

1Q FY 3/2015 Summary of Consolidated Financial Results

July 30, 2014

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

(Code Number: 6727 TSE1)

(URL <http://www.wacom.com>)

Representative: Masahiko Yamada, CEO

TEL: 0120-056-665

Contact: Wataru Hasegawa, CFO

Preparation of Supplemental Explanatory Material for Financial Results: Yes

Holding of Large Meeting for Financial Results: Yes

1. 1Q FY 3/15 Consolidated Financial Results (April 1, 2014 – June 30, 2014)

(1) Business Performance (Consolidated)

(rounded off to mY)

	Sales		Operating Profit		Recurring Profit		Net Profit	
	mY	%	mY	%	mY	%	mY	%
1Q FY 3/15	13,669	-11.3	80	-92.3	142	-85.5	95	-84.3
1Q FY 3/14	15,414	53.3	1,035	24.7	980	10.0	607	-5.5

(Note) Comprehensive income 1Q FY 3/15 -310 mY (—%) 1Q FY 3/14 1,065 mY (610.9%)

	Net Profit per Share Outstanding		Net Profit per Diluted Share Outstanding	
	Yen	Sen	Yen	Sen
1Q FY 3/15		0.57		0.57
1Q FY 3/14		3.61		3.58

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
1Q FY 3/15	44,330	29,647	66.5	177.07	
1Q FY 3/14	50,859	32,799	64.2	196.14	

(For Ref.) Capital: 1Q FY3/15 29,477 mY FY 3/14 32,651 mY

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 3/14	-	0.00	-	17.50	17.50
FY 3/15	-				
FY 3/15 (estimates)		0.00	-	18.00	18.00

Changes in dividend per share forecast of FY 3/15 : No

3. Consolidated Business Forecasts of FY 3/15 (April 1, 2014 – March 31, 2015)

	Sales		Operating Profit		Recurring Profit		Net Profit		Net Profit Per Share Outstanding
	mY	%	mY	%	mY	%	mY	%	Yen Sen
2Q (1H FY 3/15)	35,070	1.8	1,750	-42.8	1,820	-39.0	1,230	-37.2	7.39
Full Year	78,700	0.1	5,500	-36.5	5,540	-33.1	3,770	-29.5	22.23

Changes in Consolidated Business Forecast of FY 3/15 : Yes

4. Other

- 1) Reclassification of significant subsidiaries during the period (Reclassification due to the change in scope of consolidation) : No
- 2) Adoption of special accounting policies for quarterly financial statements : Yes
- 3) Changes in accounting principles, procedures and methods of presentation in consolidated financial statements
 - Changes resulting from revisions in accounting standards : Yes
 - Changes other than those above : 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 3/15	169,046,400	FY 3/14	169,046,400

Number of treasury stock outstanding at end of year:

	Shares		Shares
1Q FY 3/15	2,576,000	FY 3/14	2,578,000

Number of average shares for fiscal period

	Shares		Shares
1Q FY 3/15	166,468,400	1Q FY 3/14	168,166,830

* 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, 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 three months (April 1, 2014 to June 30, 2014) of the current fiscal year, the business environment remained generally stable. Domestic business showed some signs of recovery after a temporary decline due to a consumption tax hike. In the global economy, the U.S. economy maintained a gradual expansion trend supported by further improvements in corporate performance, positive trends in employment, and strong consumer spending. In Europe, there has been growing concern about the economic impact of the situation in Russia and Ukraine, while domestic demand has been recovering. In China, the government has implemented a number of measures to stimulate the economy.

In foreign exchange, the yen exchange rate against main currencies remained weak. In the IT industry, there was substantial growth in mobile, cloud computing and SNS (Social Networking Services), which led to a structural change in the industry as well as a drastic change in our business environment.

In the Creative Business area in our Brand Business category, digital content creation is expanding into emerging countries such as Asian nations and South America in the movie, comic and game application sectors. In developed countries, we are seeing a rapid spread of 3D printing technology used by both industry and general consumers. Furthermore, the design environment is expanding from conventional desktop computers to mobile devices based on cloud computing. Reflecting this change, use of the stylus has been expanding, owing to its functionality in which users can take notes and draw easily on tablets. Competition in the Consumer Business market is becoming fierce. In the Vertical Market Business, demand for paperless procedures and improved digital signature security is growing across a broad range of sectors, including medical, educational and financial. Against this background, the adoption of digital signatures using LCD pen tablet products is growing, as they are considered to be effective ways to improve information security while reducing document handling costs.

