

H1 FY 3/2019 Summary of Consolidated Financial Results

November 5, 2018

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

(Code Number: 6727 TSE1)

(URL <https://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. H1 FY 3/2019 Consolidated Financial Results (April 1, 2018 – September 30, 2018)

(1) Business Performance (Consolidated)

(Round off to mY)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	mY	%	mY	%	mY	%	mY	%
H1 FY 3/2019	46,263	13.7	2,734	82.1	2,912	77.4	1,975	18.0
H1 FY 3/2018	40,689	20.4	1,501	—	1,642	—	1,674	—

(Note) Comprehensive income H1 FY 3/2019 2,221 mY (6.4%) H1 FY 3/2018 2,088 mY (—%)

	Net Profit Per Share Outstanding		Net Profit Per Diluted Share	
	Yen	Sen	Yen	Sen
H1 FY 3/2019		12.16		12.16
H1 FY 3/2018		10.31		—

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
H1 FY 3/2019	61,863	23,933	38.7	147.25	
FY 3/2018	50,910	22,668	44.5	139.45	

(For Ref.) Capital: H1 FY3/2019 23,917 mY FY 3/2018 22,643 mY

2. Dividend

(Record date)	Dividend Per Share				
	Q1	Q2	Q3	End of FY	FY Total
FY 3/2018	Yen Sen -	Yen Sen 0.00	Yen Sen -	Yen Sen 6.00	Yen Sen 6.00
FY 3/2019	-	-			
FY 3/2019 (estimates)		0.00	-	6.00	6.00

Changes in dividend per share forecast of FY3/2019 : No

3. Consolidated Business Forecasts of FY 3/2019 (April 1, 2018 – March 31, 2019)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Net Profit per Share Outstanding
	mY	%	mY	%	mY	%	mY	%	Yen Sen
Full Year	89,000	8.2	4,000	13.4	3,920	9.4	2,980	26.2	18.35

Changes in Business Forecasts of FY 3/2019 : No

4. Other

- 1) Reclassification of significant subsidiaries during the period (Reclassification due to the change in scope of consolidation) : No
- 2) Adoption of specific accounting policies for quarterly financial statements : Yes
- 3) Changes in accounting principles, procedures and methods of presentation in consolidated financial statement
 - Changes resulting from revisions in accounting standards : No
 - Changes other than those above : No
 - Changes resulting from accounting estimates : No
 - Changes resulting from restatements : No
- 4) Numbers of shares outstanding (Common stock)

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

	Shares		Shares
H1 FY 3/2019	166,546,400	FY 3/2018	166,546,400

Number of treasury stock outstanding at end of year:

	Shares		Shares
H1 FY 3/2019	4,121,300	FY 3/2018	4,175,300

Number of average shares during the fiscal year:

	Shares		Shares
H1 FY 3/2019	162,398,543	H1 FY 3/2018	162,371,100

*Financial statements in this document are not subject to quarterly review procedures by auditing firm.

*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 Profit 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 first half of the fiscal year (April 1, 2018 to September 30, 2018), the IT industry saw technological innovation and improved convenience in mobile products, cloud computing, big data, and social media, in addition to an expansion of information networks and diversification of data sources through the use of IoT (Internet of Things). Compared to the average rate of the same period of the previous fiscal year, the yen strengthened against the dollar and weakened against the euro and the renminbi, reflecting views on world economy, monetary and trade policies of major countries. The estimated impact on the financial results due to currency fluctuations is as follows: a negative impact of approximately 300million yen on consolidated net sales and positive impact of approximately 100million yen on consolidated operating profit.

Under these circumstances, Wacom Group formulated its new Medium-Term Business Plan: "Wacom Chapter 2," which is being implemented from this fiscal year (fiscal year ending March 31, 2019) and through which we aim to achieve sustainable growth as a "Technology Company" by leveraging our leadership in markets associated with digital pen and ink technology. In the first half of the fiscal year ending March 31, 2019, our new management team continued to promote growth strategies for the future to further develop our business model in growing markets such as IoT, VR (Virtual Reality), MR (Mixed Reality), 3D printing, AI (Artificial Intelligence), and data security. Also, we implemented groupwide measures to improve productivity and cost structures through improved management decision-making.

