1Q FY 3/2016 Summary of Consolidated Financial Results

July 31, 2015

Company Name **Wacom Co., Ltd.** (Code Number: 6727 TSE1)

(URL http://www.wacom.com)

Representative: Masahiko Yamada, CEO TEL: 03-5337-6502

Contact: Wataru Hasegawa, CFO

Preparation of Supplemental Explanatory Material for Financial Results: Yes

Holding of Large Meeting for Financial Results: No

1. 1Q FY 3/16 Consolidated Financial Results (April 1, 2015 – June 30, 2015)

(1) Business Performance (Consolidated)

(rounded off to mY)

	Sales		Operating Income		Ordinary Income		Net Profit	
	mY	%	mY	%	mY	%	mY	%
1Q FY 3/16	15,142	10.8	29	-63.2	26	-81.4	-235	-
1Q FY 3/15	13,669	-11.3	80	-92.3	142	-85.5	95	-84.3

(Note) Comprehensive income 1Q FY 3/16 203 mY (-%) 1Q FY 3/15 -310 mY (-%)

	Net Profit per Share Outstanding		Net Profit per Diluted Share Outstanding	
	Yen	Sen	Yen	Sen
1Q FY 3/16		-1.41		-
1Q FY 3/15		0.57		0.57

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share
	mY	mY	%	Yen Sen
1Q FY 3/16	50,290	29,868	59.0	180.62
FY 3/15	51,457	33,859	65.4	202.14

(For Ref.) Capital: 1Q FY3/16 33,980 mY FY 3/15 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 3/15	-	0.00	-	18.00	18.00
FY 3/16	-				
FY 3/16 (estimates)		0.00	-	18.00	18.00

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

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

	Sales		Operating Income		Ordinary Income		Net Profit		Net Profit Per Share Outstanding
	mY	%	mY	%	mY	%	mY	%	Yen Sen
2Q (1H FY 3/16)	34,800	8.7	0	-100.00	-50	-	-50	-	-0.30
Full Year	84,000	12.7	5,500	-10.5	5,350	-11.8	3,530	1.6	21.48

Changes in Consolidated Business Forecast of FY 3/16 : No

4. Other

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

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

	Shares		Shares
1Q FY 3/16	169,046,400	FY 3/15	169,046,400

Number of treasury stock outstanding at end of year:

	Shares		Shares
1Q FY 3/16	4,674,000	FY 3/15	2,438,000

Number of average shares for fiscal period

	Shares		Shares
1Q FY 3/16	166,604,971	1Q FY 3/15	166,468,400

* 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 first quarter of the fiscal year under review (the three months April 1, 2015 to June 30, 2015), the global economy maintained a slow recovery. The economy in Europe remained sluggish due to the situation in Russia and Ukraine along with the Greek debt crisis, while the Chinese economy saw a slowdown. In foreign exchange, the yen remained weak against the US dollar, but grew stronger against the euro. In the IT industry, the penetration of mobile products, cloud computing and SNS (Social Networking Services) drove structural changes in the competitive environment, which in turn caused drastic changes in our business environment.

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

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

Against this background, Wacom Group has further solidified its position as a global leader and pursued investment strategies not only to expand our product line-up in each business segment, but also to enhance the Group's future business base. In order to satisfy the wide range of our users' demands, from professionals to general consumers, we have leveraged our R&D activities to expand our Brand Business product line. We have initiated commercialized production of Active-ES (Active Electrostatic) pens, to meet demand from a growing customer 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.

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

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

For the first quarter of the year ended March 31, 2016, consolidated net sales increased 10.8% to ¥15,142 million, operating income decreased 63.2% to ¥29 million, ordinary income decreased 81.4% to ¥26 million.

We recorded a net loss attributable to stockholders of ¥235 million, compared with a net income of ¥95 million in the previous comparable period. This was mainly due to the ¥229 million in income tax recorded after consolidation for subsidiaries outside Japan, which more than offset reversal of income tax in Japan in the current quarter under review.

Segment results

1. Brand Business

Sales exceeded the previous fiscal year owing to favorable sales of new Display and Mobile products released in 4Q of the previous fiscal year, steady sales of Pen Tablet products, the expanding Chinese market, and the weak yen.

< Creative Business>

○Pen Tablet products

Sales exceeded the previous fiscal year owing to significant increase in sales of *Intuos* in the Chinese market.

