

2Q FY 3/2016 Summary of Consolidated Financial Results

October 30, 2015

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

(Code Number: 6727 TSE1)

(URL <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 FY 3/16 Consolidated Financial Results (April 1, 2015 – September 30, 2015)

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

	Sales		Operating Income		Ordinary Income		Net Profit	
	mY	%	mY	%	mY	%	mY	%
2Q FY 3/16	38,956	21.7	2,053	12.4	2,098	19.1	1,261	9.9
2Q FY 3/15	32,011	-7.1	1,826	-40.3	1,761	-40.9	1,147	-41.4

(Note) Comprehensive income 2Q FY 3/16 1,264 mY (10.9%) 2Q FY 3/15 1,140 mY (-54.3%)

	Net Profit per Share Outstanding		Net Profit per Diluted Share Outstanding	
	Yen	Sen	Yen	Sen
2Q FY 3/16		7.62		7.61
2Q FY 3/15		6.89		6.87

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
2Q FY 3/16	57,688	30,941	53.4	187.16	
FY 3/15	51,457	33,859	65.4	202.14	

(For Ref.) Capital: 2Q FY3/16 30,781 mY FY 3/15 33,678 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 3/15	-	0.00	-	18.00	18.00
FY 3/16	-	0.00			
FY 3/16 (estimates)			-	18.00	18.00

Changes in dividend per share forecast of FY 3/16 : No

3. Consolidated Business Forecasts of FY 3/16 (April 1, 2015 – March 31, 2016)

	Sales		Operating Income		Ordinary Income		Net Profit		Net Profit Per Share Outstanding	
	mY	%	mY	%	mY	%	mY	%	Yen	Sen
Full Year	81,000	8.6	4,800	-21.9	4,780	-21.2	3,050	-12.2	18.55	

Changes in Consolidated Business Forecast of FY 3/16 : 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 : 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
2Q FY 3/16	169,046,400	FY 3/15	169,046,400

Number of treasury stock outstanding at end of year:

	Shares		Shares
2Q FY 3/16	4,584,000	FY 3/15	2,438,000

Number of average shares for fiscal period

	Shares		Shares
2Q FY 3/16	165,503,252	2Q FY 3/15	166,470,422

* 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, Consolidated Profit and Loss Statement, Consolidated Comprehensive Income Statement, Consolidated Cash Flow Statement, 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 second quarter of the fiscal year under review (the six months April 1, 2015 to September 30, 2015), the global economy maintained a slow recovery, mainly in developed countries, while the economy in emerging countries stagnated, influenced by a slowdown in China. In foreign exchange, the yen remained weak against the US dollar, but strengthened against the euro. In the IT industry, the penetration of mobile products, cloud computing and SNS (Social Networking Services) drove structural changes in the competitive environment, which in turn caused drastic changes in our business environment.

In the Creative Business area in our Brand Business segment, digital content creation for the movie, comic and game application sectors has been expanding into emerging countries such as Asia and South America. In developed countries, we are seeing a shift in application usage from 2D to 3D following the spread of interest in 3D content, which is directing significant attention to digital pens as an input device. Furthermore, the design environment is expanding from conventional desktop computers to mobile devices based on cloud computing. Reflecting this change, in the Consumer Business area, the use of the stylus has been expanding as the digital stationery of choice, owing to the ease in which users can take notes and draw on tablets. In the Business Solution area, demand for cost-effective 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 signature tablet products is growing as they are considered to be effective ways to improve information security while reducing document handling costs.

In the Technology Solution Business segment, the low- and mid-end smartphone market grew rapidly, especially in emerging countries, while the high-end smartphone market saw a slowdown, leading to fierce competition and a drastic change in industry structure. The tablet market continued to stagnate even after the release of Windows 10 OS, due to weak sales of Android OS as well as Windows 10 OS installed products caused by continuing inventory adjustments of old model products. However, there is a steadily growing demand for digital pen technology that enables users to write on, as well as read from, screens for business and educational purposes. In the e-book market, we are also seeing a growing demand for further differentiation in digital pen technology.

