

FY 3/2015 Summary of Consolidated Financial Results

April 30, 2015

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

Scheduled Date of General Shareholders' Meeting: June 26, 2015

Preparation of Supplemental Explanatory Material for Financial Results: Yes

Holding of Large Meeting for Financial Results: Yes

1. FY 3/15 Consolidated Financial Results (April 1, 2014 – March 31, 2015)

(1) Business Performance (Consolidated)

(Round off to mY)

	Sales		Operating Profit		Recurring Profit		Net Profit	
	mY	%	mY	%	mY	%	mY	%
FY 3/15	74,557	-5.2	6,143	-29.1	6,065	-26.8	3,473	-33.8
FY 3/14	78,615	28.7	8,663	9.5	8,282	9.6	5,249	10.0

(Note) Comprehensive income FY 3/15 3,821 mY (-43.8%) FY 3/14 6,799 mY (15.8%)

	Net Profit per Share Outstanding		Net Profit per Diluted Share Outstanding		Return on Equity (ROE)	Total Asset Recurring profit ratio	Operating Profit Margin
	Yen	Sen	Yen	Sen	%	%	%
FY 3/15		20.86		20.82	10.5	11.9	8.2
FY 3/14		31.31		31.13	17.0	16.4	11.0

(For Ref.) Equity in net income of affiliates FY 3/15 - mY FY 3/14 - mY

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
FY 3/15	51,457	33,859	65.4	202.14	
FY 3/14	50,859	32,799	64.2	196.14	

(For Ref.) Capital: FY3/15 33,678 mY FY 3/14 32,651 mY

(3) Cash Flow (Consolidated)

	Operating Cash Flow	Investing Cash Flow	Financing Cash Flow	Cash & Cash Equivalent
	mY	mY	mY	mY
FY 3/15	6,782	-3,278	-2,850	16,687
FY 3/14	734	-4,416	-3,255	15,394

2. Dividend

(Record date)	Dividend Per Share					FY Amount of dividend	Payout ratio	Dividend on equity ratio	
	1Q	2Q	3Q	End of FY	FY Total				
	Yen	Sen	Yen	Sen	Yen	Sen	mY	%	%
FY 3/14	-	0.00	-	17.50	17.50	2,913	55.9	9.5	
FY 3/15	-	0.00	-	18.00	18.00	2,999	86.3	9.0	
FY 3/16 (estimates)	-	0.00	-	18.00	18.00		85.0		

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

	Sales		Operating Profit		Recurring Profit		Net Profit		Net Profit Per Share Outstanding	
	mY	%	mY	%	mY	%	mY	%	Yen	Sen
2Q (1H FY 3/16)	34,800	8.7	0	-100.00	-50	-102.8	-50	-104.4		-0.30
Full Year	84,000	12.7	5,500	-10.5	5,350	-11.8	3,530	1.6		21.19

4. Other

- 1) Reclassification of significant subsidiaries during the period (Reclassification due to the change in scope of consolidation) : No
- 2) Changes in accounting principles, procedures and methods of presentation in consolidated financial statement
 - 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
- 3) Numbers of shares outstanding (Common stock)

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

	Shares		Shares
FY 3/15	169,046,400	FY 3/14	169,046,400

Number of treasury stock outstanding at end of year:

	Shares		Shares
FY 3/15	2,438,000	FY 3/14	2,578,000

Number of average shares for fiscal period:

	Shares		Shares
FY 3/15	166,476,833	FY 3/14	167,623,452

* 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.

(For Reference) Trend of Consolidated Cash Flow Indicator

	FY 3/12	FY 3/13	FY 3/14	FY 3/15
Capital Ratio (%)	55.2	58.1	64.2	65.4
Market Cap. based Capital Ratio (%)	201.9	313.2	237.3	187.1
Debt Redemption (Yr)	0.1	0.1	0.8	0.1
Interest Coverage Ratio	592.1	935.1	158.6	703.4

(Note) Capital Ratio : Capital / Total Assets

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

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

Interest Coverage Ratio : Operating Cash Flow / Interest Payment

(Accompanying data)

Consolidated Balance Sheet (Summary), Consolidated Profit and Loss Statement (Summary),
Consolidated Comprehensive Income Statement , Consolidated Statement of Changes in
Shareholder's Equity, Consolidated Cash Flow Statement (Summary), Segment Information and Other
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 current fiscal year under review (April 1, 2014 to March 31, 2015), the business environment remained mixed in each region and business area. The domestic economy showed a gradual recovery after a consumption tax hike triggered a temporary decline. In the global economy, the U.S. continued to expand supported by positive trends in employment and strong consumer spending, but showed some weakness in corporations affected by a rapid decline in crude oil prices and appreciation of the U.S. dollar. The economy in Europe has remained sluggish due to the situation in Russia and Ukraine since last year, and in China the government has implemented a number of measures to support and manage the economy.

In foreign exchange, the yen exchange rate against main currencies remained weak. In the IT industry, there was substantial growth in mobile products, cloud computing and SNS (Social Networking Services), which has been driving 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 for the movie, comic and game application sectors are expanding into emerging countries such as Asian nations and South America. 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 sector is becoming fierce. In the Vertical Market Business, 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 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, while the low- and mid-end smartphone market is growing rapidly, especially in the emerging countries, the high-end smartphone market saw a slowdown, which led to a drastic change in industry structure. 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 order to accelerate the spread of digital pens, 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 not only expanded our product line for tablets in our Brand Business, but also developed the Active-ES (Active Electrostatic) pen, won customers with new models, and began preparing for mass production of our Active-ES pens.

Another of our focuses has been on restructuring the global supply chain and developing global IT infrastructures from a long-term perspective to support both our Brand Business, where globalization and e-commerce are rapidly progressing, and our Component Business, which requires rapid, flexible responses in production adjustment. Simultaneously, in order to enhance our global business, from April 2015 we have shifted the previously region-based organization into Global Business Unit structure of a customer segment-based one, under which we aim to strengthen our corporate governance.