○Mobile products

The second generation OS installed tablet *Cintiq Companion 2,* which launched this February, contributed to strong sales growth. In May, we launched the top-end model of *Cintiq Companion 2,* which has already gained a good reputation for high performance.

○Display products

In February we launched our flagship models *Cintiq 27QHD* (27 inches) and *Cintiq 27 QHD touch*, which come with the largest workspace in this business line. We also launched *Cintiq 13HD touch* (13 inches) in March. Helped by favorable sales of these newly launched products, the total sales of products in the *Cintiq* series exceeded the previous fiscal year.

< Consumer Business>

Total sales exceeded the same period of the previous fiscal year owing to steady sales of our high-end consumer product, *Bamboo Stylus fineline* for iPads.

< Business Solution>

A slight dip in sales in Europe due to large-scale deals in the previous fiscal year was offset by steady sales growth in other regions, which drove overall sales to exceed the same period of the previous fiscal year.

<By region>

Sales in the U.S. increased in every business line, supported by the weaker yen. Sales in Europe grew owing to favorable sales of Creative and Consumer Business products, which offset a sales decrease in Business Solution. In Japan, sales increased in every business line. In Asia and Oceania (excluding Japan), sales increased significantly owing to favorable sales in the Creative Business area, particularly in China.

As a result, overall sales in the Brand Business segment for the three-month period of the fiscal year under review increased 23.6% to ¥10,760 million, and operating income increased 90.1% to ¥1,651 million.

※	Creative Business:	Pen Tablet ……*Intuos* series (including rebranded *Bamboo* pen tablets) Mobile ……. *Cintiq Companion, Intuos Creative Stylus* Display …….*Cintiq* series
	Consumer Business:	Stylus pen, Touch pad ……*Bamboo* series
	Business Solution:	LCD signature tablet……*STU* series LCD pen tablet……*DT* series

2. Technology Solution Business
Overall sales decreased substantially due to a sharp drop in orders of pen component shipments for smartphones, and a contraction in the market for notebook PCs.

<Pen sensor systems for smartphones>
Overall sales fell sharply below the previous fiscal year due to unfavorable shipments and inventory adjustments, particularly for Samsung's new Galaxy Note 4.

<Pen sensor systems for tablets>
We commenced commercial production and shipments of pen sensor systems for tablets, receiving a large-scale order from the government of Turkey for an educational project. We also began commercial production of the Active-ES pen, a new and original Wacom technology that has been highly appraised by tablet manufacturers. Helped by these, overall sales exceeded the previous fiscal year.

<Pen sensor systems for notebook PCs>
Sales decreased substantially due to the shift in demand for digital pens from notebook PCs to tablets as a result of market expansion of tablets with detachable keyboards.

Overall sales in the Technology Solution Business segment for the three-month period of the fiscal year under review decreased 11.4% to ¥4,241 million, and operating income increased 39.2% to ¥216 million.

3. Other Business (formerly Software Business)
Sales decreased due to a slowdown in the demand for replacements in response to the termination of Windows XP support, and sluggish sales of *E-CAD dio DCX R1*.

Overall sales in the Other Business segment for the fiscal year under review decreased 21.6% to ¥141 million, and operating income decreased 87.3% to ¥3 million.

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

Until March 31, 2015 (Old)	From April 1, 2015 (New)	Change of 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 Business	Yes
Software Business	Engineering Solution Business	Yes

Consolidated financial position

1. Assets, Liabilities, and Net Assets
Total assets as of June 30, 2015 decreased by ¥1,167 million to ¥50,290 million compared to the end of the previous fiscal year. The main factors contributing to this were a decrease of ¥1,570 million in cash and deposits by the payment of shareholder's dividends, and the purchase of treasury stock.
Total liabilities as of June 30, 2015 increased by ¥2,825 million to ¥20,422 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥5,400 million in short-term loans payable, and a decrease of ¥2,552 million in accounts payable.
Total net assets decreased by ¥3,991 million to ¥29,868 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥1,181 million in treasury stock, and a decrease of ¥2,999 million in the payment of shareholder's dividends.
As a result, the capital ratio decreased by 6.4 points to 59.0% compared to the end of the previous fiscal year.