In the Brand Business segment, we worked to enhance technological innovation and improve customer service to deliver the ultimate creative experience to each customer. In the Creative Business in the first half of the fiscal year, sales of pen tablet products were sluggish due to slower market penetration of mid- and low-priced models in a changing competitive environment. In addition, sales of mobile products declined as existing models entered in the later stages of their product life cycles. As a result, overall sales of the Brand Business segment slightly fell below the same period of the previous fiscal year.

In the Technology Solution Business segment, our effort to position our digital pen technologies with EMR (Electromagnetic Resonance) and Active-ES (electrostatic) as the de facto standard across OS platforms drove expansion in the adoption of digital pen technologies for tablet and notebook PC devices and business opportunities in the educational market. Under these circumstances, overall sales in the Technology Solution Business segment in the first half of the fiscal year significantly exceeded those of the same period of the previous fiscal year, owing to front-loaded demand for pen sensor systems for smartphones, tablets and notebook PCs.

To overcome corporate challenges outlined in the new Medium-Term Business Plan: "Wacom Chapter 2," we worked to reform our organization and operations and improve cost structures with a focus on profitability. In the first quarter of the fiscal year, from the viewpoint of operating efficiency and profitability, we reviewed our global ERP systems (software assets) and decided to retire some software assets to reduce SG&A expenses, posting a ¥142 million of loss on retirement of non-current assets. In addition, in the second quarter of the fiscal year, we also continued optimization of SG&A expenses, including assessing the timing and necessity of expenditures ahead of the year-end sales season, and reducing expenses related to global ERP systems. As a result, in the first half of the fiscal year ending March 31, 2019, the ratio of SG&A expenses to net sales was 28.1%, 6.8 points lower than the same period of the previous fiscal year.

For the first half of the fiscal year ending March 31, 2019, consolidated net sales increased 13.7% to ¥46,263 million, operating profit increased 82.1% to ¥2,734 million, ordinary profit increased 77.4% to ¥2,912 million, and net profit attributable to owners of parent increased 18.0% to ¥1,975 million.

Segment results

1. Brand Business

Creative Business

In the Creative Business, overall sales declined due to sales of major product lines falling below those of the same period of the previous fiscal year.

Pen Tablet products

Sales of the *Intuos Pro* series increased slightly, but sales of the *Intuos* series declined due to slower market penetration of new products launched in March 2018 due to a changing competitive environment. Sales of our emerging market model *One by Wacom* also remained sluggish relative to the same period of the previous fiscal year when Wacom acquired a significant number of new customers. As a result, overall sales of pen tablet products were lower than the same period of the previous fiscal year.

Display products

We strengthened the *Wacom Cintiq Pro* series product lineup during the first half of the fiscal year ending March 31, 2019. Meanwhile, supply of new display models did not sufficiently meet market demand, and, as a result, overall sales of display products were slightly lower than those of the same period of the previous fiscal year.

Mobile products

Dramatic changes in the competitive environment saw the market for tablet devices equipped with digital pen technology expand. Under these circumstances, sales of our major product *Wacom MobileStudio Pro* decelerated as it entered the later stage of its product life cycle. As a result, overall sales of mobile products were significantly lower than those of the same period of the previous fiscal year.

Consumer Business

Sales of our stylus product *Bamboo Ink*, developed in collaboration with Microsoft and optimized for Windows OS tablet devices, were lower than those of the same period of the previous fiscal year, with sales decelerating in the more than one year since the product's launch in June 2017. As a result, overall sales of the Consumer Business fell below those of the same period of the previous fiscal year.

Business Solution

Sales of *STU* series LCD signature tablets centered on financial institutions and *DT* series LCD pen tablets centered on educational institutions grew steadily in North America. As a result, overall Business Solution sales exceeded those of the same period of the previous fiscal year.

As a result, overall sales in the Brand Business segment for the first half of the fiscal year ending March 31, 2019 decreased 7.9% to ¥20,661 million, and segment profit decreased 26.3% to ¥1,880 million.