Against this background, Wacom Group has further solidified its position as a global leader and pursued investment strategies not only to expand our product line-up in each business segment, but also to enhance the Group's future business base. In order to satisfy the wide range of our users' demands, from professionals to general consumers, we have leveraged our R&D activities to expand our cloud-based product line in the Brand Business segment. In the Technology Solution Business segment, we have initiated commercial production of our Active-ES (Active Electrostatic) pen sensor system in conjunction with expanding its customer base. In order to accelerate the spread of digital pens, we continued to pursue 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.

Another of our focuses has been on restructuring the global supply chain and developing global IT infrastructures from a long-term perspective in response to rapid globalization and e-commercialization. Simultaneously, in order to pursue growth in our global business, we have shifted our previous region-based Global Business Unit structure into a customer segment-based global organization from April 2015.

In April 2015, we announced our Medium-term Business Plan "Wacom Strategic Business Plan: SBP-2019" (for the four-year period from April 2015 to March 2019) under our new global organization in response to ongoing rapid changes in the business environment. By March 2019 we aim to achieve consolidated net sales of ¥120 billion, consolidated operating profit on sales of 12%, and consolidated return on equity of over 20%. By working to realize these financial goals we aim to increase our corporate value. We also announced and submitted our Corporate Governance Report to the Tokyo Stock Exchange ("TSE") on September 29, in compliance with the TSE's newly established Corporate Governance Code.

For the six-month period of the year ended March 31, 2016, consolidated net sales increased 21.7% to ¥38,956 million, operating income increased 12.4% to ¥2,053 million, ordinary income increased 19.1% to ¥2,098 million, and net profit attributable to stockholders increase 9.9% to ¥1,261 million.

Segment results

1. Brand Business

Sales exceeded the previous fiscal year owing to favorable sales of new products introduced in both Creative and Consumer Business areas, the expanding Chinese market, and the weak yen against the US dollar.

< Creative Business >

○ Pen Tablet products

Sales exceeded the previous fiscal year owing to a significant increase in sales of *Intuos* in the European and Chinese markets as well as favorable sales of new *Intuos* products released this September, which have been highly rated for being tailored to each customer segment.

○ Mobile products

The second generation OS installed tablet *Cintiq Companion 2*, launched in the previous fiscal year, contributed to strong global sales growth thanks to its positive market reception and expanding sales network. The top-end model of *Cintiq Companion 2* launched in May also contributed to strong sales growth. As a result, total sales of Mobile products significantly exceeded the same period of the previous fiscal year.

○ Display products

In February we launched our flagship models *Cintiq 27QHD* (27 inches) and *Cintiq 27 QHD touch*, which come with the largest workspace in this business line as well as superior color reproducibility. We also launched *Cintiq 13HD touch* (13 inches) in March, which has gained a strong following for its comfortable drawing workspace and compact screen. Helped by favorable sales of these newly launched products, total sales of products in the *Cintiq* series exceeded the previous fiscal year.

< Consumer Business >

Sales of Stylus pen products increased favorably in the Asian and Oceanian markets, but fell in other markets. In September, we launched a mobile accessory product *Bamboo Spark*, which digitalizes hand-written data on paper into digital ink data on screen, which can then be edited and shared via cloud-computing. Simultaneously, we launched *Bamboo Fineline 2*, the new extra-fine tip stylus for iPads. As a result of this new product line, total sales of Consumer products recorded a small increase compared with the previous fiscal year.

< Business Solutions >

Overall sales fell below the previous fiscal year, mainly due to a decrease in sales in Europe as a consequence of large-scale deals that boosted performance in the previous fiscal year.