In April 2014 we announced our revised Medium-term Business Plan (for the four-year period from April 2013 to March 2017). Following subsequent rapid changes in the business environment, however, we reviewed our financial goals and created a new revised "Wacom Strategic Business Plan: SBP-2019" (for the four-year period from April 2015 to March 2019). We will work hard to build new business growth while maintaining our basic policy of expanding our business platform from PC to mobile and cloud, creating new business and growing existing ones. 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 we aim to increase our corporate value.

For the year ended March 31, 2015, consolidated net sales decreased 5.1% to ¥74,557 million, operating income decreased 29.0% to ¥6,143 million, ordinary income decreased 26.8% to ¥6,065 million, and net income decreased 33.8% to ¥3,473million.

Segment results

1. Brand business

Sales exceeded the previous fiscal year, owing to the release of new stylus models, growth in the Vertical Market Business, and the weak yen, which offset downturns in the Russian and Ukrainian markets, price declines of existing stylus models due to tougher competition, and a slowdown of sales of Display products.

<The Creative Business>

○Pen tablets

Sales exceeded the previous fiscal year owing to sales increases driven by promotion measures such as the global holiday campaign, while confusion among users caused by brand integration of *Intuos* (formerly *Bamboo*) had a negative impact on sales during the first half.

○Mobile products

OS installed tablets, *Cintiq Companion* with Windows 8 Pro and *Cintiq Companion Hybrid* with Android 4.2, were launched in the previous fiscal year and contributed to a steady expansion of sales. *Intuos Creative Stylus 2*, launched in September for iPads with pen pressure detection, gained a positive reputation for its thinner tip, which provides increased visibility and intricate detail for sketching and drawing, and contributed to a sales increase. In February, we launched the second generation high performance mobile *Cintiq Companion 2* which can be used both as a mobile and as a LCD pen tablet connecting to PC.

○Display products

Cintiq 22HD (22 inches) recorded favorable sales growth, but sales slowed for *Cintiq 13HD* (13 inches) in the second year after being launched, and *Cintiq24HD* (24 inches) and *Cintiq 24HD Touch* in the fourth year after being launched. In February we launched new display products *Cintiq 27QHD* (27 inches) and *Cintiq 27QHD Touch*, and in March we launched *Cintiq 13 HD Touch* (13 inches). Helped by new products and a weaker yen, total sales of Cintiq series products exceeded the previous fiscal year.

<The Consumer Business>

In September, we unveiled the third-generation *Bamboo Stylus solo* and *Bamboo Stylus duo* for touchscreens and paper with durable carbon fiber nibs to allow smooth navigation. At the same time, the *Bamboo Stylus fineline* for iPads with advanced fine tip, which recreates the natural writing experience of pen on paper, was also launched. These new products contributed to sales. Meanwhile, sales of existing stylus products and *Bamboo Pad*, a wireless touch pad, decreased due to price reductions and intensifying competition. As a result, total sales fell below the same period of the previous fiscal year.

<The Vertical Market Business>

Sales increased substantially for solutions in finance and retail industries in the Eurozone and Latin America, with *DTU-1031*(LCD pen tablet), and *STU- 430 and STU-530* (LCD signature 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. This was 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 and slow sales of display products in the Creative Business, despite new products in the Consumer Business and mobile products in the Creative Business contributing to sales. In Asia and Oceania, sales increased significantly owing to favorable sales in the Creative Business and the Vertical Market Business, particularly in China and Korea.

As a result, overall sales in the Brand Business category for the fiscal year ended March 31, 2015 increased 12.0% to ¥43,625 million, and operating income increased 14.4% to ¥5,965 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 orders of pen component shipments for major tablet manufacturers such as Samsung.

<Pen sensor systems for smartphones>

After a few months of unexpected delay, the mass production of Samsung’s Galaxy Note 4 started in 3Q , and we recorded favorable shipments of products. However, these slowed in March and overall sales fell below the previous fiscal year.

<Pen sensor systems for tablets>

The adoption of our pen sensor systems expanded steadily among major tablet manufacturers. However, shipments for major tablet manufacturers decreased rapidly, resulting in substantial sales decrease. In response to diversifying demands of tablet users, we developed the Active-ES pen, a new and original Wacom technology, which was highly appraised by the market, and we initiated commercial production for newly-won projects.

<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, as well as the influence of manufacturer model transitions.

Overall sales in the Component Business category for the fiscal year ended March 31, 2015 decreased 22.4% to ¥30,277 million, and operating income decreased 30.4% to ¥4,642 million.

3. Other business (the Software business)

Sales for the fiscal year ended March 31, 2015 remained stable and at the same level as the previous fiscal year owing to large-scale orders of a new product *E-CAD dio DCX R1*, and continuation of replacement demand stemming from the end of Windows XP support from the previous fiscal year.

Overall sales in the Other Business category for the fiscal year under review increased 0.2% to ¥655 million, and operating income decreased 55.0% to ¥55 million.

Consolidated results forecast

In the fiscal year from April 1, 2015 to March 31, 2016, Wacom forecasts that the global economy as a whole will see a modest growth trend. However this trend may be accompanied by uncertainties and influences such as the Russia-Ukraine conflict, the risk of an economic slowdown in China, and the impact of the rapid decline in crude oil prices on U.S. corporations. Japan is expected to be on track for a modest growth recovery after the April 2014 consumption tax hike.

Under the assumptions described above, Wacom will actively promote new product launches and develop new technologies and business for future growth and competitiveness to restore sales growth. Wacom has also been focusing on investments for restructuring the global supply chain and other projects to strengthen corporate structure and platform. We forecast the above mentioned investment cost to reach its peak in the fiscal year ending March, 2016, leading to a temporary decrease in operating profit and recurring profit.

The company assumes an average foreign exchange rate of ¥110 per 1 U.S. dollar and ¥130 per 1 euro for the fiscal year ending March 2016.

