3Q FY 3/2015 Summary of Consolidated Financial Results

January 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: No

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

(1) Business Performance (Consolidated)

(rounded off to mY)

	Sales		Operating Profit		Recurring Profit		Net Profit	
	mY	%	mY	%	mY	%	mY	%
3Q FY 3/15	56,965	-1.5	5,687	-13.5	5,475	-15.7	3,199	-24.0
3Q FY 3/14	57,829	37.9	6,577	13.4	6,493	15.2	4,211	17.2

(Note) Comprehensive income 3Q FY 3/15 4,193 mY (-32.8%) 3Q FY 3/14 6,239 mY (53.2%)

	Net Profit per Share Outstanding		Net Profit per Diluted Share Outstanding	
	Yen	Sen	Yen	Sen
3Q FY 3/15	19.22		19.18	
3Q FY 3/14	25.07		24.92	

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share
	mY	mY	%	Yen Sen
3Q FY 3/15	58,170	34,177	58.4	204.12
FY 3/14	50,859	32,799	64.2	196.14

(For Ref.) Capital: 3Q FY3/15 33,980 mY FY 3/14 32,651 mY

2. Dividend

	Dividend Per Share				
(Record date)	1Q	2Q	3Q	End of FY	FY Total
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen
FY 3/14	-	0.00	-	17.50	17.50
FY 3/15	-				
FY 3/15 (estimates)		0.00	-	18.00	18.00

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

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

	Sales		Operating Profit		Recurring Profit		Net Profit		Net Profit Per Share Outstanding
	mY	%	mY	%	mY	%	mY	%	Yen Sen
Full Year	78,700	0.1	6,200	-28.4	5,900	-28.8	3,480	-33.7	20.90

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

Please refer to the news “Revisions of Business Forecast for FY15” we announced today (January 30, 2015) .

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

Number of treasury stock outstanding at end of year:

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

Number of average shares for fiscal period

	Shares		Shares
3Q FY 3/15	166,469,738	3Q FY 3/14	168,011,055

* 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 nine months (April 1, 2014 to December 31, 2014) of the current fiscal year, 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. economy continued to expand supported by further improvements in corporate performance, positive trends in employment, and strong consumer spending. On the other hand, the economy in Europe has remained sluggish due to the situation in Russia and Ukraine, 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, 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 and also began to impact considerably on our business performance. Additionally, despite anticipated rapid expansion, the tablet market has started to stagnate, and there is a growing demand for further differentiation. In the education and e-book market, we can see that the demand for electronic pen technology is growing not only for reading but also for writing purposes.

Against this background, Wacom Group has further solidified its position as a global leader and pursued investment strategies to enhance the Group’s future business base. In 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.

We also focused our efforts on restructuring the global supply chain and developing global IT infrastructures to support both our Brand Business, whose globalization and e-commerce are rapidly progressing, and our Component Business, which requires quick, flexible responses in production adjustment. Simultaneously, in order to enhance our global business, we began to shift the current regional-based organization to a customer segment-based one.

In April we announced our revised New 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 are now reviewing our financial goals. 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 our existing business.

Looking at financial performance for the year, consolidated net sales decreased 1.5% to ¥56,965 million, operating income decreased 13.5% to ¥5,687 million, ordinary income decreased 15.7% to ¥5,475 million, and net income decreased 24.0% to ¥3,199million.

Segment results

1. Brand business

Sales exceeded the same period of 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 same period of 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.

○Display products

Cintiq 22HD (22 inches) recorded favorable sales growth and sales of *Cintiq 13HD* (13 inches) showed signs of recovery after a momentary slowdown. However, sales of the large display model, *Cintiq24HD* (24 inches), stagnated in the fourth year after being launched. Helped by a weaker yen, total sales of Cintiq series products slowed but exceeded the same period of 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, 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, particularly in China and Korea.

As a result, overall sales in the Brand Business category for the nine-month period under review increased 14.6% to ¥33,140 million, and operating income increased 33.7% to ¥5,301 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* serie
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>
In spite of the sharp drop in sales due to the delay in mass production of Samsung's Galaxy Note 4 in the first half of the year, overall sales only decreased slightly owing to favorable shipments of products from 3Q.