< By region >

Although sales in the U.S. exceeded the previous fiscal year, supported by the weaker yen, local currency-based sales plateaued. Sales in Europe grew slightly owing to favorable sales of both Creative and Consumer Business products, which offset a sales decrease in the Business Solution area. In Japan, overall sales increased favorably despite a sales decrease in the Consumer Business area. In Asia and Oceania (excluding Japan), sales increased favorably owing to strong sales mainly in China.

As a result, overall sales in the Brand Business segment for the six-month period of the fiscal year under review increased 17.2% to ¥22,853 million, and operating income increased 45.4% to ¥3,642 million.

※ Creative Business:

Pen Tablet *Intuos* series

(including rebranded *Bamboo* pen tablets)

Mobile *Cintiq Companion*, *Intuos Creative Stylus*

Display *Cintiq* series

Consumer Business: Stylus pen, Touch pad, mobile accessory.....*Bamboo* series
 Business Solutions: LCD signature tablet.....*STU* series
 LCD pen tablet.....*DT* series

2. Technology Solution Business

Overall sales significantly exceeded the previous fiscal year due to a substantial increase of pen sensor system shipments for smartphones and tablets.

<Pen sensor systems for smartphones>

Overall sales significantly exceeded the previous fiscal year owing to earlier than expected commercial production and shipments for Samsung's new Galaxy Note 5, in response to Samsung bringing forward the release date.

<Pen sensor systems for tablets>

A large-scale order from the government of Turkey for an educational project contributed to sales expansion. We also began commercial production of the Active-ES pen sensor system, which is a new and original Wacom technology that has been highly appraised by tablet manufacturers. These factors supported an increase in overall sales compared to the same period of the previous fiscal year.

<Pen sensor systems for notebook PCs>

Sales decreased dramatically due to a shift in demand for digital pens from notebook PCs to tablets as a result of market expansion of tablets with detachable keyboards, as well as large-scale inventory adjustments across the notebook PC market.

Overall sales in the Technology Solution Business segment for the six-month period of the fiscal year under review increased 29.8% to ¥15,788 million, and operating income increased 69.1% to ¥2,114 million.

3. Other Business (formerly Software Business)

During the period, new product *ECAD dio DCX R2* was launched and shipments began to a favorable market reception. However, overall sales fell slightly below the previous fiscal year due to a slowdown in the demand for replacements in response to the termination of Windows XP support.

Overall sales in the Other Business segment for the fiscal year under review decreased 8.4% to ¥315 million, and operating income decreased 50.4% to ¥34 million.

Note: In accordance with the Global Organization Reform, we have renamed our business segments as follows. Please note that intersegment sales and deletions of intersegment sales are not shown.

Until March 31, 2015 (previous name)	From April 1, 2015 (new name)	Change of name
Brand Business	Brand Business	No
Creative Business	Creative Business	No
Consumer Business	Consumer Business	No
Vertical Market Business	Business Solutions	Yes
Component Business	Technology Solution Business	Yes
Software Business	Engineering Solution Business	Yes

Consolidated financial position

1. Assets, Liabilities, and Net Assets

Total assets as of September 30, 2015 increased by ¥6,231 million to ¥57,688 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥3,895 million in notes and accounts receivable, ¥1,314 million in inventories and ¥2,308 million in other current assets such as accrued revenue, ¥1,342 million in intangible assets, and a decrease of ¥2,252 million in cash and cash equivalents due to the payment of shareholder's dividends.

Total liabilities as of September 30, 2015 increased by ¥9,149 million to ¥26,747 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥3,607 million in accounts payable, ¥5,400 million in short-term loans payable.

Total net assets decreased by ¥2,918 million to ¥30,941 million compared to the end of the previous fiscal year. The main contributing factors were a decrease of ¥1,261 million in net profit attributable to stockholders, ¥1,738 million in retained earnings due to a payment of ¥2,999 million in shareholder's dividends, and an increase of ¥1,130 million in treasury stock.

As a result, the capital ratio decreased by 12.0 points to 53.4% compared to the end of the previous fiscal year.