In our Component Business, the high-end smartphone market, which had expanded rapidly in recent years, saw a slowdown in overall growth due to a shift to low and middle-end products, which caused a drastic change in industry structure and also began to impact considerably on our business performance. Additionally, despite anticipated rapid expansion, the tablet market has started to stagnate, and there is a growing demand for further differentiation. In the education and e-book market, we can see that the demand for electronic pen technology is growing not only for reading but also for writing purposes.

Against this background, Wacom Group has further solidified its position as a global leader and pursued investment strategies to enhance the Group's future business base. In particular, we worked on the development and partner expansion of WILL (Wacom Ink Layer Language), which will establish a digital ink standard for exchanging and sharing ink data freely regardless of OS. In order to satisfy the wide range of our users' demands, we began the development of the Active-ES (Active Electrostatic) pen and have started related marketing activities. We also focused our efforts on restructuring the global supply chain and developing global IT infrastructures to support both our Brand Business, whose globalization and e-commerce are rapidly progressing, and our Component Business, which requires quick, flexible responses in production adjustment.

Furthermore, we partly revised our Medium-term Business Plan *WAP 1215* (for the three-year period from April 2013 to March 2016), announcing this in April as a New Medium-term Business Plan (for the four-year period from April 2013 to March 2017). Under the basic policy, "Expand business platform from PC to mobile and Cloud, create new business and grow existing

business”, we are working hard toward building new business growth.

Looking at performance for the year, consolidated net sales decreased 11.3% to ¥13,669 million, operating income decreased 92.3% to ¥80 million, ordinary income decreased 85.5 % to ¥142 million, and net income decreased 84.3% to ¥95 million.

Segment results

1. Brand Business

Sales increased overall, owing to mobile products expansion and growth in the Vertical Market Business in spite of downturns in the Russian and Chinese markets. Sales of display products and styluses have declined.

<The Creative Business>

○Pen tablets

Intuos Pro, launched in last September, showed continued robust growth. Meanwhile, sales decreased slightly for *Intuos* (formerly *Bamboo*) due to confusion among users caused by brand integration, and the shift from PCs to tablets by new users.

○Mobile products

Our first OS installed tablets, *Cintiq Companion* with Windows 8 Pro and *Cintiq Companion Hybrid* with Android 4.2, launched last August and contributed to a steady expansion of sales.

○Display products

Cintiq13HD, a thin, compact body and high performance model, and *Cintiq22HD* (22 inches) showed favorable sales growth; however, sales for *Cintiq24HD* (24 inches) stagnated. As a result, total sales decreased slightly.

<The Consumer Business>

Bamboo Pad, a wireless touch pad launched last September as a new category, contributed to higher sales. However, sales of the stylus pen decreased substantially due to price reductions and intensifying competition.

<The Vertical Market Business>

Sales increased substantially, with *DTU 1031*, a small-sized LCD pen tablet, trending favorably as applications for digital signature solutions expanded.

<By region>

Sales in the U.S. increased, mainly because sales of mobile products in the Creative Business trended favorably. Sales in Europe increased, owing to favorable sales of LCD pen tablets in the Vertical Market Business and the weak yen against the euro, in spite of a sharp sales decline in Russia and Ukraine due to the situation in Ukraine. In the domestic market, sales decreased due to a consumption tax hike. In Asia and Oceania, sales increased owing to favorable sales in the Creative Business, particularly in Korea and Singapore.

As a result, overall sales in the Brand Business category for the three-month period under review increased 11.1% to ¥8,703 million, and operating income decreased 0.4% to ¥869 million.

※ Creative Business: Pen tablet*Intuos* series
(including the former *Bamboo* pen tablets)
Mobile *Cintiq Companion*, *Intuos Creative Stylus*
Display*Cintiq* series

Consumer Business: Stylus pen, Touch pad*Bamboo* series

Vertical Market Business: LCD signature tablet.....*STU* series
LCD pen tablet.....*DT* series

2. Component Business

Overall sales decreased substantially due to a sharp drop in sales of pen sensor systems for major tablet manufacturers such as Samsung, and for the notebook PC market, although sales of pen sensor systems for smartphones remained stable.