2. Technology Solution Business

Pen sensor systems for smartphones

Overall sales significantly exceeded those of the same period of the previous fiscal year owing to front-loaded demand for the latest model with earlier sales timing than the previous year, and continued orders for the old model from the sole customer Samsung.

Pen sensor systems for tablets and notebook PCs

Adoption of our Active-ES pen sensor system expanded as it gained a good reputation and enjoyed strong demand from tablet PC manufacturers. In addition, front-loaded demand and other factors contributed to sales growth. As a result, overall sales for tablets exceeded those of the same period of the previous fiscal year.

As a result, overall sales in the Technology Solution Business segment for the first half of the fiscal year ending March 31, 2019 increased 43.0% to ¥25,602 million, and segment profit increased 40.4% to ¥4,958 million.

Consolidated financial position

1. Assets, Liabilities, and Net Assets

Total assets as of September 30, 2018 increased by ¥10,953 million to ¥61,863 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥3,516 million in notes and accounts receivable – trade, an increase of ¥3,173 million in merchandise and finished goods, and an increase of ¥3,504 million in other of current assets.

Total liabilities as of September 30, 2018 increased by ¥9,689 million to ¥37,930 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥9,345 million in notes and accounts payable-trade, and an increase of ¥1,358 million in income taxes payable.

Total net assets increased by ¥1,264 million to ¥23,933 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥1,975 million in net profit attributable to owners of parent, an increase of ¥245 million in foreign currency translation adjustment, and a decrease of ¥974 in the payment of shareholder's dividends. As a result, the capital ratio decreased by 5.8 points to 38.7% compared to the end of the previous fiscal year.

2. Cash Flow

Consolidated cash and cash equivalents as of September 30, 2018 totaled ¥18,691 million, a ¥466 million decrease from the end of the previous fiscal year (compared to a ¥1,884 million increase in the previous comparable fiscal period).

Cash Flow from Operating Activities

Cash flow gained from operating activities for the first half of the fiscal year ending March 31, 2019 was ¥2,275 million (compared to ¥244 million used in the same period of the previous fiscal year). The main factors contributing to cash inflow were ¥2,774 million of profit before income taxes and an increase of ¥9,220 million in notes and accounts payable – trade. The main factors contributing to cash outflow were an increase of ¥6,820 million in notes and accounts receivable-trade, and an increase of ¥2,832 million in inventories.

Cash Flow from Investing Activities

Cash flow used for investing activities for the first half of the fiscal year ending March 31, 2019 was ¥2,057 million (compared to ¥603 million used in the same period of the previous fiscal year). The main contributing factor was ¥2,050 million of purchase of non-current assets.

Cash Flow from Financing Activities

Cash flow used for financing activities for the first half of the fiscal year ending March 31, 2019 was ¥950 million (compared to ¥2,030 million gained in the same period of the previous fiscal year). The main contributing factors were ¥22 million of proceeds from disposal of treasury shares, and ¥972 million of payment for shareholders' dividends.

Forward looking information including forecast of consolidated financial results

Changes have been made to the full-year forecasts of consolidated financial results for the fiscal year ending March 2019, which were announced on May 11, 2018. Revision of consolidated financial forecasts was announced on October 12, 2018, and revision of financial forecasts by business segment is newly disclosed in this report. For details, please refer to Complementary Information section in the end of this report, and to “Revision of Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2019 (FY2018)” announced on October 12, 2018 for qualitative information.

(Accompanying data)

1. Summary of Consolidated Balance Sheet

(unit: '000 Yen)