2. Cash Flow

Consolidated cash and cash equivalents as of September 30, 2015 totaled ¥14,435 million, a ¥2,252 million decrease from the end of the previous fiscal year. (¥2,926 million decrease over the same previous fiscal period)

Cash Flow from Operating Activities

Cash flow from operating activities during the six-month period of the fiscal year under review was ¥1,014 million (compared to ¥791 million used in the previous comparable fiscal period). The main factors contributing to cash inflow were a ¥2,079 million increase in income before income taxes, a ¥968 million increase in depreciation, a ¥3,668 increase in notes and accounts payable-trade. The main factors contributing to cash outflow were a ¥6,012 million increase in notes and accounts receivable and a ¥1,329 million increase in inventories.

Cash Flow from Investing Activities

Cash flow from investing activities during the six-month period was ¥2,360 million (compared to ¥1,433 million used in the previous comparable fiscal period). The primary contributing factors were a ¥2,747 million purchase of tangible assets such as software items for the global IT infrastructure investment.

Cash Flow from Financing Activities

Cash flow from financing activities during the six-month period was ¥1,210 million (compared to ¥900 million used in the previous comparable fiscal period). The primary contributing factors were an increase of ¥5,400 million in short-term loans payable, a decrease of ¥1,245 million in the purchase of treasury stock, and a decrease ¥2,987 million in the payment for shareholders' dividends.

Forward looking information including forecast of consolidated financial results

No changes have been made to the full year forecasts of consolidated financial results for the fiscal year ending March 2016, which were announced on October 23, 2015.

(Accompanying data)

1. Summary of Consolidated Balance Sheet

(Unit : '000 Yen)

	FY 3/15 (as of Mar. 31,2015)	2Q FY 3/16 (as of September 30,2015)
Assets		
Current assets		
Cash and deposits	16,686,619	14,434,842
Notes and accounts receivable - trade	9,875,726	13,771,160
Merchandise and finished goods	7,701,801	9,221,906
Work in process	400,084	296,357
Raw materials and supplies	2,114,966	2,012,153
Other	3,449,577	5,757,994
Allowance for doubtful accounts	-41,268	-81,117
Total current assets	40,187,505	45,413,295
Non-current assets		
Property, plant and equipment		
Other, net	4,608,385	4,546,910
Total property, plant and equipment	4,608,385	4,546,910
Intangible assets		
Other	5,441,836	6,784,230
Total intangible assets	5,441,836	6,784,230
Investments and other assets		
Other	1,297,013	1,021,543
Allowance for doubtful accounts	-77,882	-78,118
Total investments and other assets	1,219,131	943,425
Total non-current assets	11,269,352	12,274,565
Total assets	51,456,857	57,687,860
Liabilities		
Current liabilities		
Accounts payable - trade	9,203,455	12,810,720
Short-term loans payable	600,000	6,000,000
Income taxes payable	613,674	719,068
Provision for bonuses	545,810	724,801
Provision for directors' bonuses	59,270	1,367
Other	4,858,018	4,635,936
Total current liabilities	15,880,227	24,891,892
Non-current liabilities		
Net defined benefit liability	813,059	840,599
Asset retirement obligations	152,845	153,377
Other	751,756	860,921
Total non-current liabilities	1,717,660	1,854,897
Total liabilities	17,597,887	26,746,789

(Unit : '000 Yen)

	FY 3/15 (as of Mar. 31,2015)	2Q FY 3/16 (as of September 30,2015)
Net assets		
Shareholders' equity		
Capital stock	4,203,469	4,203,469
Capital surplus	7,550,743	7,518,009
Retained earnings	22,318,906	20,581,052
Treasury shares	-1,455,137	-2,585,182
Total shareholders' equity	32,617,981	29,717,348
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,370	45,124
Foreign currency translation adjustment	1,068,558	1,048,536
Remeasurements of defined benefit plans	-35,573	-30,048
Total accumulated other comprehensive income	1,060,355	1,063,612
Subscription rights to shares	180,634	160,111
Total net assets	33,858,970	30,941,071
Total liabilities and net assets	51,456,857	57,687,860