Consolidated net sales are expected to increase 12.7% to ¥84,000 million, operating profit to increase 10.5% to ¥5,500 million, recurring profit to increase 11.8% to ¥5,350 million, net profit to increase 1.6% to ¥3,530 million, and return on equity to increase 0.1% to 10.5%.

In the Creative Business area in our Brand Business segment, which forms Wacom's core business, the company will promote sales of display and mobile products newly launched in 4Q of the fiscal year ended March 31, 2015, and expand its product line by launching new pen tablet products. In Consumer Business, the company will renovate the current product line of the *Bamboo Stylus* series by launching new products, and strive to capture new customers by enhancing brand marketing. In the Business Solution area (formerly Vertical Market Business), the

company will strive for further growth in digital documentation control and the workflow solution field in addition to expanding further into the financial and distribution fields.

With the above mentioned plans and activities, sales in the Brand Business category for the fiscal year ending March 31, 2016 are expected to increase 15.3% to ¥50,300 million and operating profit to increase 55.6% to ¥9,280 million.

In the Technology Solution business (formerly Component Business), the company will strive to gain new customers, develop more advanced technologies for existing customers, and launch new products based on our new “Active ES” technology to offset the sharp drop in sales in the smartphone and tablet market.

With the above mentioned activities, sales in the Technology Solution business category for the fiscal year ending March 31, 2016 are expected to increase 9.0% to ¥33,000 million and operating profit to decrease 1.5% to ¥4,570 million.

In the Engineering Solution business (formerly Software Business) within Other Business, Wacom plans to enhance sales of *ECAD dio 2015*, in addition to developing a new CAD-based product with design functions for electronic design as the latest model of the current series. Through these sales activities, we will actively promote solution-based proposals to the mechatronics market and existing areas. As a result of the above, sales in the Engineering solution category for the fiscal year ending March 31, 2016 are expected to increase 6.9% to ¥700 million and operating profit to increase 8.8% to ¥60 million.

Note (1): Forward-looking statements regarding future events and performance contained in this document 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.

Note (2): In accordance with the Global Organization Reform announced on March 30, 2015, 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 (Old)	From April 1, 2015 (New)	Change of the name
Brand Business	Brand Business	No
Creative Business	Creative Business	No
Consumer Business	Consumer Business	No
Vertical Market Business	Business Solution	Yes
Component Business	Technology Solution	Yes
Software Business	Engineering Solution	Yes

Consolidated financial position

1. Assets, Liabilities, and Net Assets

Total assets as of March 31, 2015 increased by ¥598 million to ¥51,457 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥1,293 million in cash and deposits, an increase of ¥2,447 million in software in progress, a decrease of ¥1,512 million in notes and accounts receivable, a decrease of ¥488 million in short-term deferred tax asset, a decrease of ¥1,027 million in investments in securities.

Total liabilities as of March 31, 2015 decreased by ¥462 million to ¥17,598 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥610 million in accrued expenses, an increase of ¥61 million in provision for bonuses, an increase of ¥45 million in net defined benefit liability and a decrease of ¥1,315 million in income taxes payable.

Total net assets increased by ¥1,060 million to ¥33,859 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥3,473 million in net profit, an increase of ¥745 million in foreign currency translation adjustment and a decrease of ¥2,913 million in the payment for shareholder's dividends.

As a result, the capital ratio increased by 1.2 points to 65.4% compared to the end of the previous fiscal year.

2. Cash Flow

Consolidated cash and cash equivalents for the fiscal period ended March 31, 2015 totaled ¥16,687 million, a ¥1,293 million increase from the end of the previous fiscal year. (A ¥6,202 million decrease over the same previous fiscal period)

Cash Flow from Operating Activities

Cash flow from operating activities during the fiscal period ended March 31, 2015 was ¥6,782 million (¥734 million generated in the same previous fiscal period). The main factors contributing to cash inflow were an increase of ¥5,107 million in income before income taxes and minority, an increase of ¥1,970 in depreciation, and a ¥1,804 million decrease in notes and accounts receivable – trade. The main factors contributing to cash outflow were a ¥2,457 million increase in income taxes paid.

Cash Flow from Investing Activities

Cash flow from investing activities during the fiscal period ended March 31, 2015 was ¥3,278 million (compared to ¥4,416 million used in the previous comparable period). The primary contributing factors were a ¥762 million purchase of tangible assets such as equipment and molds, and a ¥2,576 million purchase of ERP system software and other such items for the global IT infrastructure.

Cash Flow from Financing Activities

Cash flow from financing activities during the fiscal period ended March 31, 2015 was ¥2,850 million (compared to ¥3,255 million used in the previous comparable period). The primary contributing factor was a ¥2,905 million payment for shareholders' dividends.

Dividend payout policy and dividend for the fiscal year ended March 31, 2015

The Company's dividend payout policy aims to maintain stable payouts while ensuring future business development and reinforcing our financial base. The dividend payout ratio is targeted to maintain a level of 40% or more on a consolidated basis to attract global investment.

Shares repurchase are considered flexibly, taking into account the current and expected environment to maintain a flexible capital strategy effective in a variety of business situations.

In accordance with the above policy, the Board of directors has decided to pay a dividend of ¥18.00 per share. As a result, the payout ratio for the fiscal year ended March 31, 2015 is 86.3%.

The dividend for the fiscal year ending March 31, 2016 is estimated to be ¥18.00 per share with an estimated payout ratio of 85.0%.

Corporate management policy

1. Background of the new Wacom Medium-term Business Plan 2015-2018

In April 2014, we revised and announced the New Medium-term Business Plan: WAP1215 (for the three-year period from April 2014 to March 2017), which maintained our basic strategy for global business growth and reflected the changing market trends. However, due to dramatic changes in the business environment, we were forced to revise our plan and formulate the new Wacom Medium-term Business Plan 2015-2018 (for the four-year period from April 2015 to March 2019) with new corporate goals centered on the business trend toward mobile products and cloud. We aim to explore and create new global markets, and strengthen our current technologies under our new global organization. Our financial goals are to achieve consolidated net sales of ¥120 billion, consolidated operating profit ratio of 12 % and consolidated return on equity of over 20% by the fiscal year ending March 31, 2019.