<Pen sensor systems for tablets>
The adoption of our pen sensor systems expanded steadily among major tablet manufacturers. Fuhu, a U.S. company that sells educational materials with dedicated tablets for children, adopted our pen sensor systems as we took the initiative into a new field.
However, shipments for major tablet manufacturers decreased rapidly, resulting in substantial sales decrease. In response to diversifying demands of tablet users, we developed the Active-ES pen, a new technology original to Wacom, and initiated mass production of new projects we have won.

<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 nine-month period under review decreased 18.0% to ¥23,345 million, and operating income decreased 29.0% to ¥3,558 million.

3. Other business (the Software business)
Sales increased steadily and exceeded the same period of the previous fiscal year owing to some large-scale orders of a new product *E-CAD dio DCX R1*, and stimulation of replacement demand stemming from the end of Windows XP support continuing from the previous fiscal year.

Overall sales in the Other Business category for the nine-month period under review increased 10.6% to ¥480 million, and operating income increased 29.6% to ¥81 million.

Consolidated financial position

1. Assets, Liabilities, and Net Assets
Total assets as of December 31, 2014 increased by ¥7,311 million to ¥58,170 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of 1,445 in cash and deposits, an increase of ¥4,887 million in notes and accounts receivable, an increase of ¥1,466 million in intangible assets, and a decrease of ¥522 million in property, plant and equipment.
Total liabilities as of December 31, 2014 increased by ¥5,933 million to ¥23,993 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥2,762 million in accounts payable and a ¥2,000 million increase in short-term loans payable.
Total net assets increased by ¥1,377 million to ¥34,177 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥3,199 million in net profit, an increase of ¥1339 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 decreased by 5.8 points to 58.4% compared to the end of the previous fiscal year.

2. Cash Flow
Consolidated cash and cash equivalents as of December 31, 2014 totaled ¥16,839 million, a ¥1,445 million increase from the end of the previous fiscal year and a ¥6,237 million decrease compared to the same period of the previous fiscal year.

Cash Flow from Operating Activities
Cash flow from operating activities during the nine-month period was ¥3,858 million, compared to an outflow of ¥745 million in the same period of the previous fiscal year. The main factors contributing to cash inflow were an increase of ¥4,880 million in income before income taxes and minority, an increase of ¥1,427 in depreciation, and a ¥2,237 million increase in notes and accounts payable – trade. The main factors contributing to cash outflow were a ¥4,864 million increase in notes and accounts receivable.

Cash Flow from Investing Activities
Cash flow from investing activities during the nine-month period was ¥2,322 million, compared to a cash outflow of ¥3,260 million in the same period of the previous fiscal year. The primary contributing factor was a ¥2,434 million purchase of tangible assets such as ERP system and global IT infrastructure.

Cash Flow from Financing Activities
Cash flow from financing activities during the nine-month period was ¥902 million, compared to cash outflow of ¥3,263 million in the same period of the previous fiscal year. The primary contributing factors were a ¥2,000 million increase in short-term loans payable and a ¥2,903 million payment for shareholders' dividends.

Consolidated results forecast
we anticipate our operating income and recurring income for the full fiscal year to exceed our former forecast announced on July 30, 2014, owing to the positive impact of reducing sales costs and SG&A expenses. On the other hand, we expect net profit to fall below the previous forecast due to extraordinary losses on sale of company-owned houses. As for our sales forecast, we estimate sales to progress in accordance with the previous forecast. In line with these corporate activities, we have thus revised our consolidated forecast for FY15.
For more details, please refer to "Revisions of Business Forecast for FY15", which we announced today (January 30, 2015).

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(Accompanying data)

1. Consolidated Balance Sheet

(Unit: '000 Yen)