2. Consolidated Profit & Loss Statement

(Unit : '000 Yen)

	2Q FY 3/15 (April 1, 2014 to September 30, 2014)	2Q FY 3/16 (April 1, 2015 to September 30, 2015)
Net sales	32,010,976	38,956,409
Cost of sales	18,930,159	23,899,609
Gross profit	13,080,817	15,056,800
Selling, general and administrative expenses	11,254,362	13,003,386
Operating income	1,826,455	2,053,414
Non-operating income		
Interest income	28,467	39,198
Dividend income	—	34,798
Rent income	2,082	30,574
Other	28,076	29,068
Total non-operating income	58,625	133,638
Non-operating expenses		
Interest expenses	2,684	10,289
Foreign exchange losses	118,522	52,158
Commission fee	—	25,532
Other	2,873	1,048
Total non-operating expenses	124,079	89,027
Ordinary income	1,761,001	2,098,025
Extraordinary income		
Gain on sales of non-current assets	449	1,818
Gain on reversal of subscription rights to shares	—	17,784
Total extraordinary income	449	19,602
Extraordinary losses		
Loss on sales of non-current assets	1,355	26,033
Loss on retirement of non-current assets	1,650	12,104
Business structure improvement expenses	44,041	—
Total extraordinary losses	47,046	38,137
Income before income taxes and minority interests	1,714,404	2,079,490
Income taxes	567,347	818,393
Profit	1,147,057	1,261,097
Profit attributable to owners of parent	1,147,057	1,261,097

3. Consolidated Comprehensive Income Statement

(Unit : '000 Yen)

	2Q FY 3/15 (April 1, 2014 to September 30, 2014)	2Q FY 3/16 (April.1, 2015 to September 30, 2015)
Profit	1,147,057	1,261,097
Other comprehensive income		
Valuation difference on available-for-sale securities	-371,527	17,754
Foreign currency translation adjustment	359,262	-20,022
Remeasurements of defined benefit plans, net of tax	5,483	5,525
Total other comprehensive income	-6,782	3,257
Comprehensive income	1,140,275	1,264,354
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,140,275	1,264,354
Comprehensive income attributable to non-controlling interests	—	—

4. Summary of Consolidated Cash Flow Statement

(Unit : '000 Yen)

	2Q FY 3/15 (April 1, 2014 to September 30, 2014)	2Q FY 3/16 (April 1, 2015 to September 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	1,714,404	2,079,490
Depreciation	924,394	967,940
Share-based compensation expenses	43,953	11,006
Increase (decrease) in provision	22,308	164,334
Increase (decrease) in net defined benefit liability	43,796	35,752
Interest and dividend income	-28,467	-73,996
Interest expenses	2,684	10,289
Decrease (increase) in notes and accounts receivable - trade	-2,034,699	-6,011,764
Decrease (increase) in inventories	-1,652,920	-1,329,294
Increase (decrease) in notes and accounts payable - trade	1,658,799	3,667,852
Other, net	414,200	265,760
Subtotal	1,108,452	-212,631
Interest and dividend income received	28,467	73,298
Interest expenses paid	-1,383	-10,015
Income taxes paid	-1,926,991	-865,140
Net cash provided by (used in) operating activities	-791,455	-1,014,488
Cash flows from investing activities		
Purchase of non-current assets	-1,437,622	-2,746,778
Proceeds from sales of non-current assets	4,648	405,380
Other, net	384	-18,108
Net cash provided by (used in) investing activities	-1,432,590	-2,359,506
Cash flows from financing activities		
Increase in short-term loans payable	2,000,000	5,400,000
Purchase of treasury shares	—	-1,244,532
Proceeds from disposal of treasury shares	396	42,221
Cash dividends paid	-2,900,735	-2,987,197
Net cash provided by (used in) financing activities	-900,339	1,210,492
Effect of exchange rate change on cash and cash equivalents	198,496	-88,275
Net increase (decrease) in cash and cash equivalents	-2,925,888	-2,251,777
Cash and cash equivalents at beginning of period	15,393,939	16,686,619
Cash and cash equivalents at end of period	12,468,051	14,434,842