2. Outline of the new Wacom Medium-term Business Plan 2015-2018

Basic Strategy

- (1) Evolve business toward mobile products and cloud
- (2) Accelerate growth through the new global business organization and enhanced global integration
- (3) Accelerate Creative Business with mobile product line expansion, 3D penetration and emerging market investment
- (4) Reach new consumer users with digital stationery and cloud integration

- (5) Expand Technology Solution (formerly Component Business) with Active ES and WILL
- (6) Enhance business workflow and security solutions by leveraging WILL and digital signature solutions
- (7) Leverage global business systems for efficiency, speed and profitability

Concrete measures

Our growth strategy is centered on accelerating the growth of both Brand Business and Technology Solution in correspondence with the recent rapid changes in business platforms. To support and realize the steady growth of both businesses in the future, we have reformed and reorganized our previously region-based organization to a global customer segment-based one, and have invested in developing a global IT infrastructure.

(1) Evolve business toward mobile products and cloud

We plan to expand our product line by shifting our focus away from products for conventional PCs, and establishing an ecosystem that combines the mobile information device market with cloud-based applications and services, in order to correspond to the needs of new IT platforms of smartphones spreading through the markets, mobile information devices like tablets, and cloud computing.

(2) Accelerate growth through a new global business organization and enhanced global integration

To realize further growth through a globally integrated business, we shifted the previously region-based global business unit structure into a customer segment-based organization in April, 2015, under which we aim to drive our customer segment-based strategy and accelerate business growth.

(3) Accelerate Creative Business with mobile product line expansion, 3D penetration and emerging market investment

In March, 2014 we released our first mobile products as a new product line, in addition to existing product lines that connect to a PC. We foresee future growth in the mobile product market, and aim to develop and launch new models to correspond to this fast growing market.

We are also focused on 3D modeling, 3D industrial design and 3D printing, which are the most promising and evolving fields within the digital design market. Furthermore, we will develop and launch new products to meet the demand of growing markets in emerging markets such as China, India and Latin America.

Through these activities, we aim to expand and grow our Creative Business going forward.

(4) Reach new consumers with digital stationery and cloud integration

The rapid spread and development of mobile information devices and SNS in recent times has increased the creativity and mobility of consumers. In addition to smartphones and tablets, there is an increasing need for new digital stationery that allows users to write down ideas intuitively like

they would use conventional pen and paper. We plan to establish our own ecosystem for developing new digital stationery integrated with cloud computing, and create a completely new consumer market.

In addition, we plan to not only raise brand recognition to consumers, but also create a user community by making the best use of global web communication.

(5) Expand Technology Solution (formerly Component Business) with Active ES and WILL

In the Technology Solution business, our “Active ES” pens based on new electronic technology started mass production and attracted the attention of many customers. Through our collection of products using conventional EMR technology and the new Active ES technology, we can provide a variety of choices for our customers, and create and expand future markets.

We developed “WILL (Wacom Ink Layer Language)”, a new digital ink technology that standardizes digital ink data and can exchange data interactively over different OSs.

Through these activities, we will promote and spread the potential of digital ink and expand the Technology Solution business.

(6) Enhance business workflow and security solutions by leveraging WILL and digital signature solutions

We have focused on the need for more efficient workflow and better security, with the aim of expanding the Business Solution market, which showed significant growth in FY03/2015. We will reinforce and advance our signature solutions by utilizing WILL and signature authentication technology, as well as digital signature tablet products to provide faster, more efficient and secure workflow solutions to the market.

We will also expand our Business Solution market by providing software and hardware integrated solutions for finance and retail industries.

(7) Leverage global business system for efficiency, speed and profitability

We have been focusing our efforts on restructuring the global supply chain and developing a global IT infrastructure, such as e-commerce. With these activities, we aim to achieve higher profitability by dramatically improving the efficiency, speed and cost of our entire business process, from production to sales and customer support.

Please note that due to unknown risks and uncertainties involved in the market forecast and customer trends of the Technology Solution business, forward-looking statements may differ materially from the actual results in the short-term. We aim to minimize the above uncertainties and risks by expanding layer of new customer leading more stable corporate management.

(Accompanying data)

1. Summary of Consolidated Balance Sheet

(Unit : '000¥)

	FY 3/14 (as of Mar.31, 2014)	FY 3/15 (as of Mar.31, 2015)
Assets		
Current assets		
Cash and deposits	15,393,939	16,686,619
Notes and accounts receivable - trade	11,388,120	9,875,726
Merchandise and finished goods	7,161,410	7,701,801
Work in process	357,618	400,084
Raw materials and supplies	1,810,948	2,114,966
Deferred tax assets	1,717,556	1,229,497
Other	2,295,018	2,220,080
Allowance for doubtful accounts	-51,210	41,268
Total current assets	40,073,399	40,187,505
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,061,861	3,382,821
Accumulated depreciation	-2,097,615	-1,696,836
Buildings and structures, net	1,964,246	1,685,985
Machinery, equipment and vehicles	890,476	1,104,298
Accumulated depreciation	-264,048	-397,792
Machinery, equipment and vehicles,	626,428	706,506
Tools, furniture and fixtures	3,735,947	3,937,461
Accumulated depreciation	-2,452,038	-2,912,270
Tools, furniture and fixtures, net	1,283,909	1,025,191
Land	1,457,489	1,190,703
Total property, plant and equipment	5,332,072	4,608,385
Intangible assets		
Goodwill	3,608	-
Software in progress	812,098	3,259,519
Other	2,406,275	2,182,317
Total intangible assets	3,221,981	5,441,836
Investments and other assets		
Investment securities	1,614,624	587,290
Deferred tax assets	41,081	55,678
Other	595,696	654,045
Allowance for doubtful accounts	-19,696	-77,882
Total investments and other assets	2,231,705	1,219,131
Total non-current assets	10,785,758	11,269,352
Total assets	50,859,157	51,456,857

(Unit: '000¥)