2. Cash Flow
Consolidated cash and cash equivalents as of June 30, 2015 totaled ¥15,116 million, a ¥1,570 million decrease from the end of the previous fiscal year. (¥3,415 million decrease over the same previous fiscal period)

Cash Flow from Operating Activities
Cash flow from operating activities during the three-month period of the fiscal year under review was ¥2,130 million (compared to ¥8 million used in the previous comparable fiscal period). The main factors contributing to cash inflow were a ¥887 million decrease in notes and accounts receivable. The main factors contributing to cash outflow were a ¥800 million increase in inventories, and a ¥2,642 million decrease in notes and accounts payable.

Cash Flow from Investing Activities
Cash flow from investing activities during the three-month period was ¥1,130 million (compared to ¥725 million used in the previous comparable fiscal period). The primary contributing factors were a ¥1,516 million purchase of tangible assets such as software items for the global IT infrastructure investment, and a ¥404 million gain from the sales of property, plant and equipment.

Cash Flow from Financing Activities
Cash flow from financing activities during the three-month period was ¥1,508 million (compared to ¥2,592 million used in the previous comparable fiscal period). The primary contributing factors were an increase of ¥5,400 million in short-term loans payable, a decrease of ¥1,243 million in the purchase of treasury stock, and a decrease of ¥2,669 million in the payment for shareholders' dividends.

Forward looking information including forecast of consolidated financial results

No changes have been made to both the first half and the full year forecasts of consolidated financial results for the fiscal year ending March 2016, which were announced on April 30, 2015.

(Accompanying data)

1. Summary of Consolidated Balance Sheet

(Unit：'000 Yen)

	FY 3/15 (as of Mar. 31,2015)	1Q FY 3/16 (as of Jun. 30,2015)
Assets		
Current assets		
Cash and deposits	16,686,619	15,116,219
Notes and accounts receivable - trade	9,875,726	9,250,822
Merchandise and finished goods	7,701,801	8,399,058
Work in process	400,084	454,957
Raw materials and supplies	2,114,966	2,388,964
Other	3,449,577	3,054,051
Allowance for doubtful accounts	△41,268	△50,522
Total current assets	40,187,505	38,613,549
Non-current assets		
Property, plant and equipment		
Other, net	4,608,385	4,573,318
Total property, plant and equipment	4,608,385	4,573,318
Intangible assets		
Other	5,441,836	6,127,722
Total intangible assets	5,441,836	6,127,722
Investments and other assets		
Other	1,297,013	1,053,601
Allowance for doubtful accounts	△77,882	△78,233
Total investments and other assets	1,219,131	975,368
Total non-current assets	11,269,352	11,676,408
Total assets	51,456,857	50,289,957
Liabilities		
Current liabilities		
Accounts payable - trade	9,203,455	6,651,845
Short-term loans payable	600,000	6,000,000
Income taxes payable	613,674	316,680
Provision for bonuses	545,810	360,918
Provision for directors' bonuses	59,270	—
Other	4,858,018	5,305,614
Total current liabilities	15,880,227	18,635,057
Non-current liabilities		
Net defined benefit liability	813,059	829,733
Asset retirement obligations	152,845	153,297
Other	751,756	804,317
Total non-current liabilities	1,717,660	1,787,347
Total liabilities	17,597,887	20,422,404

（Unit：’000 Yen）

	FY 3/15 (as of Mar. 31,2015)	1Q FY 3/16 (as of Jun. 30,2015)
Net assets		
Shareholders' equity		
Capital stock	4,203,469	4,203,469
Capital surplus	7,550,743	7,538,437
Retained earnings	22,318,906	19,085,280
Treasury shares	△1,455,137	△2,635,938
Total shareholders' equity	32,617,981	28,191,248
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,370	59,143
Foreign currency translation adjustment	1,068,558	1,471,337
Remeasurements of defined benefit plans	△35,573	△32,811
Total accumulated other comprehensive income	1,060,355	1,497,669
Subscription rights to shares	180,634	178,636
Total net assets	33,858,970	29,867,553
Total liabilities and net assets	51,456,857	50,289,957

