Q1 FY 3/2018 Summary of Consolidated Financial Results

August 7, 2017

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

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Preparation of Supplemental Explanatory Material for Financial Results: Yes

Holding of Large Meeting for Financial Results: No

1. Q1 FY 3/2018 Consolidated Financial Results (April 1, 2017 – June 30, 2017)

(1) Business Performance (Consolidated) (Round off to mY)

	Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	mY	%	mY	%	mY	%	mY	%
Q1 FY 3/2018	15,966	20.4	-138	—	-46	—	172	—
Q1 FY 3/2017	13,261	-12.4	-1,447	—	-1,481	—	-1,147	—

(Note) Comprehensive income Q1 FY 3/2018 342mY (—%) Q1 FY 3/2017 -2,602mY (—%)

	Net Profit Per Share Outstanding	Net Profit Per Diluted Share Outstanding
	Yen Sen	Yen Sen
Q1 FY 3/2018	1.06	—
Q1 FY 3/2017	-6.97	—

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets Per Share
	mY	mY	%	Yen Sen
Q1 FY 3/2018	49,708	20,721	41.4	126.86
FY 3/2017	50,250	21,357	42.2	130.75

(For Ref.) Capital: Q1 FY3/2018 20,598 mY FY 3/2017 21,230 mY

2. Dividends

	Dividend Per Share				
(Record date)	Q1	Q2	Q3	End of FY	FY Total
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen
FY 3/2017	-	0.00	-	6.00	6.00
FY 3/2018	-				
FY 3/2018 (estimates)		0.00	-	6.00	6.00

Changes in dividend per share forecast of FY 3/2018 : No

3. Consolidated Financial Forecasts of FY 3/2018 (April 1, 2017 – March 31, 2018)

	Sales		Operating Profit		Ordinary Profit		Net Profit Attributable to Stockholders		Net Profit Per Share Outstanding
	mY	%	mY	%	mY	%	mY	%	Yen Sen
Q2 (H1 FY 3/2018)	35,180	4.1	-470	—	-500	—	-100	—	-0.62
Full Year	76,800	7.7	1,800	—	1,740	—	1,130	—	6.96

Changes in Financial Forecasts of FY 3/2018 : No

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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
Q1 FY 3/2018	166,546,400	FY 3/2017	166,546,400

Number of treasury stock outstanding at end of year:

	Shares		Shares
Q1 FY 3/2018	4,175,300	FY 3/2017	4,175,300

Number of average shares for fiscal period:

	Shares		Shares
Q1 FY 3/2018	162,371,100	Q1 FY 3/2017	164,405,963

*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, 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 (the three months April 1, 2017 to June 30, 2017), moves to form a new industrial platform in the IT industry became more active as mobile products, cloud computing, big data, and social media further penetrated society. The yen weakened against the dollar and the euro during the first quarter period, in part reflecting differences in monetary policy among central banks in Japan, Europe and the U.S. Also, the yen weakened against emerging currencies except for the renminbi which contrarily weakened against the yen.

Against this background, Wacom Group has taken the lead in the pen tablet market for creative users by leading the market for advanced digital pen and ink technology. Also, we developed more value-added products and reinforced our product lineup, to address new growth fields including IoT (Internet of Things), VR (Virtual Reality), AR (Augmented Reality), 3D printing, AI (Artificial Intelligence), and security. Also, to reinforce the medium-term growth of our corporate value, we worked on groupwide measures to improve productivity and cost structure.

In the Brand Business segment, under Creative Business, which forms Wacom's core business, we promoted our new products Pen Tablet, Display and Mobile launched in the previous fiscal year. In addition, we extended active sales promotions close to each customer community by strengthening regional marketing functions. In the Consumer Business, we jointly developed with Microsoft and launched a new stylus optimized for Windows OS tablet devices. In addition, we worked on sales expansion of smartpad products, enhancing our high-end product lineup in the digital stationery category. In the Business Solution area, we developed and launched a new product that captures handwritten data on normal paper into mobile devices and networks securely in real-time, improving efficiency in business workflow and strengthening data security. Based on the above, new products contributed to overall sales of the Brand Business segment for the first quarter and sales exceeded the same period of the previous fiscal year.

In the Technology Solution Business segment, our de facto standard digital pen technologies with EMR (Electro Magnetic Resonance) and Active-ES(Active Electrostatic) regardless of OS platform drove expanding adoption of digital pen technologies for tablet devices.
We also worked on expanding business opportunities in the education market, as well as development of the digital stationery market through collaboration with various partner companies. In smartphones, we focused on development for the next-generation Samsung model and prepared for mass production, while we saw the end of demand for existing models during the transition period to the next model. Overall sales of the Technology Solution Business segment for the first quarter of the fiscal year ending March 31, 2018, significantly exceeded the same period of the previous fiscal year, owing mainly to a doubling of sales for tablets.

In Corporate Functions, we continued to promote WILL (Wacom Ink Layer Language) as a digital ink standard and we launched "Wacom Innovation Hub" in May as a new support program for startup companies to encourage new and innovative applications based on the WILL platform. In addition, we held a "Connected Ink" digital ink promotion event in Shanghai in June, expanding partner companies. Regarding management, we proceeded with planning of our new strategic initiative to optimize cost structure. In addition, to improve business decision-making, we established a Nominating Committee in April, and started criteria formulation for selecting executives of Wacom group (Representative Director, Directors, executive officers).