	FY 3/14 (as of Mar.31, 2014)	FY 3/15 (as of Mar.31, 2015)
Liabilities		
Current liabilities		
Accounts payable - trade	9,429,820	9,203,455
Short-term loans payable	600,000	600,000
Accrued expenses	1,995,478	2,605,243
Income taxes payable	1,928,931	613,674
Provision for bonuses	484,443	545,810
Provision for directors' bonuses	59,137	59,270
Other	1,741,685	2,252,775
Total current liabilities	16,239,494	15,880,227
Non-current liabilities		
Deferred tax liabilities	425,348	206,397
Net defined benefit liability	768,278	813,059
Asset retirement obligations	151,369	152,845
Other	475,340	545,359
Total non-current liabilities	1,820,335	1,717,660
Total liabilities	18,059,829	17,597,887
Net assets		
Shareholders' equity		
Capital stock	4,203,469	4,203,469
Capital surplus	7,563,702	7,550,743
Retained earnings	21,710,864	22,318,906
Treasury shares	-1,538,697	-1,455,137
Total shareholders' equity	31,939,338	32,617,981
Accumulated other comprehensive income		
Valuation difference on available-for-sale	416,116	27,370
Foreign currency translation adjustment	323,810	1,068,558
Remeasurements of defined benefit plans	-27,772	-35,573
Total accumulated other comprehensive	712,154	1,060,355
Subscription rights to shares	147,836	180,634
Total net assets	32,799,328	33,858,970
Total liabilities and net assets	50,859,157	51,456,857

2. Summary of Consolidated Profit & Loss Statement

(Unit: '000¥)

	FY 3/14 (Apr.1,2013 to Mar.31,2014)	FY 3/15 (Apr.1,2014 to Mar.31,2015)
Net sales	78,615,309	74,557,460
Cost of sales	48,684,206	44,507,160
Gross profit	29,931,103	30,050,300
Selling, general and administrative expenses	21,268,011	23,907,631
Operating income	8,663,092	6,142,669
Non-operating income		
Interest income	45,877	59,772
Other	43,840	57,808
Total non-operating income	89,717	117,580
Non-operating expenses		
Interest expenses	4,627	9,652
Foreign exchange losses	392,803	168,004
Refund of Value-added Taxes of Overseas	53,367	—
Other	19,601	17,981
Total non-operating expenses	470,398	195,637
Ordinary income	8,282,411	6,064,612
Extraordinary income		
Gain on sales of property, plant and equipment	1,621	1,894
Gain on reversal of subscription rights to	385	6,792
Other	—	21
Total extraordinary income	2,006	8,707
Extraordinary losses		
Loss on sales of property, plant and equipment	3,733	461,483
Loss on retirement of property, plant and equipment	9,915	11,802
Loss on sales of investment securities	—	9,179
Loss on valuation of investment securities	—	316,170
Business structure improvement expenses	—	167,286
Other	2,124	704
Total extraordinary losses	15,772	966,624
Income before income taxes and minority interests	8,268,645	5,106,695
Income taxes – current	3,449,653	1,126,549
Income taxes – deferred	-429,770	507,002
Total income taxes	3,019,883	1,633,551
Income before minority interests	5,248,762	3,473,144
Net income	5,248,762	3,473,144

3. Consolidated Comprehensive Income Statement

(Unit: '000¥)

	FY 3/14 (Apr.1,2013 to Mar.31,2014)	FY 3/15 (Apr.1,2014 to Mar.31,2015)
Income before minority interests	5,248,762	3,473,144
Other comprehensive income		
Valuation difference on available-for-sale securities	392,475	-388,746
Foreign currency translation adjustment	1,157,835	744,748
Remeasurements of defined benefit plans, net of tax	—	-7,801
Total other comprehensive income	1,550,310	348,201
Comprehensive income	6,799,072	3,821,345
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,799,072	3,821,345
Comprehensive income attributable to minority interests	—	—

4. Consolidated Statement of Changes in Shareholder's Equity

FY3/14 (Apr. 1, 2013 to Mar. 31, 2014)

(Unit: '000 Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stocks	Total Shareholders' Equity
Balance at Beginning of Term	4,203,469	7,573,104	18,353,830	-204,205	29,926,198
Changes in FY					
Distribution of Retained earnings			-1,891,728		-1,891,728
Net Profit			5,248,762		5,248,762
Purchase of Treasury Stock				-1,436,579	-1,436,579
Disposal of Treasury Stock		-9,402		102,087	92,685
Net changes of items other than shareholders' equity					
Total Amount of Changes	—	-9,402	3,357,034	-1,334,492	2,013,140
Balance at End of Term	4,203,469	7,563,702	21,710,864	-1,538,697	31,939,338

	Accumulated Other Comprehensive Income				Subscription Rights to Shares	Total Net Assets
	Valuation difference on available-for-sale securities	Foreign Currency Transaction Adjustment	Remeasurements of defined benefit plans	Total Accumulated Other Comprehensive Income		
Balance at Beginning of Term	23,641	-834,025	—	-810,384	95,719	29,211,533
Changes in FY						
Distribution of Retained earnings						-1,891,728
Net profit						5,248,762
Purchase of Treasury Stock						-1,436,579
Disposal of Treasury Stock						92,685
Net changes of items other than shareholders' equity	392,475	1,157,835	-27,772	1,522,538	52,117	1,574,655
Total Amount of Changes	392,475	1,157,835	-27,772	1,522,538	52,117	3,587,795
Balance at End of Term	416,116	323,810	-27,772	712,154	147,836	32,799,328

FY3/15 (Apr. 1, 2014 to Mar. 31, 2015)

(Unit: '000 Yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stocks	Total Shareholders' Equity
Balance at Beginning of Term	4,203,469	7,563,702	21,710,864	-1,538,697	31,939,338
Changes in FY					
Distribution of Retained earnings			-2,913,197		-2,913,197
Net Profit			3,473,144		3,473,144
Purchase of Treasury Stock					
Disposal of Treasury Stock		-12,959		83,560	70,601
Net changes of items other than shareholders' equity					
Total Amount of Changes		-12,959	559,947	83,560	630,548
Balance at End of Term	4,203,469	7,550,743	22,318,906	-1,455,137	32,617,981