	FY 3/14 (as of Mar. 31,2014)	3Q FY 3/15 (April.1,2014 to Dec.31, 2014)
Assets		
Current assets		
Cash and deposits	15,393,939	16,839,430
Notes and accounts receivable - trade	11,388,120	16,275,421
Merchandise and finished goods	7,161,410	6,979,081
Work in process	357,618	409,816
Raw materials and supplies	1,810,948	2,168,564
Other	4,012,574	4,346,342
Allowance for doubtful accounts	△51,210	△35,380
Total current assets	40,073,399	46,983,274
Non-current assets		
Property, plant and equipment		
Other, net	5,332,072	4,810,194
Total property, plant and equipment	5,332,072	4,810,194
Intangible assets		
Goodwill	3,608	—
Other	3,218,373	4,687,592
Total intangible assets	3,221,981	4,687,592
Investments and other assets		
Other	2,251,401	1,769,319
Allowance for doubtful accounts	△19,696	△80,415
Total investments and other assets	2,231,705	1,688,904
Total non-current assets	10,785,758	11,186,690
Total assets	50,859,157	58,169,964
Liabilities		
Current liabilities		
Accounts payable – trade	9,429,820	12,191,539
Short-term loans payable	600,000	2,600,000
Income taxes payable	1,928,931	925,433
Provision for bonuses	484,443	341,850
Provision for directors' bonuses	59,137	49,204
Other	3,737,163	6,077,608
Total current liabilities	16,239,494	22,185,634
Non-current liabilities		
Net defined benefit liability	768,278	779,602
Asset retirement obligations	151,369	152,660
Other	900,688	875,320
Total non-current liabilities	1,820,335	1,807,582
Total liabilities	18,059,829	23,993,216

（Unit：'000 Yen）

	FY 3/14 (as of Mar. 31,2014)	3Q FY 3/15 (as of Dec. 31,2014)
Net assets		
Shareholders' equity		
Capital stock	4,203,469	4,203,469
Capital surplus	7,563,702	7,563,056
Retained earnings	21,710,864	22,044,874
Treasury shares	△1,538,697	△1,537,504
Total shareholders' equity	31,939,338	32,273,895
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	416,116	63,187
Foreign currency translation adjustment	323,810	1,662,564
Remeasurements of defined benefit plans	△27,772	△19,548
Total accumulated other comprehensive income	712,154	1,706,203
Subscription rights to shares	147,836	196,650
Total net assets	32,799,328	34,176,748
Total liabilities and net assets	50,859,157	58,169,964

2. Consolidated Profit & Loss Statement

（Unit：'000 Yen）

	3Q FY 3/14 (April.1, 2013 to Dec.31, 2013)	3Q FY 3/15 (April.1,2014 to Dec.31, 2014)
Net sales	57,828,795	56,964,639
Cost of sales	35,263,563	33,638,039
Gross profit	22,565,232	23,326,600
Selling, general and administrative expenses	15,987,886	17,639,809
Operating income	6,577,346	5,686,791
Non-operating income		
Interest income	35,868	42,073
Other	37,673	38,876
Total non-operating income	73,541	80,949
Non-operating expenses		
Interest expenses	5,371	6,753
Foreign exchange losses	82,674	277,987
Value-added Taxes in Foreign Subsidiary for Prior Periods	50,870	－
Other	18,794	7,810
Total non-operating expenses	157,709	292,550
Ordinary income	6,493,178	5,475,190
Extraordinary income		
Gain on sales of non-current assets	299	587
Gain on reversal of subscription rights to shares	385	515
Total extraordinary income	684	1,102
Extraordinary losses		
Loss on sales of non-current assets	2,494	460,667
Loss on retirement of non-current assets	8,599	1,885
Business structure improvement expenses	－	133,283
Total extraordinary losses	11,093	595,835
Income before income taxes and minority interests	6,482,769	4,880,457
Income taxes	2,271,282	1,681,345
Income before minority interests	4,211,487	3,199,112
Net income	4,211,487	3,199,112

3. Consolidated Comprehensive Income Statement

（Unit：'000 Yen）

	3Q FY 3/14 (April.1, 2013 to Dec.31, 2013)	3Q FY 3/15 (April.1, 2014 to Dec.31, 2014)
Income before minority interests	4,211,487	3,199,112
Other comprehensive income		
Valuation difference on available-for-sale securities	653,050	△352,929
Foreign currency translation adjustment	1,374,887	1,338,754
Remeasurements of defined benefit plans, net of tax	—	8,224
Total other comprehensive income	2,027,937	994,049
Comprehensive income	6,239,424	4,193,161
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,239,424	4,193,161
Comprehensive income attributable to minority interests	—	—

4. Consolidated Cash Flow Statement

(Unit : '000 Yen)