5. Segment Information

The Company consists of "Brand Business" and "Technology Solution Business" as reportable segments, and "Other Business"

2Q FY 3/15 (April 1, 2014 – September 30, 2014)

(Unit: '000 Yen)

	Reportable Segments			Other Business (Note)1	Total	Adjustment (Note)2	Amount of Consolidated P/L (Note)3
	Brand Business	Technology Solution Business	Sub Total				
Sales							
Sales towards external customers	19,501,710	12,165,599	31,667,309	343,667	32,010,976	—	32,010,976
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	19,501,710	12,165,599	31,667,309	343,667	32,010,976	—	32,010,976
Segment Profit or Loss (-)	2,505,441	1,250,164	3,755,605	68,637	3,824,242	-1,997,787	1,826,455

(Note) 1. "Other businesses" consist of Engineering Solution Business (formerly Software Business).

2. The above "Adjustment" in "Segment Profit", -1,997,787 ('000Yen) is mainly the cost of administrative function which are not included in the reportable segments.

3. "Segment Profit or Loss" is adjusted to consolidated operating income.

2Q FY 3/16 (April 1, 2015 – September 30, 2015)

(Unit: '000 Yen)

	Reportable Segments			Other Business (Note)1	Total	Adjustment (Note)2	Amount of Consolidated P/L (Note)3
	Brand Business	Technology Solution Business	Sub Total				
Sales							
Sales towards external customers	22,853,414	15,788,344	38,641,758	314,651	38,956,409	—	38,956,409
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	22,853,414	15,788,344	38,641,758	314,651	38,956,409	—	38,956,409
Segment Profit or Loss (-)	3,642,306	2,114,045	5,756,351	34,073	5,790,424	-3,737,010	2,053,414

(Note) 1. "Other businesses" consist of Engineering Solution Business (formerly Software Business).

2. The above "Adjustment" in "Segment Profit", -3,737,010 ('000Yen) is mainly the cost of administrative function which are not included in the reportable segments.

3. "Segment Profit or Loss" is adjusted to consolidated operating income.

4. "Component Business" segment has been renamed to "Technology Solution Business" since FY 3 /2016 .

2Q FY 3/2016 Summary of Consolidated Financial Results
from April 1, 2015 to September 30, 2015

(1) Business Performance

	FY 3/15		FY 3/16		YOY Change		FY 3/15		FY 3/16		YOY Change		
	2Q Result	2Q Result	2Q Result	2Q Result	Amount	Ratio	Full Year Result	Full Year Forecast (previous forecast as of April)	Amount	Ratio	Amount	Ratio	
Net Sales	mil JPY	32,011	mil JPY	38,956	6,945	21.7%	mil JPY	74,557	mil JPY	81,000	(84,000)	6,443	8.6%
Operating Income		1,826		2,053	227	12.4%		6,143		4,800	(5,500)	-1,343	-21.9%
(Operation Income Margin)		5.7%		5.3%				8.2%		5.9%	6.5%		
Ordinary Income		1,761		2,098	337	19.1%		6,065		4,780	(5,350)	-1,285	-21.2%
(Ordinary Income Margin)		5.5%		5.4%				8.1%		5.9%	6.4%		
Net Profit		1,147		1,261	114	9.9%		3,473		3,050	(3,530)	-423	-12.2%
(Net Profit Margin)		3.6%		3.2%				4.7%		3.8%	4.2%		
P/L FX Rate (Average in the Term)	JPY		JPY		JPY		JPY		JPY		JPY		JPY
(US Dollar)		103.51		121.50	17.99	17.4%		110.03		120.81	(110.00)	10.78	9.8%
(Euro)		139.07		134.60	-4.47	-3.2%		138.68		132.86	(130.00)	-5.82	-4.2%

Note) Net Profit of FY 3/16 is equivalent to Profit Attributable to Owners of Parent.

