Asset Retirement Obligations	-58,275	—
Others	5,841	2,988
Investing Cash Flow	-798,543	-2,165,589
Financing Cash Flow		
Proceeds from Disposal of Treasury stock	92,144	38,465
Payments for Shareholders' Dividends	-1,191,942	-1,884,911
Financing Cash Flow	-1,099,798	-1,846,446
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-325,420	294,886
Net Increase in Cash and Cash Equivalents (- represents Decrease)	-2,309,334	-6,515,361
Cash and Cash Equivalents at Beginning of Term	11,969,873	21,596,429
Cash and Cash Equivalents at End of Term	9,660,539	15,081,068

## 5. Segment Information

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

2Q FY 3/13 (April 1, 2012 – September 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	13,443,474	8,998,601	22,442,075	300,243	22,742,318	—	22,742,318
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
<b>Total</b>	<b>13,443,474</b>	<b>8,998,601</b>	<b>22,442,075</b>	<b>300,243</b>	<b>22,742,318</b>	<b>—</b>	<b>22,742,318</b>
<b>Segment Profit or Loss (-)</b>	<b>2,505,027</b>	<b>1,239,948</b>	<b>3,744,975</b>	<b>52,365</b>	<b>3,797,340</b>	<b>-1,140,308</b>	<b>2,657,032</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”.

2Q FY 3/14 (April 1, 2013 – September 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	16,670,808	17,495,815	34,166,623	273,498	34,440,121	—	34,440,121
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
<b>Total</b>	<b>16,670,808</b>	<b>17,495,815</b>	<b>34,166,623</b>	<b>273,498</b>	<b>34,440,121</b>	<b>—</b>	<b>34,440,121</b>
<b>Segment Profit or Loss (-)</b>	<b>1,885,722</b>	<b>2,921,802</b>	<b>4,807,524</b>	<b>13,501</b>	<b>4,821,025</b>	<b>-1,762,057</b>	<b>3,058,968</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”.

**2Q FY 3/2014 Summary of Consolidated Financial Results**  
from April 1, 2013 to September 30, 2013

**(1) Business Performance**

	FY 3/14		FY 3/13		YOY Change		FY 3/14		FY 3/13		YOY Change	
	2Q Result	2Q Result	Amount	Ratio	Amount	Ratio	Full Year Forecast (Previous forecast)	Full Year Result	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY		mil JPY	mil JPY	mil JPY		mil JPY	
Sales	34,440	22,742	11,698	51.4%	81,500	(88,000)	61,068	20,432	33.5%			
Operating Profit	3,059	2,657	402	15.1%	9,830	(11,380)	7,915	1,915	24.2%			
(Operation Profit Margin)	8.9%	11.7%			12.1%	12.9%	13.0%					
Recurring Profit	2,982	2,671	311	11.6%	9,740	(11,340)	7,559	2,181	28.9%			
(Recurring Profit Margin)	8.7%	11.7%			12.0%	12.9%	12.4%					
Net Profit	1,958	1,769	189	10.7%	6,340	(7,370)	4,770	1,570	32.9%			
(Net Profit Margin)	5.7%	7.8%			7.8%	8.4%	7.8%					
PL FX Rate (Average in the Term)	¥	¥	¥	¥	¥	(¥)	¥	¥	¥	¥	¥	¥
(US Dollar)	97.99	79.43	18.56	23.4%	96.61	(90.00)	83.23	13.38	16.1%			
(Euro)	128.79	101.12	27.67	27.4%	129.35	(115.00)	107.57	21.78	20.2%			

Note) Each figure in ( ) of FY 3/13 Full Year Forecast shows the previous forecast announced on April 30, 2013.

Note) Assumption of FX rate from November, 2013: 1USD=JPY 95, 1EUR=JPY 130

**(2) Sales by Business Segment**

	FY 3/14		FY 3/13		YOY Change		FY 3/14		FY 3/13		YOY Change	
	2Q Result	2Q Result	Amount	Ratio	Amount	Ratio	Full Year Forecast (Previous forecast)	Full Year Result	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY		mil JPY	mil JPY	mil JPY		mil JPY	
<b>Brand business</b>												
Sales	16,671	13,443	3,228	24.0%	41,900	(40,100)	29,406	12,494	42.5%			
Operating Profit	1,886	2,505	-619	-24.7%	6,800	(6,640)	4,895	1,905	38.9%			
(Operation Profit Margin)	11.3%	18.6%			16.2%	16.6%	16.6%					
<b>Component business</b>												
Sales	17,496	8,999	8,497	94.4%	39,000	(47,200)	31,056	7,944	25.6%			
Operating Profit	2,922	1,240	1,682	135.6%	6,510	(7,600)	5,554	956	17.2%			
(Operation Profit Margin)	16.7%	13.8%			16.7%	16.1%	17.9%					
<b>Other business</b>												
Sales	273	300	-27	-8.9%	600	(700)	606	-6	-0.9%			
Operating Profit	14	52	-38	-74.2%	60	(120)	102	-42	-41.4%			
(Operation Profit Margin)	4.9%	17.4%			10.0%	17.1%	16.9%					