	3Q FY 3/14 (April.1, 2013 to Dec.31, 2013)	3Q FY 3/15 (April.1, 2014 to Dec.31, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	6,482,769	4,880,457
Depreciation	1,282,346	1,427,376
Share-based compensation expenses	55,310	49,456
Increase (decrease) in provision	△685,663	△130,224
Increase (decrease) in net defined benefit liability	—	72,198
Interest income	△35,868	△42,073
Interest expenses	5,371	6,753
Decrease (increase) in notes and accounts receivable - trade	1,765,020	△4,863,872
Decrease (increase) in inventories	△5,505,012	426,025
Increase (decrease) in notes and accounts payable - trade	△277,851	2,237,876
Other, net	△238,157	2,108,076
Subtotal	2,848,265	6,172,048
Interest income received	35,499	41,396
Interest expenses paid	△5,381	△2,927
Income taxes paid	△3,623,599	△2,352,212
Net cash provided by (used in) operating activities	△745,216	3,858,305
Cash flows from investing activities		
Payments into time deposits	△7,000,000	—
Proceeds from withdrawal of time deposits	7,000,000	—
Purchase of non-current assets	△3,003,744	△2,433,672
Proceeds from sales of non-current assets	5,110	109,011
Other, net	△261,643	2,502
Net cash provided by (used in) investing activities	△3,260,277	△2,322,159
Cash flows from financing activities		
Increase in short-term loans payable	—	2,000,000
Purchase of treasury shares	△1,438,734	—
Proceeds from disposal of treasury shares	62,149	394
Cash dividends paid	△1,886,210	△2,902,812
Net cash provided by (used in) financing activities	△3,262,795	△902,418
Effect of exchange rate change on cash and cash equivalents	1,031,036	811,763
Net increase (decrease) in cash and cash equivalents	△6,237,252	1,445,491
Cash and cash equivalents at beginning of period	21,596,429	15,393,939
Cash and cash equivalents at end of period	15,359,177	16,839,430

5. Segment Information

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

3Q FY 3/14 (April 1, 2013 – December 31, 2013) (Unit: ’000 Yen)

	Reportable Segments			Other Business (Note)1	Total	Adjustment (Note)2	Amount of Consolidated P/L (Note)3
	Brand Business	Component business	Sub Total				
Sales							
Sales towards external customers	28,915,098	28,479,447	57,394,545	434,250	57,828,795	—	57,828,795
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	28,915,098	28,479,447	57,394,545	434,250	57,828,795	—	57,828,795
Segment Profit or Loss (-)	3,965,789	5,009,086	8,974,875	62,891	9,037,766	-2,460,420	6,577,436

(Note) 1. “Other businesses” consist of Software business.
2. The above “Adjustment” in “Segment Profit”, -2,460,420 (‘000Yen) is mainly the cost of financial and general affairs departments which are not included in the reportable segments.
3. “Segment Profit or Loss” is adjusted for operating profit.

3Q FY 3/15 (April 1, 2014 – December 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	33,139,799	23,344,525	56,484,324	480,315	56,964,639	—	56,964,639
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	33,139,799	23,344,525	56,484,324	480,315	56,964,639	—	56,964,639
Segment Profit or Loss (-)	5,300,903	3,558,485	8,859,388	81,488	8,940,876	-3,254,085	5,686,791

(Note) 1. “Other businesses” consist of Software business.
2. The above “Adjustment” in “Segment Profit”, -3,254,085 (‘000Yen) is mainly the cost of financial and general affairs departments which are not included in the reportable segments.
3. “Segment Profit or Loss” is adjusted for operating profit.
4. The method for attributing the expected amount of retirement benefits to periods has been changed from straight-line basis to benefit formula basis from this consolidated first quarter accounting period. These changes have minor significance on segment profit and loss.