2. Consolidated Profit & Loss Statement

（Unit：'000 Yen）

	1Q FY 3/15 (April.1, 2014 to Jun.30, 2014)	1Q FY 3/16 (April.1, 2015 to Jun.30, 2015)
Net sales	13,668,995	15,141,856
Cost of sales	8,169,381	8,861,655
Gross profit	5,499,614	6,280,201
Selling, general and administrative expenses	5,419,729	6,250,775
Operating income	79,885	29,426
Non-operating income		
Interest income	11,824	18,568
Dividend income	—	34,655
Foreign exchange gains	36,289	—
Other	18,432	28,536
Total non-operating income	66,545	81,759
Non-operating expenses		
Interest expenses	3,036	4,539
Foreign exchange losses	—	54,234
Commission fee	—	25,532
Other	1,325	462
Total non-operating expenses	4,361	84,767
Ordinary income	142,069	26,418
Extraordinary income		
Gain on sales of non-current assets	161	1,290
Gain on reversal of subscription rights to shares	—	1,385
Total extraordinary income	161	2,675
Extraordinary losses		
Loss on sales of non-current assets	1,315	24,385
Loss on retirement of non-current assets	2,017	10,860
Total extraordinary losses	3,332	35,245
Income (loss) before income taxes	138,898	△6,152
Income taxes	43,721	228,523
Net Profit (loss)	95,177	△234,675
Net profit (loss) attributable to stockholders	95,177	△234,675

3. Consolidated Comprehensive Income Statement

（Unit：'000 Yen）

	1Q FY 3/15 (April.1, 2014 to Jun.30, 2014)	1Q FY 3/16 (April.1, 2015 to Jun.30, 2015)
Profit (loss)	95,177	△234,675
Other comprehensive income		
Valuation difference on available-for-sale securities	△236,191	31,773
Foreign currency translation adjustment	△171,976	402,779
Remeasurements of defined benefit plans, net of tax	2,741	2,762
Total other comprehensive income	△405,426	437,314
Comprehensive income	△310,249	202,639
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△310,249	202,639
Comprehensive income attributable to non-controlling interests	—	—

4. Summary of Consolidated Cash Flow Statement

（Unit：'000 Yen）

	1Q FY 3/15 (April.1, 2014 to Jun.30, 2014)	1Q FY 3/16 (April.1, 2015 to Jun.30, 2015)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	138,898	△6,152
Depreciation	461,700	435,564
Share-based compensation expenses	22,376	5,503
Increase (decrease) in provision	△272,975	△241,061
Increase (decrease) in net defined benefit liability	28,960	20,758
Interest and dividend income	△11,824	△53,222
Interest expenses	3,036	4,539
Decrease (increase) in notes and accounts receivable - trade	3,583,728	886,604
Decrease (increase) in inventories	△786,788	△799,632
Increase (decrease) in notes and accounts payable - trade	△1,642,234	△2,641,772
Other, net	306,370	812,787
Subtotal	1,831,247	△1,576,084
Interest and dividend income received	11,824	52,618
Interest expenses paid	△3,030	△4,252
Income taxes paid	△1,848,090	△602,174
Net cash provided by (used in) operating activities	△8,049	△2,129,892
Cash flows from investing activities		
Purchase of non-current assets	△729,813	△1,515,766
Proceeds from sales of non-current assets	3,962	403,652
Other, net	998	△18,152
Net cash provided by (used in) investing activities	△724,853	△1,130,266
Cash flows from financing activities		
Increase in short-term loans payable	―	5,400,000
Purchase of treasury shares	―	△1,242,512
Proceeds from disposal of treasury shares	400	19,620
Cash dividends paid	△2,592,488	△2,668,744
Net cash provided by (used in) financing activities	△2,592,088	1,508,364
Effect of exchange rate change on cash and cash equivalents	△89,534	181,394
Net increase (decrease) in cash and cash equivalents	△3,414,524	△1,570,400
Cash and cash equivalents at beginning of period	15,393,939	16,686,619
Cash and cash equivalents at end of period	11,979,415	15,116,219

5. Segment Information

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

1Q FY 3/15 (April 1, 2014 – June 30, 2014) (Unit: ’000 Yen)

	Reportable Segments			Other Business (Note)1	Total	Adjustment (Note)2	Amount of Consolidated P/L (Note)3
	Brand Business	Technology Solution Business	Sub Total				
Sales							
Sales towards external customers	8,702,641	4,786,249	13,488,890	180,105	13,668,995	—	13,668,995
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	8,702,641	4,786,249	13,488,890	180,105	13,668,995	—	13,668,995
Segment Profit or Loss (-)	868,852	155,501	1,024,353	27,086	1,051,439	-971,554	79,885

(Note) 1. “Other businesses” consist of Engineering Solution Business (formerly Software Business).
2. The above “Adjustment” in “Segment Profit”, -971,554 (‘000Yen) is mainly the cost of administrative function which are not included in the reportable segments.
3. “Segment Profit or Loss” is adjusted to consolidated operating income.