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	
	2Q Result	2Q Result	Amount	Ratio	Amount	Ratio	Full Year Forecast (Previous forecast)	Full Year Result	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY		mil JPY	mil JPY	mil JPY		mil JPY	
<b>Brand business</b>	<b>16,671</b>	<b>13,443</b>	<b>3,228</b>	<b>24.0%</b>	<b>41,900</b>	<b>(40,100)</b>	<b>29,406</b>	<b>12,494</b>	<b>42.5%</b>			
<b>Creative business</b>	<b>14,366</b>	<b>11,214</b>	<b>3,152</b>	<b>28.1%</b>	<b>35,100</b>	<b>(31,800)</b>	<b>24,963</b>	<b>10,137</b>	<b>40.6%</b>			
Pen tablets	9,247	8,164	1,083	13.3%	21,400	(20,000)	18,379	3,021	16.4%			
(Japan)	1,406	1,790	-384	-21.5%			3,572					
(U.S.)	2,962	2,534	428	16.9%			5,792					
(Germany)	2,603	2,048	555	27.1%			5,676					
(Asia-Oceania)	2,276	1,792	484	27.0%			3,339					
Mobiles	390	345	45	13.2%	4,300	(4,500)	534	3,766	704.6%			
(Japan)	96	8	88	-			29					
(U.S.)	124	75	49	64.3%			126					
(Germany)	104	215	-111	-51.4%			302					
(Asia-Oceania)	66	47	19	41.0%			77					
Displays	4,729	2,705	2,024	74.8%	9,400	(7,300)	6,050	3,350	55.4%			
(Japan)	1,096	589	507	86.3%			1,209					
(U.S.)	1,945	1,198	747	62.3%			2,505					
(Germany)	1,129	561	568	101.1%			1,597					
(Asia-Oceania)	559	357	202	56.6%			739					
<b>Consumer business</b>	<b>632</b>	<b>891</b>	<b>-259</b>	<b>-29.1%</b>	<b>2,200</b>	<b>(3,600)</b>	<b>1,825</b>	<b>375</b>	<b>20.6%</b>			
(Japan)	77	57	20	34.8%			111					
(U.S.)	190	287	-97	-33.7%			520					
(Germany)	292	476	-184	-38.7%			1,051					
(Asia-Oceania)	73	71	2	1.8%			143					
<b>Vertical market business</b>	<b>1,673</b>	<b>1,338</b>	<b>335</b>	<b>25.1%</b>	<b>4,600</b>	<b>(4,700)</b>	<b>2,618</b>	<b>1,982</b>	<b>75.7%</b>			
(Japan)	511	523	-12	-2.3%			1,029					
(U.S.)	180	245	-65	-26.2%			352					
(Germany)	777	443	334	75.3%			1,004					
(Asia-Oceania)	205	127	78	61.6%			233					
<b>Component business</b>	<b>17,496</b>	<b>8,999</b>	<b>8,497</b>	<b>94.4%</b>	<b>39,000</b>	<b>(47,200)</b>	<b>31,056</b>	<b>7,944</b>	<b>25.6%</b>			
For smartphones	7,671	4,541	3,130	69.0%	22,800	(23,200)	17,666	5,134	29.1%			
For tablets	6,659	2,110	4,549	215.6%	11,900	(17,500)	8,317	3,583	43.1%			
For notebook PCs	2,988	2,317	671	29.0%	4,000	(6,300)	5,000	-1,000	-20.0%			
For touch use	178	31	147	467.6%	300	(200)	73	227	311.9%			
<b>Other business</b>	<b>273</b>	<b>300</b>	<b>-27</b>	<b>-8.9%</b>	<b>600</b>	<b>(700)</b>	<b>606</b>	<b>-6</b>	<b>-0.9%</b>			
CAD for electrical engineering	273	300	-27	-8.9%	600	(700)	606	-6	-0.9%			
(Japan)	273	300	-27	-8.9%			606					
<b>Total</b>	<b>34,440</b>	<b>22,742</b>	<b>11,698</b>	<b>51.4%</b>	<b>81,500</b>	<b>(88,000)</b>	<b>61,068</b>	<b>20,432</b>	<b>33.5%</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	
	2Q Result	2Q Result	Amount	Ratio	Full Year Forecast (Previous 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	
Japan	20,956	12,266	8,690	70.8%	46,200	(54,400)	37,611		8,589		22.8%	
( Japan excluding Component business )	3,460	3,267	193	5.9%	7,200	(7,200)	6,555		645		9.8%	
U.S.	5,401	4,339	1,062	24.5%	13,200	(13,900)	9,295		3,905		42.0%	
Germany	4,904	3,743	1,161	31.0%	14,700	(13,000)	9,630		5,070		52.6%	
Asia-Oceania	3,179	2,394	785	32.8%	7,400	(6,700)	4,532		2,868		63.3%	
<b>Total</b>	<b>34,440</b>	<b>22,742</b>	<b>11,698</b>	<b>51.4%</b>	<b>81,500</b>	<b>(88,000)</b>	<b>61,068</b>		<b>20,432</b>		<b>33.5%</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.

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	
	2Q Result	2Q Result	Amount	Ratio	Full Year Forecast (Previous 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	
Capital Expenditure	1,439	873	566	64.8%	3,600	(3,200)	1,845		1,755		95.1%	
Depreciation	809	518	291	56.4%	1,910	(2,120)	1,160		750		64.6%	
R&D Expenditure	1,650	867	783	90.2%	2,830	(2,520)	2,382		448		18.8%	

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