	FY 3/2018 (as of March 31, 2018)	H1 FY 3/2019 (as of September 30, 2018)
Assets		
Current assets		
Cash and deposits	19,157,127	18,691,163
Notes and accounts receivable - trade	10,738,243	14,254,663
Merchandise and finished goods	7,621,300	10,793,894
Work in process	162,693	168,220
Raw materials and supplies	1,935,894	1,801,870
Other	2,612,008	6,115,692
Allowance for doubtful accounts	-32,147	-23,362
Total current assets	42,195,118	51,802,140
Non-current assets		
Property, plant and equipment		
Other, net	4,301,363	4,314,711
Total property, plant and equipment	4,301,363	4,314,711
Intangible assets		
Other	2,951,431	3,467,887
Total intangible assets	2,951,431	3,467,887
Investments and other assets		
Other	1,520,716	2,336,344
Allowance for doubtful accounts	-59,115	-58,321
Total investments and other assets	1,461,601	2,278,023
Total non-current assets	8,714,395	10,060,621
Total assets	50,909,513	61,862,761
Liabilities		
Current liabilities		
Accounts payable - trade	7,100,670	16,445,523
Short-term loans payable	3,000,000	3,000,000
Income taxes payable	322,577	1,680,260
Provision for bonuses	1,037,202	728,822
Provision for directors' bonuses	48,908	16,802
Other	5,242,731	4,700,439
Total current liabilities	16,752,088	26,571,846
Non-current liabilities		
Long-term loans payable	10,000,000	10,000,000
Net defined benefit liability	809,066	822,610
Asset retirement obligations	234,735	239,161
Other	445,143	296,170
Total non-current liabilities	11,488,944	11,357,941
Total liabilities	28,241,032	37,929,787

(unit: '000 Yen)

	FY 3/2018 (as of March 31, 2018)	H1 FY 3/2019 (as of September 30, 2018)
Net assets		
Shareholders' equity		
Capital stock	4,203,469	4,203,469
Capital surplus	6,098,918	6,100,962
Retained earnings	14,522,032	15,522,926
Treasury shares	-1,900,416	-1,875,838
Total shareholders' equity	22,924,003	23,951,519
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	86	1,278
Foreign currency translation adjustment	-284,565	-40,018
Remeasurements of defined benefit plans	3,749	3,837
Total accumulated other comprehensive income	-280,730	-34,903
Share acquisition rights	25,208	16,358
Total net assets	22,668,481	23,932,974
Total liabilities and net assets	50,909,513	61,862,761

2. Consolidated Profit & Loss Statement

(unit: '000 Yen)

	H1 FY 3/2018 (April 1,2017 to September 30, 2017)	H1 FY 3/2019 (April 1,2018 to September 30, 2018)
Net sales	40,689,124	46,263,034
Cost of sales	24,985,951	30,535,898
Gross profit	15,703,173	15,727,136
Selling, general and administrative expenses	14,202,029	12,993,625
Operating profit	1,501,144	2,733,511
Non-operating income		
Interest income	38,093	24,885
Foreign exchange gains	90,046	151,710
Other	32,445	23,609
Total non-operating income	160,584	200,204
Non-operating expenses		
Interest expenses	19,631	20,431
Other	294	1,388
Total non-operating expenses	19,925	21,819
Ordinary profit	1,641,803	2,911,896
Extraordinary income		
Gain on sales of non-current assets	612	3,547
Gain on sales of investment securities	—	898
Gain on reversal of share acquisition rights	98,405	1,884
Total extraordinary income	99,017	6,329
Extraordinary losses		
Loss on sales of non-current assets	200	340
Loss on retirement of non-current assets	43,290	144,132
Total extraordinary losses	43,490	144,472
Profit before income taxes	1,697,330	2,773,753
Income taxes	23,483	798,632
Profit	1,673,847	1,975,121
Profit attributable to owners of parent	1,673,847	1,975,121

Consolidated Comprehensive Income Statement

(unit: '000 Yen)

	H1 FY 3/2018 (April 1,2017 to September 30, 2017)	H1 FY 3/2019 (April 1,2018 to September 30, 2018)
Profit	1,673,847	1,975,121
Other comprehensive income		
Valuation difference on available-for-sale securities	212	1,192
Foreign currency translation adjustment	409,690	244,547
Remeasurements of defined benefit plans, net of tax	4,260	88
Total other comprehensive income	414,162	245,827
Comprehensive income	2,088,009	2,220,948
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,088,009	2,220,948
Comprehensive income attributable to non-controlling interests	—	—

3. Summary of Consolidated Cash Flow Statement

(unit: '000 Yen)