	Accumulated Other Comprehensive Income				Subscription Rights to Shares	Total Net Assets
	Valuation difference on available-for-sale securities	Foreign Currency Transaction Adjustment	Remeasurements of defined benefit plans	Total Accumulated Other Comprehensive Income		
Balance at Beginning of Term	416,116	323,810	-27,772	712,154	147,836	32,799,328
Changes in FY						
Distribution of Retained earnings						-2,913,197
Net profit						3,473,144
Purchase of Treasury Stock						
Disposal of Treasury Stock						70,601
Net changes of items other than shareholders' equity	-388,746	744,748	-7,801	348,201	32,798	380,999
Total Amount of Changes	-388,746	744,748	-7,801	348,201	32,798	1,011,547
Balance at End of Term	27,370	-1,068,558	-35,573	1,060,355	180,634	33,858,970

5. Summary of Consolidated Cash Flow Statement

(Unit: '000¥)

	FY 3/14 (Apr.1,2013 to Mar.31,2014)	FY 3/15 (Apr.1,2014 to Mar.31,2015)
Cash flows from operating activities		
Income before income taxes and minority interests	8,268,645	5,106,695
Depreciation	1,811,923	1,970,162
Share-based compensation expenses	74,804	54,959
Increase (decrease) in allowance for doubtful accounts	29,457	46,405
Increase (decrease) in provision for bonuses	-414,487	51,049
Increase (decrease) in provision for directors' bonuses	-116,250	-1,765
Increase (decrease) in net defined benefit liability	157,595	83,402
Interest income	-45,877	-59,772
Interest expenses	4,627	9,652
Foreign exchange losses (gains)	-356,893	-228,194
Loss (gain) on sales of property, plant and equipment	2,112	459,589
Loss on retirement of property, plant and equipment	9,915	11,802
Loss (gain) on sales of investment securities	—	9,179
Loss (gain) on valuation of investment securities	—	316,170
Decrease (increase) in notes and accounts receivable – trade	1,396,307	1,804,282
Decrease (increase) in inventories	-3,148,548	-545,826
Increase (decrease) in notes and accounts payable – trade	-2,665,132	-590,219
Other, net	-539,154	693,184
Subtotal	4,469,044	9,190,754
Interest income received	45,466	57,879
Interest expenses paid	-4,626	-9,642
Income taxes paid	-3,776,043	-2,456,758
Net cash provided by (used in) operating activities	733,841	6,782,233
Cash flows from investing activities		
Payments into time deposits	-7,000,000	—
Proceeds from withdrawal of time deposits	7,000,000	—
Purchase of property, plant and equipment	-1,909,639	-762,060
Purchase of intangible assets	-16,649	—
Purchase of software	-1,447,145	-2,576,225
Purchase of investment securities	-784,620	—

Proceeds from sales of property, plant and equipment	8,052	247,326
Proceeds from sales of investment securities	—	84,643
Acquisitions of Business	—	-274,321
Other, net	-265,971	2,873
Net cash provided by (used in) investing activities	-4,415,972	-3,277,764
Cash flows from financing activities		
Increase in short-term loans payable	—	2,000,000
Decrease in short-term loans payable	—	-2,000,000
Purchase of treasury shares	-1,438,734	—
Proceeds from disposal of treasury shares	70,037	55,066
Cash dividends paid	-1,886,671	-2,904,584
Net cash provided by (used in) financing activities	-3,255,368	-2,849,518
Effect of exchange rate change on cash and cash equivalents	735,009	637,729
Net increase (decrease) in cash and cash equivalents	-6,202,490	1,292,680
Cash and cash equivalents at beginning of period	21,596,429	15,393,939
Cash and cash equivalents at end of period	15,393,939	16,686,619

6. Segment Information and Other information

a. Segment Information

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

FY 3/14 (April 1, 2013 – March 31, 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	38,960,243	39,001,590	77,961,833	653,476	78,615,309	—	78,615,309
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	38,960,243	39,001,590	77,961,833	653,476	78,615,309	—	78,615,309
Segment Profit or Loss (-)	5,214,140	6,666,914	11,881,054	122,526	12,003,580	-3,340,488	8,663,092
Segment Total Assets	22,492,099	11,685,138	34,177,237	556,850	34,734,087	16,125,070	50,859,157
Other items							
Depreciation	1,029,240	409,573	1,438,813	175,260	1,614,073	176,198	1,790,271
Amortization in Goodwill	—	21,652	21,652	—	21,652	—	21,652
Increase in Tangible fixed Assets and Intangible fixed Assets	876,456	947,021	1,823,477	115,738	1,939,215	1,525,115	3,464,330

(Note) 1. “Other businesses” consist of Software business.

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

3. “Segment Profit” is adjusted for “Operating Profit”.

FY 3/15(April 1, 2014 – March 31, 2015)

(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	43,625,486	30,277,172	73,902,658	654,802	74,557,460	—	74,557,460
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	43,625,486	30,277,172	73,902,658	654,802	74,557,460	—	74,557,460
Segment Profit or Loss (-)	5,964,586	4,641,641	10,606,227	55,126	10,661,353	-4,518,684	6,142,669
Segment Total Assets	22,833,877	9,874,196	32,708,073	577,897	33,285,970	18,170,887	51,456,857
Other items							
Depreciation	1,061,695	469,273	1,530,968	159,224	1,690,192	276,362	1,966,554
Amortization in Goodwill	—	3,608	3,608	—	3,608	—	3,608
Increase in Tangible fixed Assets and Intangible fixed Assets	705,655	462,305	1,167,960	187,883	1,335,843	2,726,334	4,082,177

(Note) 1. “Other businesses” consist of Software business.