(2) Sales by Business Segment

	FY 3/15		FY 3/16		YOY Change		FY 3/15		FY 3/16		YOY Change		
	2Q Result	2Q Result	2Q Result	2Q Result	Amount	Ratio	Full Year Result	Full Year Forecast (previous forecast as of April)	Amount	Ratio	Amount	Ratio	
Branded Business	mil JPY		mil JPY		mil JPY		mil JPY		mil JPY		mil JPY		
Sales		19,502		22,853	3,351	17.2%		43,625		51,800	(50,300)	8,175	18.7%
Operating Income		2,505		3,642	1,137	45.4%		5,965		9,040	(9,280)	3,075	51.6%
(Operation Income Margin)		12.8%		15.9%				13.7%		17.5%	18.4%		
Technology Solution Business													
Sales		12,165		15,788	3,623	29.8%		30,277		28,500	(33,000)	-1,777	-5.9%
Operating Income		1,250		2,114	864	69.1%		4,642		3,260	(4,570)	-1,382	-29.8%
(Operation Income Margin)		10.3%		13.4%				15.3%		11.4%	13.8%		
Other Business													
Sales		344		315	-29	-8.4%		655		700	(700)	45	6.9%
Operating Income		69		34	-35	-50.4%		55		60	(60)	5	8.8%
(Operation Income Margin)		20.0%		10.8%				8.4%		8.6%	8.6%		

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

(3) Sales by Product Lines

(by Subsidiaries)	FY 3/15		FY 3/16		YOY Change		FY 3/15		FY 3/16		YOY Change		
	2Q Result	2Q Result	2Q Result	2Q Result	Amount	Ratio	Full Year Result	Full Year Forecast (previous forecast as of April)	Amount	Ratio	Amount	Ratio	
Brand Business	mil JPY	19,502	mil JPY	22,853	3,351	17.2%	mil JPY	43,625	mil JPY	51,800	(50,300)	8,175	18.7%
Creative Business		<u>16,054</u>		<u>19,855</u>	<u>3,801</u>	<u>23.7%</u>		<u>36,480</u>		<u>43,100</u>	(41,100)	<u>6,620</u>	<u>18.1%</u>
Pen tablets		<u>9,473</u>		<u>11,172</u>	<u>1,699</u>	<u>17.9%</u>		<u>21,981</u>		<u>24,500</u>	(23,300)	<u>2,519</u>	<u>11.5%</u>
(Japan)		1,196		1,249	53	4.5%		2,754					
(U.S.)		2,999		3,177	178	5.9%		6,990					
(Germany)		2,476		3,089	613	24.8%		6,500					
(Asia-Oceania)		2,802		3,657	855	30.5%		5,737					
Mobiles		<u>1,769</u>		<u>2,571</u>	<u>802</u>	<u>45.3%</u>		<u>3,909</u>		<u>5,400</u>	(5,400)	<u>1,491</u>	<u>38.1%</u>
(Japan)		235		527	292	123.6%		686					
(U.S.)		754		858	104	13.7%		1,508					
(Germany)		394		517	123	31.4%		969					
(Asia-Oceania)		386		669	283	73.3%		746					
Displays		<u>4,812</u>		<u>6,112</u>	<u>1,300</u>	<u>27.0%</u>		<u>10,590</u>		<u>13,200</u>	(12,400)	<u>2,610</u>	<u>24.6%</u>
(Japan)		855		973	118	13.8%		1,919					
(U.S.)		2,071		2,838	767	37.0%		4,229					
(Germany)		1,184		1,291	107	9.0%		2,964					
(Asia-Oceania)		702		1,010	308	43.9%		1,478					
Consumer Business		<u>663</u>		<u>677</u>	<u>14</u>	<u>2.2%</u>		<u>1,554</u>		<u>2,300</u>	(2,300)	<u>746</u>	<u>48.0%</u>
(Japan)		108		77	-31	-28.0%		244					
(U.S.)		284		286	2	0.6%		669					
(Germany)		207		247	40	19.2%		494					
(Asia-Oceania)		64		67	3	5.2%		147					
Business Solution		<u>2,785</u>		<u>2,321</u>	<u>-464</u>	<u>-16.6%</u>		<u>5,591</u>		<u>6,400</u>	(6,900)	<u>809</u>	<u>14.5%</u>
(Japan)		414		442	28	6.8%		874					
(U.S.)		189		229	40	21.5%		517					
(Germany)		1,943		1,330	-613	-31.5%		3,605					
(Asia-Oceania)		239		320	81	33.9%		595					
Technology Solution Business		12,165		15,788	3,623	29.8%		30,277		28,500	(33,000)	-1,777	-5.9%
For smartphones		6,312		9,419	3,107	49.2%		18,331		17,200	(18,500)	-1,131	-6.2%
For tablets		3,926		5,150	1,224	31.2%		8,542		9,300	(10,500)	758	8.9%
For notebook PCs		1,927		1,219	-708	-36.7%		3,404		2,000	(4,000)	-1,404	-41.3%
Other Business		344		315	-29	-8.4%		655		700	(700)	45	6.9%
Engineering Solution		344		315	-29	-8.4%		655		700	(700)	45	6.9%
(Japan)		344		315	-29	-8.4%		655					
Total		32,011		38,956	6,945	21.7%		74,557		81,000	(84,000)	6,443	8.6%