:

1Q FY 3/16 (April 1, 2015 – June 30, 2015) (Unit: ’000 Yen)

	Reportable Segments			Other Business (Note)1	Total	Adjustment (Note)2	Amount of Consolidated P/L (Note)3
	Brand Business	Technology Solution Business	Sub Total				
Sales							
Sales towards external customers	10,760,058	4,240,519	15,000,577	141,279	15,141,856	—	15,141,856
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	10,760,058	4,240,519	15,000,577	141,279	15,141,856	—	15,141,856
Segment Profit or Loss (-)	1,651,338	216,397	1,867,735	3,452	1,871,187	-1,841,761	29,426

(Note) 1. “Other businesses” consist of Engineering Solution Business (formerly Software Business).
2. The above “Adjustment” in “Segment Profit”, -1,841,761 (‘000Yen) is mainly the cost of administrative function which are not included in the reportable segments.
3. “Segment Profit or Loss” is adjusted to consolidated operating income.
4. “Component Business” segment has been renamed to “Technology Solution Business” since FY 3 /2016 .

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

(1) Business Performance

	FY 3/15 1Q Result	FY 3/16 1Q Result	YOY Change Amount	YOY Change Ratio	FY 3/15 Full Year Result	FY 3/16 Full Year Forecast as of April 30	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Net Sales	13,669	15,142	1,473	10.8%	74,557	84,000	9,443	12.7%
Operating Income	80	29	-51	-63.2%	6,143	5,500	-643	-10.5%
(Operation Income Margin)	*0.6%*	*0.2%*			*8.2%*	*6.5%*		
Ordinary Income	142	26	-116	-81.4%	6,065	5,350	-715	-11.8%
(Ordinary Income Margin)	*1.0%*	*0.2%*			*8.1%*	*6.4%*		
Net Proift	95	-235	-330	—	3,473	3,530	57	1.6%
(Net Profit Margin)	*0.7%*	*-1.5%*			*4.7%*	*4.2%*		
P/L FX Rate（Average in the Term）	JPY	JPY	JPY		JPY	JPY	JPY	
（US Doller）	102.14	121.34	19.20	18.8%	110.03	110.00	-0.03	0.0%
（Euro）	140.01	133.86	-6.15	-4.4%	138.68	130.00	-8.68	-6.3%

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

(2) Sales by Business Segment

	FY 3/15 1Q Result	FY 3/16 1Q Result	YOY Change Amount	YOY Change Ratio	FY 3/15 Full Year Result	FY 3/16 Full Year Forecast as of April 30	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Branded Business								
Sales	8,703	10,760	2,057	23.6%	43,625	50,300	6,675	15.3%
Operating Income	869	1,651	782	90.1%	5,965	9,280	3,315	55.6%
(Operation Income Margin)	10.0%	15.3%			13.7%	18.4%		
Technology Solution Business								
Sales	4,786	4,241	-545	-11.4%	30,277	33,000	2,723	9.0%
Operating Income	156	216	60	39.2%	4,642	4,570	-72	-1.5%
(Operation Income Margin)	3.2%	5.1%			15.3%	13.8%		
Other Business								
Sales	180	141	-39	-21.6%	655	700	45	6.9%
Operating Income	27	3	-24	-87.3%	55	60	5	8.8%
(Operation Income Margin)	15.0%	2.4%			8.4%	8.6%		