<Pen sensor systems for smartphones>

Sales were strong, mainly owing to the launch last September of Samsung's Galaxy Note III.

<Pen sensor systems for tablets>

The adoption of our pen sensor systems expanded steadily among major tablet manufacturers. Fuhu, a U.S. company that sells educational materials with dedicated tablets for children, adopted our pen sensor systems as we took the initiative into a new field.

However, shipments for major tablet manufacturers decreased rapidly, and as a result, sales decreased substantially. We are continuing to respond to the market situation, for example through the development of our Active ES pen, a new technology original to Wacom that reflects the increasingly diverse demands of tablet users. Marketing activities for this product were initiated during the period under review.

<Pen sensor systems for notebook PCs>

Sales decreased substantially due to the shift in demand for electronic pens from notebook PCs to tablets as a result of the expansion of tablets with detachable keyboards, and the influence of manufacturer model transitions.

Overall sales in the Component Business category for the three-month period under review decreased 35.5% to ¥4,786 million, and operating income decreased 82.8% to ¥156 million.

3. Other business (the Software business)

Sales increased steadily owing to favorable sales of *E-CAD dio DCX R1*, a new product in the *E-CAD* series, solid growth in agent business, and stimulation of replacement demand stemming from the end of Windows XP support continuing from the previous fiscal year.

Overall sales in the Other Business category for the three-month period under review increased 13.3 % to ¥180 million, and operating income increased 87.3% to ¥27 million.

Consolidated financial position

1. Assets, Liabilities, and Net Assets

Total assets as of June 30, 2014 decreased by ¥6,529 million to ¥44,330 million compared to the end of the previous fiscal year. The main factors contributing to a decrease in assets were a decrease of ¥3,415 million in cash and cash equivalents by the payment of shareholder's dividends, income tax paid and a decrease of ¥3,498 million in notes and accounts payable.

Total liabilities as of June 30, 2014 decreased by ¥3,376 million to ¥14,683 million compared to the end of the previous fiscal year. The main factors contributing to a decrease were a decrease of ¥1,715 million in accounts payable and a ¥1,786 million decrease in income taxes payable.

Total net assets decreased by ¥3,153 million to ¥29,647 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥95 million in net profit, a decrease of ¥2,913 million in the payment of shareholder's dividends, and a decrease of ¥236 million in valuation difference on available-for-sale securities.

As a result, the capital ratio increased by 2.3 points to 66.5% compared to the end of the previous fiscal year.

2. Cash Flow

Consolidated cash and cash equivalents during 1Q period totaled ¥11,979 million, a ¥3,415 million decrease from the end of the previous fiscal year (a ¥11,400 million decrease over the same previous fiscal period).

(Cash Flow from Operating Activities)

Cash used in operating activities during 1Q period was ¥8 million (¥2,101 million used in the same previous fiscal period). The main factors contributing to an increase were a decrease of ¥3,584 million in notes and accounts receivable and ¥462 million in depreciation. The main factors contributing to a decrease were a ¥787 million increase in inventories, a decrease of ¥1,642 million in notes and accounts payable and ¥1,848 million in income tax paid.

(Cash Flow from Investing Activities)

Cash flow used in investing activities during 1Q period was ¥725 million (¥7,851 million used in the same previous fiscal period), the primary contributing factor was a purchase of tangible assets such as global IT infrastructure.

(Cash Flow from Financing Activities)

Cash flow used in financing activities during 1Q period was ¥2,592 million (¥1,732 million used in the same previous fiscal period). The primary contributing factor was a ¥2,592 million payment for shareholders' dividends.

Consolidated results forecast

For the first half of FY2014, sales in both Brand Business and Component Business are expected to show less growth than forecast at the start of the fiscal year, and as a result, earnings are also expected to be lower than initially forecast. Consolidated sales and earnings for the full fiscal year are likely to fall below the former forecast, reflecting an expected continuation of the first-half stagnation into the second half of the year in both Brand Business and Component Business. As a result, we decided to revise the former forecast for first-half and full-year of FY 2014.