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

(1) Business Performance

	FY 3/14 3Q Result	FY 3/15 3Q Result	YOY Change Amount	YOY Change Ratio	FY 3/14 Full Year Result	FY 3/15 Full Year Forecast	(Previous forecast as of July)	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	(mil JPY)	mil JPY	
Sales	57,829	56,965	-864	-1.5%	78,615	78,700	(78,700)	85	0.1%
Operating Profit	6,577	5,687	-890	-13.5%	8,663	6,200	(5,500)	-2,463	-28.4%
(Operation Profit Margin)	*11.4%*	*10.0%*			*11.0%*	*7.9%*	*7.0%*		
Recurring Profit	6,493	5,475	-1,018	-15.7%	8,282	5,900	(5,540)	-2,382	-28.8%
(Recurring Profit Margin)	*11.2%*	*9.6%*			*10.5%*	*7.5%*	*7.0%*		
Net Proift	4,211	3,199	-1,012	-24.0%	5,249	3,480	(3,700)	-1,769	-33.7%
(Net Profit Margin)	*7.3%*	*5.6%*			*6.7%*	*4.4%*	*4.7%*		
P/L FX Rate (Average in the Term)	JPY	JPY	JPY		JPY	JPY	JPY	JPY	
(US Doller)	99.23	107.27	8.04	8.1%	100.00	108.71	(102.62)	8.71	8.7%
(Euro)	132.13	140.50	8.37	6.3%	134.01	140.12	(137.49)	6.11	4.6%

Note) Each figure in () of FY3/15 Full Year Forecast shows the previous forecast announced on July 30, 2014.
Note) Assumption of FX rate from February, 2014: 1USD=JPY 110, 1EUR=JPY 135

(2) Sales by Business Segment

	FY 3/14 3Q Result	FY 3/15 3Q Result	YOY Change Amount	YOY Change Ratio	FY 3/14 Full Year Result	FY 3/15 Full Year Forecast	(Previous forecast as of July)	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	(mil JPY)	mil JPY	
Brand business									
Sales	28,915	33,140	4,225	14.6%	38,960	45,240	(43,950)	6,280	16.1%
Operating Profit	3,966	5,301	1,335	33.7%	5,214	6,330	(5,450)	1,116	21.4%
(Operation Profit Margin)	13.7%	16.0%			13.4%	14.0%	12.4%		
Component business									
Sales	28,480	23,345	-5,135	-18.0%	39,002	32,800	(34,000)	-6,202	-15.9%
Operating Profit	5,009	3,558	-1,451	-29.0%	6,667	4,670	(4,500)	-1,997	-30.0%
(Operation Profit Margin)	17.6%	15.2%			17.1%	14.2%	13.2%		
Other business									
Sales	434	480	46	10.6%	653	660	(750)	7	1.0%
Operating Profit	63	81	18	29.6%	123	100	(150)	-23	-18.4%
(Operation Profit Margin)	14.5%	17.0%			18.7%	15.2%	20.0%		