	H1 FY 3/2018 (April 1, 2017 to September 30, 2017)	H1 FY 3/2019 (April 1, 2018 to September 30, 2018)
Cash flows from operating activities		
Profit before income taxes	1,697,330	2,773,753
Depreciation	1,277,088	1,178,092
Share-based compensation expenses	2,661	-2,268
Loss on retirement of non-current assets	43,290	144,132
Gain on reversal of share acquisition rights	-98,405	-1,884
Increase (decrease) in provision	-18,564	-361,426
Increase (decrease) in net defined benefit liability	11,035	13,706
Interest and dividend income	-38,093	-24,885
Interest expenses	19,631	20,431
Decrease (increase) in notes and accounts receivable - trade	-6,430,919	-6,820,357
Decrease (increase) in inventories	404,077	-2,831,933
Increase (decrease) in notes and accounts payable - trade	3,794,926	9,219,503
Other, net	-543,206	-460,501
Subtotal	120,851	2,846,363
Interest and dividend income received	38,603	24,570
Interest expenses paid	-18,889	-19,212
Income taxes paid	-384,882	-576,807
Net cash provided by (used in) operating activities	-244,317	2,274,914
Cash flows from investing activities		
Purchase of non-current assets	-615,709	-2,050,362
Proceeds from sales of non-current assets	2,295	7,166
Other, net	10,072	-13,556
Net cash provided by (used in) investing activities	-603,342	-2,056,752
Cash flows from financing activities		
Increase in short-term loans payable	3,000,000	—
Proceeds from disposal of treasury shares	—	21,840
Cash dividends paid	-970,134	-972,275
Net cash provided by (used in) financing activities	2,029,866	-950,435
Effect of exchange rate change on cash and cash equivalents	701,688	266,309
Net increase (decrease) in cash and cash equivalents	1,883,895	-465,964
Cash and cash equivalents at beginning of period	14,204,928	19,157,127
Cash and cash equivalents at end of period	16,088,823	18,691,163

Segment Information

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

1. H1 FY 3/2018 (April 1, 2017 – September 30, 2017)

(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	22,442,065	17,902,327	40,344,392	344,732	40,689,124	—	40,689,124
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	22,442,065	17,902,327	40,344,392	344,732	40,689,124	—	40,689,124
Segment Profit or Loss (-)	2,549,459	3,531,031	6,080,490	-38,626	6,041,864	-4,540,720	1,501,144

(Note) 1. “Other Business” consist of Engineering Solution Business.

2. The above “Adjustment” in “Segment Profit”, -4,540,720 ('000 Yen) is mainly the cost of administrative functions which are not included in the reportable segments.

3. “Segment Profit or Loss” is adjusted to consolidated operating profit.

2. H1 FY 3/2019 (April 1, 2018 – September 30, 2018)

(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	20,660,608	25,602,426	46,263,034	—	46,263,034	—	46,263,034
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	20,660,608	25,602,426	46,263,034	—	46,263,034	—	46,263,034
Segment Profit or Loss (-)	1,880,189	4,958,251	6,838,440	—	6,838,440	-4,104,929	2,733,511

(Note) 1. “Other Business” consist of Engineering Solution Business. We spun off the Engineering Solution Business to a new company established through a company split, and transferred all the shares of a new company on December 1, 2017

2. The above “Adjustment” in “Segment Profit”, -4,104,929 ('000 Yen) is mainly the cost of administrative functions which are not included in the reportable segments.

3. “Segment Profit or Loss” is adjusted to consolidated operating profit.