For details, please refer to the "Revisions of business forecast for FY14" announced today.

(Accompanying data)

1. Summary of Consolidated Balance Sheet

(Unit : '000 Yen)

	FY 3/14 (as of Mar. 31,2014)	1Q FY 3/15 (as of Jun. 30,2014)
Assets		
Current assets		
Cash and deposits	15,393,939	11,979,415
Notes and accounts receivable - trade	11,388,120	7,889,803
Merchandise and finished goods	7,161,410	8,100,193
Work in process	357,618	326,785
Raw materials and supplies	1,810,948	1,561,742
Other	4,012,574	3,766,300
Allowance for doubtful accounts	-51,210	-28,733
Total current assets	40,073,399	33,595,505
Non-current assets		
Property, plant and equipment		
Other, net	5,332,072	5,205,836
Total property, plant and equipment	5,332,072	5,205,836
Intangible assets		
Goodwill	3,608	—
Other	3,218,373	3,665,634
Total intangible assets	3,221,981	3,665,634
Investments and other assets		
Other	2,251,401	1,882,808
Allowance for doubtful accounts	-19,696	-19,537
Total investments and other assets	2,231,705	1,863,271
Total non-current assets	10,785,758	10,734,741
Total assets	50,859,157	44,330,246
Liabilities		
Current liabilities		
Accounts payable - trade	9,429,820	7,715,150
Short-term loans payable	600,000	600,000
Income taxes payable	1,928,931	142,475
Provision for bonuses	484,443	267,050
Provision for directors' bonuses	59,137	23,048
Other	3,737,163	4,294,397
Total current liabilities	16,239,494	13,042,120
Non-current liabilities		
Net defined benefit liability	768,278	744,883
Asset retirement obligations	151,369	151,663
Other	900,688	744,807
Total non-current liabilities	1,820,335	1,641,353
Total liabilities	18,059,829	14,683,473

(Unit : '000 Yen)

	FY 3/14 (as of Mar. 31,2014)	1Q FY 3/15 (as of Jun. 30,2014)
Net assets		
Shareholders' equity		
Capital stock	4,203,469	4,203,469
Capital surplus	7,563,702	7,563,057
Retained earnings	21,710,864	18,940,939
Treasury shares	-1,538,697	-1,537,504
Total shareholders' equity	31,939,338	29,169,961
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	416,116	179,925
Foreign currency translation adjustment	323,810	151,834
Remeasurements of defined benefit plans	-27,772	-25,031
Total accumulated other comprehensive income	712,154	306,728
Subscription rights to shares	147,836	170,084
Total net assets	32,799,328	29,646,773
Total liabilities and net assets	50,859,157	44,330,246

2. Consolidated Profit & Loss Statement

(Unit : '000 Yen)

	1Q FY 3/14 (April.1, 2013 to Jun.30, 2013)	1Q FY 3/15 (April.1, 2014 to Jun.30, 2014)
Net sales	15,414,012	13,668,995
Cost of sales	9,508,065	8,169,381
Gross profit	5,905,947	5,499,614
Selling, general and administrative expenses	4,870,492	5,419,729
Operating income	1,035,455	79,885
Non-operating income		
Interest income	11,004	11,824
Foreign exchange gains	—	36,289
Other	14,136	18,432
Total non-operating income	25,140	66,545
Non-operating expenses		
Interest expenses	772	3,036
Foreign exchange losses	62,626	—
Other	17,158	1,325
Total non-operating expenses	80,556	4,361
Ordinary income	980,039	142,069
Extraordinary income		
Gain on sales of non-current assets	261	161
Total extraordinary income	261	161
Extraordinary losses		
Loss on sales of non-current assets	2,280	1,315
Loss on retirement of non-current assets	6,091	2,017
Total extraordinary losses	8,371	3,332
Income before income taxes and minority interests	971,929	138,898
Income taxes	364,767	43,721
Income before minority interests	607,162	95,177
Net income	607,162	95,177

3. Consolidated Comprehensive Income Statement

(Unit : '000 Yen)