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

(3) Sales by Product Lines

(by Subsidiaries)	FY 3/14 3Q Result	FY 3/15 3Q Result	YOY Change Amount	YOY Change Ratio	FY 3/14 Full Year Result	FY 3/15 Full Year Forecast	(Previous forecast as of July)	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	(mil JPY)	mil JPY	
Brand business	**28,915**	**33,140**	**4,225**	**14.6%**	**38,960**	**45,240**	(43,950)	**6,280**	**16.1%**
Creative business	24,870	27,492	2,622	10.5%	33,334	37,840	(36,150)	4,506	13.5%
Pen tablets	15,590	16,815	1,225	7.9%	20,664	22,640	(20,750)	1,976	9.6%
(Japan)	*2,073*	*2,032*	*-41*	*-2.0%*	*2,907*				
(U.S.)	*5,030*	*5,478*	*448*	*8.9%*	*6,597*				
(Germany)	*4,921*	*4,971*	*50*	*1.0%*	*6,495*				
(Asia-Oceania)	*3,566*	*4,334*	*768*	*21.5%*	*4,665*				
Mobiles	1,884	2,855	971	51.5%	2,871	4,200	(4,500)	1,329	46.3%
(Japan)	*314*	*385*	*71*	*22.4%*	*523*				
(U.S.)	*695*	*1,214*	*519*	*74.7%*	*1,084*				
(Germany)	*572*	*693*	*121*	*21.1%*	*779*				
(Asia-Oceania)	*303*	*563*	*260*	*85.9%*	*485*				
Displays	7,396	7,822	426	5.8%	9,799	11,000	(10,900)	1,201	12.3%
(Japan)	*1,621*	*1,283*	*-338*	*-20.8%*	*2,217*				
(U.S.)	*2,909*	*3,185*	*276*	*9.5%*	*3,793*				
(Germany)	*2,031*	*2,167*	*136*	*6.7%*	*2,670*				
(Asia-Oceania)	*835*	*1,187*	*352*	*42.0%*	*1,119*				
Consumer business	1,334	1,164	-170	-12.8%	1,691	1,500	(1,500)	-191	-11.3%
(Japan)	*116*	*176*	*60*	*51.4%*	*148*				
(U.S.)	*454*	*525*	*71*	*15.5%*	*607*				
(Germany)	*626*	*361*	*-265*	*-42.4%*	*753*				
(Asia-Oceania)	*138*	*102*	*-36*	*-25.6%*	*183*				
Vertical market business	2,711	4,484	1,773	65.4%	3,935	5,900	(6,300)	1,965	49.9%
(Japan)	*790*	*669*	*-121*	*-15.4%*	*1,130*				
(U.S.)	*320*	*305*	*-15*	*-4.5%*	*413*				
(Germany)	*1,288*	*3,046*	*1,758*	*136.5%*	*1,971*				
(Asia-Oceania)	*313*	*464*	*151*	*48.2%*	*421*				
Component business	**28,480**	**23,345**	**-5,135**	**-18.0%**	**39,002**	**32,800**	(34,000)	**-6,202**	**-15.9%**
For smartphones	15,189	14,318	-871	-5.7%	22,190	20,600	(17,600)	-1,590	-7.2%
For tablets	8,818	6,325	-2,493	-28.3%	11,096	8,600	(12,600)	-2,496	-22.5%
For notebook PCs, etc.	4,473	2,702	-1,771	-39.6%	5,716	3,600	(3,800)	-2,116	-37.0%
Other business	**434**	**480**	**46**	**10.6%**	**653**	**660**	(750)	**7**	**1.0%**
CAD for electrical engineering	434	480	46	10.6%	653	660	(750)	7	1.0%
(Japan)	*434*	*480*	*46*	*10.6%*	*653*				
Total	**57,829**	**56,965**	**-864**	**-1.5%**	**78,615**	**78,700**	(78,700)	**85**	**0.1%**

Note) The product lines of the brand product business are reorganized into new three categories of "Creative business", "Consumer business", and "Vertical market business" from FY2013 ended on March, 2014. As a result, Bamboo pen tablets included in "Comsumer products" is reclassified in pen tablets of "Creative business" and "Business products" is replaced by "Vertical market business".

(4) Sales by Subsidiaries

	FY 3/14	FY 3/15	YOY Change		FY 3/14	FY 3/15		YOY Change	
	3Q Result	3Q Result	Amount	Ratio	Full Year Result	Full Year Forecast (Previous forecast as of July)		Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	(mil JPY)	mil JPY	
Japan	33,829	28,369	-5,460	-16.1%	46,580	40,160	(41,950)	-6,420	-13.8%
(Japan excluding Component business)	*5,349*	*5,025*	*-324*	*-6.1%*	*7,578*	*7,360*	(7,950)	*-218*	*-2.9%*
U.S.	9,408	10,708	1,300	13.8%	12,493	14,640	(14,250)	2,147	17.2%
Germany	9,437	11,237	1,800	19.1%	12,668	14,700	(14,100)	2,032	16.0%
Asia-Oceania	5,155	6,650	1,495	29.0%	6,874	9,200	(8,400)	2,326	33.8%
Total	57,829	56,965	-864	-1.5%	78,615	78,700	(78,700)	85	0.1%

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

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

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

	FY 3/14	FY 3/15	YOY Change		FY 3/14	FY 3/15		YOY Change	
	3Q Result	3Q Result	Amount	Ratio	Full Year Result	Full Year Forecast (Previous forecast as of July)		Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	(mil JPY)	mil JPY	
Capital Expenditure	2,535	2,832	297	11.7%	3,464	4,900	(5,500)	1,436	41.4%
Depreciation	1,282	1,427	145	11.3%	1,812	2,000	(2,300)	188	10.4%
R&D Expenditure	2,153	2,295	142	6.6%	2,863	3,100	(3,100)	237	8.3%

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