H1 FY 3/2019 Summary of Consolidated Financial Results

from April 1, 2018 to September 30, 2018

(1) Business Performance

	FY 3/18		FY 3/19		YOY Change		FY 3/18		FY 3/19		YOY Change	
	H1 Result	H1 Result	Amount	Ratio	Full Year Result	Full Year Forecast Revised	Full Year Forecast (Previous)	Amount	Ratio	Amount	Ratio	
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	(mil JPY)	mil JPY		mil JPY		mil JPY
Sales	40,689	46,263	5,574	13.7%	82,263	89,000	(85,000)	6,737	8.2%			
Operating Profit	1,501	2,734	1,233	82.1%	3,527	4,000	(4,000)	473	13.4%			
(Operation Profit Margin)	3.7%	5.9%			4.3%	4.5%	4.7%					
Recurring Profit	1,642	2,912	1,270	77.4%	3,585	3,920	(3,920)	335	9.4%			
(Recurring Profit Margin)	4.0%	6.3%			4.4%	4.4%	4.6%					
Net Profit	1,674	1,975	301	18.0%	2,362	2,980	(2,980)	618	26.2%			
(Net Profit Margin)	4.1%	4.3%			2.9%	3.3%	3.5%					
P/L FX Rate (Average in the Term)	JPY	JPY	JPY		JPY	JPY	JPY	JPY				
(US Dollar)	111.42	110.07	-1.35	-1.2%	110.81	111.00	(105.00)	0.19	0.2%			
(Euro)	126.63	129.88	3.25	2.6%	129.45	130.00	(130.00)	0.55	0.4%			

Note) Net Profit is equivalent to Profit Attributable to Owners of Parent.

Note) Each figure in () of FY 3/19 Full Year Forecast shows the previous announcement as of May 11, 2018.

(2) Business Performance by Business Segment

	FY 3/18		FY 3/19		YOY Change		FY 3/18		FY 3/19		YOY Change	
	H1 Result	H1 Result	Amount	Ratio	Full Year Result	Full Year Forecast Revised	Full Year Forecast (Previous)	Amount	Ratio	Amount	Ratio	
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	(mil JPY)	mil JPY		mil JPY		mil JPY
Brand Business												
Sales	22,442	20,661	-1,781	-7.9%	48,173	49,000	(50,300)	827	1.7%			
Segment Profit	2,549	1,880	-669	-26.3%	6,470	6,500	(9,700)	30	0.5%			
(Profit Margin)	11.4%	9.1%			13.4%	13.3%	19.3%					
Technology Solution Business												
Sales	17,902	25,602	7,700	43.0%	33,648	40,000	(34,700)	6,352	18.9%			
Segment Profit	3,531	4,958	1,427	40.4%	5,678	5,900	(2,590)	222	3.9%			
(Profit Margin)	19.7%	19.4%			16.9%	14.8%	7.5%					
Other Business												
Sales	345	--	-345	-100.0%	442	--	--	-442	-100.0%			
Segment Profit	-39	--	39	--	-65	--	--	65	--			
(Profit Margin)	-11.2%	--			-14.8%	--	--					

Note) The above profit in each segment doesn't include the amount of Adjustment such as cost of corporate section.

Note) Other Business (Engineering Solution) was transferred on December 1, 2017, the results of this segment are only shown in FY 03/18.