	1Q FY 3/14 (April.1, 2013 to Jun.30, 2013)	1Q FY 3/15 (April.1, 2014 to Jun.30, 2014)
Income before minority interests	607,162	95,177
Other comprehensive income		
Valuation difference on available-for-sale securities	5,911	-236,191
Foreign currency translation adjustment	451,938	-171,976
Remeasurements of defined benefit plans, net of tax	—	2,741
Total other comprehensive income	457,849	-405,426
Comprehensive income	1,065,011	-310,249
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,065,011	-310,249
Comprehensive income attributable to minority interests	—	—

4. Summary of Consolidated Cash Flow Statement

(Unit : '000 Yen)

	1Q FY 3/14 (April.1, 2013 to Jun.30, 2013)	1Q FY 3/15 (April.1, 2014 to Jun.30, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	971,929	138,898
Depreciation	384,417	461,700
Share-based compensation expenses	20,307	22,376
Increase (decrease) in provision	-683,140	-272,975
Increase (decrease) in net defined benefit liability	—	28,960
Interest income	-11,004	-11,824
Interest expenses	772	3,036
Decrease (increase) in notes and accounts receivable - trade	2,918,462	3,583,728
Decrease (increase) in inventories	-1,613,046	-786,788
Increase (decrease) in notes and accounts payable - trade	-1,605,242	-1,642,234
Other, net	-460,953	306,370
Subtotal	-77,498	1,831,247
Interest income received	3,958	11,824
Interest expenses paid	-770	-3,030
Income taxes paid	-2,026,240	-1,848,090
Net cash provided by (used in) operating activities	-2,100,550	-8,049
Cash flows from investing activities		
Payments into time deposits	-7,000,000	—
Purchase of non-current assets	-590,772	-729,813
Other, net	-259,746	4,960
Net cash provided by (used in) investing activities	-7,850,518	-724,853
Cash flows from financing activities		
Proceeds from disposal of treasury shares	10,273	400
Cash dividends paid	-1,742,244	-2,592,488
Net cash provided by (used in) financing activities	-1,731,971	-2,592,088
Effect of exchange rate change on cash and cash equivalents	283,184	-89,534
Net increase (decrease) in cash and cash equivalents	-11,399,855	-3,414,524
Cash and cash equivalents at beginning of period	21,596,429	15,393,939
Cash and cash equivalents at end of period	10,196,574	11,979,415

5. Segment Information

The Company consists of "Brand business" and "Component business" as reportable segments and "Other business"

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

(Unit: '000 Yen)

	Reportable Segments			Other Business (Note)1	Total	Adjustment (Note)2	Amount of Consolidated P/L (Note)3
	Brand Business	Component business	Sub Total				
Sales							
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	—	—	—	—	—	—	—
Total	7,831,891	7,423,188	15,255,079	158,933	15,414,012	—	15,414,012
Segment Profit or Loss (-)	872,031	905,140	1,777,171	14,463	1,791,634	-756,179	1,035,455

(Note) 1. "Other businesses" consist of Software business.

2. The above "Adjustment" in "Segment Profit", -756,179 ('000Yen) is mainly the cost of financial and general affairs departments which are not included in the reportable segments.

3. "Segment Profit or Loss" is adjusted for operating profit.

1Q FY 3/15 (April 1, 2014 – June 30, 2014)

(Unit: '000 Yen)

	Reportable Segments			Other Business (Note)1	Total	Adjustment (Note)2	Amount of Consolidated P/L (Note)3
	Brand Business	Component business	Sub Total				
Sales							
Sales towards external customers	8,702,641	4,786,249	13,488,890	180,105	13,668,995	—	13,668,995
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	8,702,641	4,786,249	13,488,890	180,105	13,668,995	—	13,668,995
Segment Profit or Loss (-)	868,852	155,501	1,024,353	27,086	1,051,439	-971,554	79,885

(Note) 1. "Other businesses" consist of Software business.

2. The above "Adjustment" in "Segment Profit", -971,544 ('000Yen) is mainly the cost of financial and general affairs departments which are not included in the reportable segments.

3. "Segment Profit or Loss" is adjusted for operating profit.

4. The method for attributing the expected amount of retirement benefits to periods has been changed from straight-line basis to benefit formula basis from this consolidated first quarter accounting period. These changes have minor significance on segment profit and loss.