Note) "Vertical Market Business" is renamed "Business Solution" of the brand business, "Component Business" is renamed "Technology Solution Business", and "CAD for electrical engineering" is renamed "Engineering Solution" of "Other Business" from FY 3/16.

(4) Sales by Subsidiaries

	FY 3/15		FY 3/16		YOY Change		FY 3/15		FY 3/16		YOY Change	
	2Q Result	2Q Result	Amount	Ratio	Amount	Ratio	Full Year Result	Full Year Forecast (previous forecast as of April)	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY		mil JPY	mil JPY (mil JPY)	mil JPY		mil JPY	
Japan	15,317	19,372	4,055	26.5%	37,409		36,700	(40,960)	-709		-1.9%	
(Japan excluding Tech Solution biz.)	3,152	3,584	432	13.7%	7,132		8,200	(7,960)	1,068		15.0%	
U.S.	6,297	7,387	1,090	17.3%	13,914		16,580	(16,550)	2,666		19.2%	
Germany	6,204	6,474	270	4.4%	14,532		15,610	(15,420)	1,078		7.4%	
Asia-Oceania	4,193	5,723	1,530	36.5%	8,702		12,110	(11,070)	3,408		39.2%	
Total	32,011	38,956	6,945	21.7%	74,557		81,000	(84,000)	6,443		8.6%	

Note) The sales of the Technology Solution Business is only in Japan.

Note) Germany's sales include shipment to EMEA countries. Asia-Oceania's sales consist of sales by subsidiaries in China, Korea, Australia, Singapore (directly accounted sales in India until Aug. 2014), Taiwan, and India (from Sep. 2014),

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

	FY 3/15		FY 3/16		YOY Change		FY 3/15		FY 3/16		YOY Change	
	2Q Result	2Q Result	Amount	Ratio	Amount	Ratio	Full Year Result	Full Year Forecast (previous forecast as of April)	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY		mil JPY	mil JPY (mil JPY)	mil JPY		mil JPY	
Capital Expenditure	1,790	2,314	524	29.3%	4,082		5,000	(5,200)	918		22.5%	
Depreciation	924	968	44	4.7%	1,970		2,200	(2,500)	230		11.7%	
R&D Expenditure	1,494	2,033	539	36.1%	3,180		4,200	(4,000)	1,020		32.1%	

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