(3) Sales by Product Lines

(by Subsidiaries)	FY 3/18		FY 3/19		YOY Change		FY 3/18		FY 3/19		YOY Change	
	H1 Result	H1 Result	Amount	Ratio	Full Year Result	Full Year Forecast Revised	Full Year Forecast (Previous)	Amount	Ratio	Amount	Ratio	
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	(mil JPY)	mil JPY		mil JPY		mil JPY
Brand Business	22,442	20,661	-1,781	-7.9%	48,173	49,000	(50,300)	827	1.7%			
Creative Business	18,821	16,982	-1,839	-9.8%	40,362	41,490	(43,240)	1,128	2.8%			
Pen tablets	10,394	9,288	-1,106	-10.6%	23,390	22,390	(25,050)	-1,000	-4.3%			
(Japan)	1,037	752	-285	-27.5%	2,040							
(U.S.)	2,765	2,425	-340	-12.3%	6,839							
(Germany)	2,672	2,151	-521	-19.5%	6,909							
(Asia-Oceania)	3,920	3,960	40	1.0%	7,602							
Displays	6,412	6,318	-94	-1.5%	13,045	15,950	(14,370)	2,905	22.3%			
(Japan)	1,400	1,290	-110	-7.8%	2,715							
(U.S.)	2,223	2,295	72	3.3%	4,577							
(Germany)	1,119	1,249	130	11.6%	2,822							
(Asia-Oceania)	1,670	1,484	-186	-11.1%	2,931							
Mobiles	2,015	1,376	-639	-31.7%	3,927	3,150	(3,820)	-777	-19.8%			
(Japan)	516	327	-189	-36.7%	971							
(U.S.)	582	511	-71	-12.3%	1,120							
(Germany)	330	281	-49	-14.6%	733							
(Asia-Oceania)	587	257	-330	-56.2%	1,103							
Consumer Business	1,606	1,180	-426	-26.6%	3,310	2,460	(2,640)	-850	-25.7%			
(Japan)	103	59	-44	-42.4%	214							
(U.S.)	1,020	806	-214	-21.0%	2,113							
(Germany)	293	195	-98	-33.5%	664							
(Asia-Oceania)	190	120	-70	-37.2%	319							
Business Solution	2,015	2,499	484	24.0%	4,501	5,050	(4,420)	549	12.2%			
(Japan)	523	453	-70	-13.5%	1,072							
(U.S.)	347	678	331	95.3%	950							
(Germany)	881	1,017	136	15.5%	1,880							
(Asia-Oceania)	264	351	87	33.0%	599							
Technology Solution Business	17,902	25,602	7,700	43.0%	33,648	40,000	(34,700)	6,352	18.9%			
For smartphones	6,529	11,758	5,229	80.1%	11,708	16,480	(14,650)	4,772	40.8%			
For tablets, others	11,373	13,844	2,471	21.7%	21,940	23,520	(20,050)	1,580	7.2%			
Other Business	345	--	-345	-100.0%	442	--	--	-442	-100.0%			
Engineering Solution	345	--	-345	-100.0%	442	--	--	-442	-100.0%			
(Japan)	345	--	-345	-100.0%	442	--	--	-442	-100.0%			
Total	40,689	46,263	5,574	13.7%	82,263	89,000	(85,000)	6,737	8.2%			

(4) Sales by Subsidiaries

	FY 3/18		FY 3/19		YOY Change		FY 3/18		FY 3/19		YOY Change	
	H1 Result		H1 Result		Amount	Ratio	Full Year Result	Full Year Forecast Revised	Full Year Forecast (Previous)	Amount	Ratio	
	mil JPY		mil JPY		mil JPY		mil JPY		mil JPY		mil JPY	
Japan	21,826		28,483		6,657	30.5%	41,103	46,780	(42,030)	5,677	13.8%	
(Japan excluding Tech Solution biz.)	3,924		2,881		-1,043	-26.6%	7,455	6,780	(7,330)	-675	-9.1%	
U.S.	6,937		6,714		-223	-3.2%	15,599	16,040	(15,370)	441	2.8%	
Germany	5,295		4,894		-401	-7.6%	13,007	13,480	(14,440)	473	3.6%	
Asia-Oceania	6,631		6,172		-459	-6.9%	12,554	12,700	(13,160)	146	1.2%	
Total	40,689		46,263		5,574	13.7%	82,263	89,000	(85,000)	6,737	8.2%	

Note) Sales in the Technology Solution Business are categorized into Japan.

Note) Sales in Germany include the shipment to EMEA countries. Sales in Asia-Oceania consist of sales by subsidiaries in China, Korea, Australia, Singapore, Taiwan, and India.

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

	FY 3/18		FY 3/19		YOY Change		FY 3/18		FY 3/19		YOY Change	
	H1 Result		H1 Result		Amount	Ratio	Full Year Result	Full Year Forecast Revised	Full Year Forecast (Previous)	Amount	Ratio	
	mil JPY		mil JPY		mil JPY		mil JPY		mil JPY		mil JPY	
Capital Expenditure	575		1,827		1,252	217.5%	1,513	3,300	(2,300)	1,787	118.1%	
Depreciation	1,277		1,178		-99	-7.8%	2,421	2,600	(2,600)	179	7.4%	
R&D Expenditure	2,061		1,826		-235	-11.4%	4,385	5,000	(5,000)	615	14.0%	

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