1Q FY 3/2015 Summary of Consolidated Financial Results
from April 1, 2014 to June 30, 2014

(1) Business Performance

	FY 3/14		FY 3/15		YOY Change		FY 3/14		FY 3/15		YOY Change	
	1Q Result	1Q Result	1Q Result	1Q Result	Amount	Ratio	Full Year Result	Full Year Forecast (Previous forecast)	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY (mil JPY)	mil JPY		mil JPY	
Sales	15,414	13,669	-1,745	-11.3%			78,615	78,700 (92,000)	85	0.1%		
Operating Profit (Operation Profit Margin)	1,035	80	-955	-92.3%			8,663	5,500 (10,500)	-3,163	-36.5%		
Recurring Profit (Recurring Profit Margin)	980	142	-838	-85.5%			8,282	5,540 (10,450)	-2,742	-33.1%		
Net Profit (Net Profit Margin)	607	95	-512	-84.3%			5,249	3,700 (6,970)	-1,549	-29.5%		
	3.9%	0.7%					6.7%	4.7% 7.6%				
P/L FX Rate (Average in the Term) (US Daller) (Euro)	¥ 97.94 127.35	¥ 102.14 140.01	¥ 4.20 12.66	4.3% 9.9%			¥ 100.00 134.01	¥ (¥) 100.76 (100.00) 136.80 (135.00)	¥ 0.76 2.79	0.8% 2.1%		

Note) FY 3/15 Full Year Forecasts were revised on July 30, 2014. Each figure in () of FY 3/15 Full Year Forecast shows the previous forecast announced on April 30, 2014.

Note) Assumption of FX rate from August, 2014: 1USD=JPY 100, 1EUR=JPY 130

(2) Sales by Business Segment

	FY 3/14		FY 3/15		YOY Change		FY 3/14		FY 3/15		YOY Change	
	1Q Result	1Q Result	1Q Result	1Q Result	Amount	Ratio	Full Year Result	Full Year Forecast (Previous forecast)	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY (mil JPY)	mil JPY		mil JPY	
Brand business												
Sales	7,832	8,703	871	11.1%			38,960	43,950 (49,200)	4,990	12.8%		
Operating Profit (Operation Profit Margin)	872	869	-3	-0.4%			5,214	5,450 (7,320)	236	4.5%		
	11.1%	10.0%					13.4%	12.4% 14.9%				
Component business												
Sales	7,423	4,786	-2,637	-35.5%			39,002	34,000 (42,100)	-5,002	-12.8%		
Operating Profit (Operation Profit Margin)	905	156	-749	-82.8%			6,667	4,500 (7,200)	-2,167	-32.5%		
	12.2%	3.2%					17.1%	13.2% 17.1%				
Other business												
Sales	159	180	21	13.3%			653	750 (700)	97	14.8%		
Operating Profit (Operation Profit Margin)	14	27	13	87.3%			123	150 (130)	27	22.4%		
	9.1%	15.0%					18.7%	20.0% 18.6%				