2. The above "Adjustment" in "Segment Profit" is mainly the cost of financial and general affairs departments which are not included in the reportable segments.
3. "Segment Profit" is adjusted for "Operating Profit".

b. Related Information

FY 3/14 (April 1, 2013 – March 31, 2014)

[Information by products and services]

Ditto (substitution with the above reportable segment information)

[Sales]

(Unit: '000 Yen)

Japan	US	Europe	Asia & Oceania	Others	Total
13,606,963	12,218,149	12,205,008	39,283,992	1,301,197	78,615,309

(Notes) The above sales are classified by countries or regions based on customer's location

[Tangible fixed assets]

(Unit: '000 Yen)

Japan	US	Europe	Asia & Oceania	Total
3,480,224	676,048	245,906	929,894	5,332,072

[Information of each major customer]

(Unit: '000 Yen)

Name of Major Customer	Sales	Related Segment
SAMSUNG GROUP	29,340,681	Component Business

(Notes) Samsung Group includes Samsung Electronics, Samsung Electronics Vietnam, and Samsung Electronics Huizhou.

FY 3/15 (April 1, 2014 – March 31, 2015)

[Information by products and services]

Ditto (substitution with the above reportable segment information)

[Sales]

(Unit: '000 Yen)

Japan	US	Europe	Asia & Oceania	Others	Total
11,098,067	12,005,856	13,853,181	34,761,142	2,839,214	74,557,460

(Notes) The above sales are classified by countries or regions based on customer's location

[Tangible fixed assets]

(Unit: '000 Yen)

Japan	US	Europe	Asia & Oceania	Total
2,936,079	766,129	186,980	719,197	4,608,385

[Information of each major customer]

(Unit: '000 Yen)

Name of Major Customer	Sales	Related Segment
SAMSUNG GROUP	18,587,403	Component Business

(Notes) Samsung Group includes Samsung Electronics Vietnam, Samsung Electronics, Samsung Electronics Huizhou,

c. Impairment Loss in Fixed Assets by Segment

FY 3/14 (April 1, 2013 – March 31, 2014)

N/A

FY 3/15 (April 1, 2014 – March 31, 2015)

(Unit: '000 Yen)

	Brand business	Component business	Others	Internal Elimination	Total
Impairment Loss	—	316,170	—	—	316,170

d. Balance of Amortization and Unamortization in Goodwill

FY 3/14 (April 1, 2013 – March 31, 2014)

(Unit: '000 Yen)

	Brand business	Component business	Others	Internal Elimination	Total
Balance at End of Term	—	3,608	—	—	3,608

FY 3/15 (April 1, 2014 – March 31, 2015)

N/A

e. Balance of Amortization in Gain on Negative Goodwill

FY 3/14 (April 1, 2013 – March 31, 2014)

N/A

FY 3/15 (April 1, 2014 – March 31, 2015)

N/A

FY 3/2015 Summary of Consolidated Financial Results
from April 1, 2014 to March 31, 2015

(1) Business Performance

	FY 3/14	FY 3/15	YOY Change	
	Result	Result	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Sales	78,615	74,557	-4,058	-5.2%
Operating Profit	8,663	6,143	-2,520	-29.1%
<i>(Operation Profit Margin)</i>	11.0%	8.2%		
Recurring Profit	8,282	6,065	-2,217	-26.8%
<i>(Recurring Profit Margin)</i>	10.5%	8.1%		
Net Profit	5,249	3,473	-1,776	-33.8%
<i>(Net Profit Margin)</i>	6.7%	4.7%		
P/L FX Rate (Average in the Term)	JPY	JPY	JPY	
<i>(US Dollar)</i>	100.00	110.03	10.03	10.0%
<i>(Euro)</i>	134.01	138.68	4.67	3.5%

(2) Sales by Business Segment

	FY 3/14	FY 3/15	YOY Change	
	Result	Result	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Brand business				
Sales	38,960	43,625	4,665	12.0%
Operating Profit	5,214	5,965	751	14.4%
<i>(Operation Profit Margin)</i>	13.4%	13.7%		
Component business				
Sales	39,002	30,277	-8,725	-22.4%
Operating Profit	6,667	4,642	-2,025	-30.4%
<i>(Operation Profit Margin)</i>	17.1%	15.3%		
Other business				
Sales	653	655	2	0.2%
Operating Profit	123	55	-68	-55.0%
<i>(Operation Profit Margin)</i>	18.7%	8.4%		

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

(3) Sales by Product Lines

	FY 3/14	FY 3/15	YOY Change	
	Result	Result	Amount	Ratio
<i>(by Subsidiaries)</i>	mil JPY	mil JPY	mil JPY	
Brand business	38,960	43,625	4,665	12.0%
Creative business	33,334	36,480	3,146	9.4%
Pen tablets	20,664	21,981	1,317	6.4%
<i>(Japan)</i>	2,907	2,754	-153	-5.3%
<i>(U.S.)</i>	6,597	6,990	393	6.0%
<i>(Germany)</i>	6,495	6,500	5	0.1%
<i>(Asia-Oceania)</i>	4,665	5,737	1,072	23.0%
Mobiles	2,871	3,909	1,038	36.2%
<i>(Japan)</i>	523	686	163	31.1%
<i>(U.S.)</i>	1,084	1,508	424	39.2%
<i>(Germany)</i>	779	969	190	24.5%
<i>(Asia-Oceania)</i>	485	746	261	53.7%
Displays	9,799	10,590	791	8.1%
<i>(Japan)</i>	2,217	1,919	-298	-13.4%
<i>(U.S.)</i>	3,793	4,229	436	11.5%
<i>(Germany)</i>	2,670	2,964	294	11.0%
<i>(Asia-Oceania)</i>	1,119	1,478	359	32.1%
Consumer business	1,691	1,554	-137	-8.1%
<i>(Japan)</i>	148	244	96	64.5%
<i>(U.S.)</i>	607	669	62	10.3%
<i>(Germany)</i>	753	494	-259	-34.4%
<i>(Asia-Oceania)</i>	183	147	-36	-19.6%
Vertical market business	3,935	5,591	1,656	42.1%
<i>(Japan)</i>	1,130	874	-256	-22.7%
<i>(U.S.)</i>	413	517	104	25.3%
<i>(Germany)</i>	1,971	3,605	1,634	82.9%
<i>(Asia-Oceania)</i>	421	595	174	41.1%
Component business	39,002	30,277	-8,725	-22.4%
For smartphones	22,190	18,331	-3,859	-17.4%
For tablets	11,096	8,542	-2,554	-23.0%
For notebook PCs, etc.	5,716	3,404	-2,312	-40.4%
Other business	653	655	2	0.2%
CAD for electrical engineering	653	655	2	0.2%
<i>(Japan)</i>	653	655	2	0.2%
Total	78,615	74,557	-4,058	-5.2%

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", "Business products" is replaced by "Vertical market business".

