

Variance from the Forecast of Consolidated Financial Results for the First Half Ended September 30, 2016 and Revision of Forecasts of both Consolidated Financial Results and Dividend for the Full Fiscal Year Ending March 31, 2017 (FY2016)

Tokyo, November 9, 2016 ----- Today Wacom Co., Ltd. (the "Company") announced the variance from the forecast of its consolidated financial results for the first half ended September 30, 2016. In addition, the Company revised the forecasts of both its consolidated financial results and dividend for full year of FY2016 ending March 31, 2017, as indicated below. The previous forecasts of the above figures were announced and posted in Wacom's website on August 5, 2016.

1. Consolidated financial results and forecast

Variance from the forecast of consolidated financial results for the first half (H1) ended on September 30, 2016 (April 1 to September 30, 2016)

	Net sales (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net profit (millions of yen)	Net profit per share (yen)
Previously announced forecast (A)	34,180	-1,070	-1,140	-870	-5.31
Actual results (B)	33,797	-898	-1,021	-1,226	-7.48
Amount of changes (B-A)	-383	172	119	-356	
Percentage change (%: B to A)	-1.1	-	-	-	
(Reference) Results for the previous fiscal year (C)	38,956	2,053	2,098	1,261	7.62
Percentage change (%: B to C)	-13.2	-	-	-	-

Revision of consolidated financial forecast for full year of FY2016 (April 1, 2016 to March 31, 2017)

	Net sales (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net profit (millions of yen)	Net profit per share (yen)
Previously announced forecast (A)	77,900	2,400	2,300	1,620	9.89
Updated forecast (B)	70,300	-500	-650	-1,500	-9.24
Amount of changes (B-A)	-7,600	-2,900	-2,950	-3,120	
Percentage change (%: B to A)	-9.8	-	-	-	
(Reference) Results for the previous fiscal year (C)	77,568	3,664	3,777	2,310	14.00
Percentage change (%: B to C)	-9.4	-	-	-	-

Principal Reasons for the Variance and the Revisions

H1 of FY2016 (actual results):

Sales, operating income and ordinary income finally reached almost same level of the forecast, however, net profit attributable to owners of parent fell below the forecast due to partial reversal of deferred tax asset account responding to the revision for full year of the consolidated financial forecast announced on November 9, 2016.

Full year of FY2016 (forecast):

Sales forecast of Brand Business was revised downward from the previous forecast due to a delay of product development in several models in addition to advancing changes in the competitive environment, although sales expansion led by new model launches in major product lines is expected in the second half of the fiscal year.

Sales forecast of Technology Solution Business was also revised downward from the previous forecast, as demand for smartphones is estimated to decrease in response to a revision of our main customer's sales plan.

As a result, consolidated sales, operating income, ordinary income and net profit attributable to owners of parent were revised downward from the previous forecast.

2. Revision of dividend forecast

For the fiscal year ending March 31, 2017

	Annual dividend per share (yen)		
	After Q2 end	After FY end	FY total
Previously announced forecast (A)	0.00	12.00	12.00
Updated forecast (B)	0.00	6.00	6.00
(Reference) The current FY actual			
The previous FY actual	0.00	18.00	18.00

Principal Reasons for the Revision

The Company's dividend payout policy aims to maintain stable payouts while ensuring necessary retained earnings for future business development and sound financial base. Taking into account the downward revision of above-mentioned consolidated financial forecast, we decided to put high priority in ensuring sound financial base, and revised downward our dividend forecast for the current fiscal year by 6.00 yen per share from 12.00 yen to 6.00 yen.

Note: The above forecasts are based on currently available information and assumptions of uncertainties which can influence future results as of the announcement date. Please note that actual results could materially differ from these forecasted results due to various factors.

(*) This is translated to English from a Japanese announcement solely for convenience of non-Japanese readers.