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

(3) Sales by Product Lines

（by Subsidiaries）	FY 3/15 1Q Result	FY 3/16 1Q Result	YOY Change Amount	YOY Change Ratio	FY 3/15 Full Year Result	FY 3/16 Full Year Forecast as of April 30	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Brand Business	**8,703**	**10,760**	**2,057**	**23.6%**	**43,625**	**50,300**	**6,675**	**15.3%**
Creative Business	7,321	9,241	1,920	26.2%	36,480	41,100	4,620	12.7%
Pen tablets	4,187	5,060	873	20.9%	21,981	23,300	1,319	6.0%
（Japan）	*590*	*601*	*11*	*1.9%*	*2,754*			
（U.S.）	*1,508*	*1,613*	*105*	*6.9%*	*6,990*			
（Germany）	*976*	*1,028*	*52*	*5.4%*	*6,500*			
（Asia-Oceania）	*1,113*	*1,818*	*705*	*63.3%*	*5,737*			
Mobiles	888	1,377	489	55.1%	3,909	5,400	1,491	38.1%
（Japan）	*98*	*252*	*154*	*156.5%*	*686*			
（U.S.）	*383*	*500*	*117*	*30.7%*	*1,508*			
（Germany）	*178*	*306*	*128*	*71.2%*	*969*			
（Asia-Oceania）	*229*	*319*	*90*	*39.7%*	*746*			
Displays	2,246	2,804	558	24.9%	10,590	12,400	1,810	17.1%
（Japan）	*402*	*451*	*49*	*12.4%*	*1,919*			
（U.S.）	*997*	*1,363*	*366*	*36.6%*	*4,229*			
（Germany）	*503*	*560*	*57*	*11.4%*	*2,964*			
（Asia-Oceania）	*344*	*430*	*86*	*25.0%*	*1,478*			
Consumer Business	204	283	79	39.0%	1,554	2,300	746	48.0%
（Japan）	*37*	*42*	*5*	*14.8%*	*244*			
（U.S.）	*95*	*132*	*37*	*38.9%*	*669*			
（Germany）	*44*	*79*	*35*	*81.4%*	*494*			
（Asia-Oceania）	*28*	*30*	*2*	*5.0%*	*147*			
Business Solution	1,178	1,236	58	4.9%	5,591	6,900	1,309	23.4%
（Japan）	*175*	*192*	*17*	*10.2%*	*874*			
（U.S.）	*99*	*131*	*32*	*32.8%*	*517*			
（Germany）	*800*	*744*	*-56*	*-7.1%*	*3,605*			
（Asia-Oceania）	*104*	*169*	*65*	*61.4%*	*595*			
Technology Solution Business	**4,786**	**4,241**	**-545**	**-11.4%**	**30,277**	**33,000**	**2,723**	**9.0%**
For smartphones	1,916	1,118	-798	-41.6%	18,331	18,500	169	0.9%
For tablets	2,058	2,540	482	23.4%	8,542	10,500	1,958	22.9%
For notebook PCs	812	583	-229	-28.2%	3,404	4,000	596	17.5%
Other Business	**180**	**141**	**-39**	**-21.6%**	**655**	**700**	**45**	**6.9%**
Engineering Solution	180	141	-39	-21.6%	655	700	45	6.9%
（Japan）	*180*	*141*	*-39*	*-21.6%*	*655*			
Total	**13,669**	**15,142**	**1,473**	**10.8%**	**74,557**	**84,000**	**9,443**	**12.7%**

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

(4) Sales by Subsidiaries

	FY 3/15 1Q Result	FY 3/16 1Q Result	YOY Change Amount	YOY Change Ratio	FY 3/15 Full Year Result	FY 3/16 Full Year Forecast as of April 30	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Japan	6,268	5,921	-347	-5.5%	37,409	40,960	3,551	9.5%
(Japan excluding Tech Solution biz.)	*1,482*	*1,680*	*198*	*13.4%*	*7,132*	*7,960*	*828*	*11.6%*
U.S.	3,082	3,739	657	21.3%	13,914	16,550	2,636	18.9%
Germany	2,501	2,717	216	8.6%	14,532	15,420	888	6.1%
Asia-Oceania	1,818	2,765	947	52.1%	8,702	11,070	2,368	27.2%
Total	13,669	15,142	1,473	10.8%	74,557	84,000	9,443	12.7%

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

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

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

	FY 3/15 1Q Result	FY 3/16 1Q Result	YOY Change Amount	YOY Change Ratio	FY 3/15 Full Year Result	FY 3/16 Full Year Forecast as of April 30	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Capital Expenditure	809	1,128	319	39.4%	4,082	5,200	1,118	27.4%
Depreciation	462	436	-26	-5.7%	1,970	2,500	530	26.9%
R&D Expenditure	700	1,019	319	45.5%	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.