(4) Sales by Subsidiaries

	<u>FY 3/14</u>	<u>FY 3/15</u>	<u>YOY Change</u>	
	Result	Result	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Japan	46,580	37,409	-9,171	-19.7%
<i>(Japan excluding Component business)</i>	7,578	7,132	-446	-5.9%
U.S.	12,493	13,914	1,421	11.4%
Germany	12,668	14,532	1,864	14.7%
Asia-Oceania	6,874	8,702	1,828	26.6%
Total	78,615	74,557	-4,058	-5.2%

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 included India until Aug. 2014, Taiwan area (after Feb. 2014), and India (after Sep. 2014).

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

	<u>FY 3/14</u>	<u>FY 3/15</u>	<u>YOY Change</u>	
	Result	Result	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Capital Expenditure	3,464	4,082	618	17.8%
Depreciation	1,812	1,970	158	8.7%
R&D Expenditure	2,863	3,180	317	11.1%

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

FY 3/2016 Summary of Financial Forecast (Consolidated)
from April 1, 2015 to March 31, 2016

(1) Forecast of Business Performance

	FY 3/15	FY 3/16	YOY Change	
	Full Year Results	Full Year Forecast	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Sales	74,557	84,000	9,443	12.7%
Operating Profit	6,143	5,500	-643	-10.5%
(Operation Profit Margin)	8.2%	6.5%		
Recurring Profit	6,065	5,350	-715	-11.8%
(Recurring Profit Margin)	8.1%	6.4%		
Net Profit	3,473	3,530	57	1.6%
(Net Profit Margin)	4.7%	4.2%		
P/L FX Rate (Average in the Term)	JPY	JPY	JPY	
(US Daller)	110.03	110.00	-0.03	0.0%
(Euro)	138.68	130.00	-8.68	-6.3%

(2) Sales Forecast by Business Segment

	FY 3/15	FY 3/16	YOY Change	
	Full Year Results	Full Year Forecast	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Branded business				
Sales	43,625	50,300	6,675	15.3%
Operating Profit	5,965	9,280	3,315	55.6%
(Operation Profit Margin)	13.7%	18.4%		
Technology solution business				
Sales	30,277	33,000	2,723	9.0%
Operating Profit	4,642	4,570	-72	-1.5%
(Operation Profit Margin)	15.3%	13.8%		
Other business				
Sales	655	700	45	6.9%
Operating Profit	55	60	5	8.8%
(Operation Profit Margin)	8.4%	8.6%		

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

(3) Sales Forecast by Product Lines

(by Product Lines)	FY 3/15	FY 3/16	YOY Change	
	Full Year Results	Full Year Forecast	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Branded business	43,625	50,300	6,675	15.3%
Creative business	36,480	41,100	4,620	12.7%
Pen tablets	21,981	23,300	1,319	6.0%
(Japan)	2,754			
(U.S.)	6,990			
(Germany)	6,500			
(Asia-Oceania)	5,737			
Mobiles	3,909	5,400	1,491	38.1%
(Japan)	686			
(U.S.)	1,508			
(Germany)	969			
(Asia-Oceania)	746			
Displays	10,590	12,400	1,810	17.1%
(Japan)	1,919			
(U.S.)	4,229			
(Germany)	2,964			
(Asia-Oceania)	1,478			
Consumer business	1,554	2,300	746	48.0%
(Japan)	244			
(U.S.)	669			
(Germany)	494			
(Asia-Oceania)	147			
Solution business	5,591	6,900	1,309	23.4%
(Japan)	874			
(U.S.)	517			
(Germany)	3,605			
(Asia-Oceania)	595			
Technology solution business	30,277	33,000	2,723	9.0%
For smartphones	18,331	18,500	169	0.9%
For tablets	8,542	10,500	1,958	22.9%
For notebook PCs	3,404	4,000	596	17.5%
Other business	655	700	45	6.9%
Engineering solution	655	700	45	6.9%
(Japan)	655	0	0	0.0%
Total	74,557	84,000	9,443	12.7%

Note) "Vertical market business" is renamed "Solution business" of the brand product business, "Component business" is renamed "Technology solution business", and "CAD for electrical engineering" is renamed "Engineering solution" of Other business from FY2015 ended on March, 2016.

(4) Sales by Subsidiaries

	<u>FY 3/15</u>	<u>FY 3/16</u>	<u>YOY Change</u>	Ratio
	Full Year Results	Full Year Forecast	Amount	
	mil JPY	mil JPY	mil JPY	
Japan	37,409	40,960	3,551	9.5%
(Japan excluding Component business)	7,132	7,960	828	11.6%
U.S.	13,914	16,550	2,636	18.9%
Germany	14,532	15,420	888	6.1%
Asia-Oceania	8,702	11,070	2,368	27.2%
Total	74,557	84,000	9,443	12.7%

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

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

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

	<u>FY 3/15</u>	<u>FY 3/16</u>	<u>YOY Change</u>	Ratio
	Full Year Results	Full Year Forecast	Amount	
	mil JPY	mil JPY	mil JPY	
Capital Expenditure	4,082	5,200	1,118	27.4%
Depreciation	1,970	2,500	530	26.9%
R&D Expenditure	3,180	4,000	820	25.8%

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