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 3/15		YOY Change		FY 3/14		FY 3/15		YOY Change	
	1Q Result	1Q Result	1Q Result	1Q Result	Amount	Ratio	Full Year Result	Full Year Forecast (Previous forecast)	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY (mil JPY)	mil JPY		mil JPY	
Brand business	7,832	8,703	871	11.1%			38,960	43,950 (49,200)	4,990	12.8%		
Creative business	6,667	7,321	654	9.8%			33,334	36,150 (40,900)	2,816	8.4%		
Pen tablets	4,319	4,187	-132	-3.1%			20,664	20,750 (22,500)	86	0.4%		
(Japan)	715	590	-125	-17.5%			2,907					
(U.S.)	1,487	1,508	21	1.4%			6,597					
(Germany)	1,094	976	-118	-10.8%			6,495					
(Asia-Oceania)	1,023	1,113	90	8.8%			4,665					
Mobiles	73	888	815	—			2,871	4,500 (6,300)	1,629	56.7%		
(Japan)	26	98	72	274.9%			523					
(U.S.)	10	383	373	—			1,084					
(Germany)	12	178	166	—			779					
(Asia-Oceania)	25	229	204	827.2%			485					
Displays	2,275	2,246	-29	-1.3%			9,799	10,900 (12,100)	1,101	11.2%		
(Japan)	497	402	-95	-19.2%			2,217					
(U.S.)	976	997	21	2.2%			3,793					
(Germany)	533	503	-30	-5.6%			2,670					
(Asia-Oceania)	269	344	75	27.7%			1,119					
Consumer business	296	204	-92	-31.0%			1,691	1,500 (2,600)	-191	-11.3%		
(Japan)	23	37	14	57.4%			148					
(U.S.)	76	95	19	24.7%			607					
(Germany)	155	44	-111	-71.7%			753					
(Asia-Oceania)	42	28	-14	-32.0%			183					
Vertical market business	869	1,178	309	35.6%			3,935	6,300 (5,700)	2,365	60.1%		
(Japan)	207	175	-32	-15.8%			1,130					
(U.S.)	136	99	-37	-27.2%			413					
(Germany)	404	800	396	98.0%			1,971					
(Asia-Oceania)	122	104	-18	-14.1%			421					
Component business	7,423	4,786	-2,637	-35.5%			39,002	34,000 (42,100)	-5,002	-12.8%		
For smartphones	1,747	1,916	169	9.7%			22,190	17,600 (23,000)	-4,590	-20.7%		
For tablets	3,949	2,058	-1,891	-47.9%			11,096	12,600 (17,400)	1,504	13.6%		
For notebook PCs, etc.	1,727	812	-915	-53.0%			5,716	3,800 (1,700)	-1,916	-33.5%		
Other business	159	180	21	13.3%			653	750 (700)	97	14.8%		
CAD for electrical engineering (Japan)	159	180	21	13.3%			653	750 (700)	97	14.8%		
	159	180	21	13.3%			653					
Total	15,414	13,669	-1,745	-11.3%			78,615	78,700 (92,000)	85	0.1%		

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 included in "Consumer products" is reclassified in pen tablets of "Creative business" and "Business products" is replaced by "Vertical market business".

(4) Sales by Subsidiaries

	FY 3/14		FY 3/15		YOY Change		FY 3/14		FY 3/15		YOY Change	
	1Q Result	1Q Result	1Q Result	1Q Result	Amount	Ratio	Full Year Result	Full Year Forecast	Full Year Forecast	Full Year Forecast	Amount	Ratio
	mil JPY		mil JPY		mil JPY		mil JPY		mil JPY		mil JPY	
Japan	9,051	6,268	9,051	6,268	-2,783	-30.8%	46,580	41,950	(50,100)	41,950	-4,630	-9.9%
(Japan excluding Component business)	1,628	1,482	1,628	1,482	-146	-9.0%	7,578	7,950	(8,000)	7,950	372	4.9%
U.S.	2,685	3,082	2,685	3,082	397	14.8%	12,493	14,250	(15,900)	14,250	1,757	14.1%
Germany	2,198	2,501	2,198	2,501	303	13.8%	12,668	14,100	(16,300)	14,100	1,432	11.3%
Asia-Oceania	1,480	1,818	1,480	1,818	338	22.9%	6,874	8,400	(9,700)	8,400	1,526	22.2%
Total	15,414	13,669	15,414	13,669	-1,745	-11.3%	78,615	78,700	(92,000)	78,700	85	0.1%

Note) The sales of the Component business is included in Japan.

Note) Japan's sales included Taiwan area until Jan. 2014. Germany's includes EMEA. Asia-Oceania's is a total of sales of the subsidiaries in China, Korea, Australia, Singapore, and Taiwan area (after Feb. 2014).

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

	FY 3/14		FY 3/15		YOY Change		FY 3/14		FY 3/15		YOY Change	
	1Q Result	1Q Result	1Q Result	1Q Result	Amount	Ratio	Full Year Result	Full Year Forecast	Full Year Forecast	Full Year Forecast	Amount	Ratio
	mil JPY		mil JPY		mil JPY		mil JPY		mil JPY		mil JPY	
Capital Expenditure	780	809	780	809	29	3.7%	3,464	5,500	(4,900)	5,500	2,036	58.8%
Depreciation	384	462	384	462	78	20.1%	1,812	2,300	(2,300)	2,300	488	26.9%
R&D Expenditure	714	700	714	700	-14	-1.9%	2,863	3,100	(3,100)	3,100	237	8.3%

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