For the first quarter of the fiscal year ending March 31, 2018, consolidated net sales increased

20.4% to ¥15,966 million, operating loss decreased by ¥1,309 million to ¥138 million, ordinary loss decreased by ¥1,435 million to ¥46 million, and net profit attributable to owners of parent (income tax adjusted) increased by ¥1,319 million to ¥172 million.

Segment results

1. Brand Business

< Creative Business>

In Creative Business, sales performed well and exceeded the same period of the previous fiscal year, owing to sales expansion mainly of new products launched in the previous fiscal year. We also developed new products for growing markets such as VR/AR, as well as new next-generation digital pen technology, to further strengthen our leading position in the market as an innovator.

○Pen Tablet products

Shipments of *Intuos Pro* series were sluggish due to weak demand for a new model launched in the previous fiscal year. However, the parts procurement issue for the *Intuos* series was resolved, and *Intuos 3D* launched in the previous fiscal year also contributed to sales. Shipments of our emerging market model, *One by Wacom*, increased approximately 50% on a unit basis, and contributed to the expansion of a base market of new customers. As a result, overall sales of pen tablet products exceeded the same period of the previous fiscal year.

○Mobile products

We saw dramatic changes in the competitive environment as the market for tablet devices equipped with digital pen technology expanded. At the same time, we saw continuing demand for our advanced models which support creative work flow for professional creators, leading to favorable sales of *Wacom MobileStudio Pro* launched in the previous fiscal year. As a result, overall sales of mobile products significantly exceeded the same period of the previous fiscal year.

○Display products

Overall sales for display products significantly exceeded the same period of the previous fiscal year, owing to new model *Wacom Cintiq Pro13* equipped with next-generation digital pen technology launched in the previous fiscal year, as well as *Wacom Cintiq Pro16* launched in April.

< Consumer Business>

We jointly developed with Microsoft and launched the new stylus product *Bamboo Ink* which is optimal for Windows OS tablet devices in June, showing good start in sales. In addition, advanced stylus product *Bamboo Sketch* for iPad launched in June also contributed to sales. Sales of digital stationery products, *Bamboo Slate* and *Bamboo Folio* launched in the previous fiscal year, exceeded the sales of the previous models. As a result, overall sales of Consumer Business significantly exceeded the same period of the previous fiscal year.

< Business Solution>

Sales of the *DT* series LCD pen tablets significantly exceeded the same period of the previous fiscal year, owing to favorable sales for financial institutions in the U.S. However, sales of *STU* series LCD signature tablets fell below the same period of the previous fiscal year, due to changes in competitive environment in Europe and recoil of large-scale project in the previous fiscal year. As a result, overall sales of Business Solution significantly fell below the same period of the previous fiscal year.

As a result, overall sales in the Brand Business segment for the first quarter of the fiscal year increased 13.2% to ¥10,487 million, and operating profit increased 50.6% to ¥1,486 million.

2. Technology Solution Business

<Pen sensor systems for smartphones>
Overall sales declined significantly compared to the same period of the previous fiscal year, as demand for existing models dried up before transitioning to the next model.

<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 favorable demand from tablet PC manufacturers. Overall sales for tablets significantly exceeded the same period of the previous fiscal year, owing to steady shipments to Lenovo, Hewlett Packard, Toshiba, and Dell. We also expanded sales to the education market of EMR products such as pens tailored for use with the Google Chromebook.

As a result, overall sales in the Technology Solution Business segment for the first quarter of the fiscal year increased 38.5% to ¥5,301 million, and operating profit increased by ¥786 million to ¥690 million.

3. Other Business

Engineering Solution Business sales slightly increased over the same period of the previous fiscal year. We also revised the definition of product life cycle, leading to an increase in cost of sales.

As a result, overall sales in the Other Business for the first quarter of the fiscal year increased 4.6% to ¥178 million, and operating loss increased by ¥8 million to ¥1 million.

Consolidated financial position

1. Assets, Liabilities, and Net Assets

Total assets as of June 30, 2017 decreased by ¥541 million to ¥49,708 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥818 in merchandise and finished goods, an increase of ¥133 in work in process, a decrease of ¥1,036 million in cash and deposits, and a decrease of ¥357 million in notes and accounts receivable.
Total liabilities as of June 30, 2017 increased by ¥94 million to ¥28,987 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥1,000 million in short-term loans payable, a decrease of ¥508 in notes and accounts payable, and a decrease of ¥482 in provision for bonuses.
Total net assets decreased by ¥635 million to ¥20,721 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥172 in net profit attributable to owners of parent, an increase of ¥168 million in foreign currency translation adjustment, and a decrease of ¥974 million in the payment of shareholder's dividends.
As a result, the capital ratio decreased by 0.8 points to 41.4% compared to the end of the previous fiscal year.

2. Cash Flow

Consolidated cash and cash equivalents as of June 30, 2017 totaled ¥13,169, a ¥1,036 million decrease from the end of the previous fiscal year (compared to a ¥1,428 million decrease in the previous comparable fiscal period).

Cash Flow from Operating Activities

Cash flow used for operating activities during the three-month period was ¥1,204 million (compared to ¥237 million used in the previous comparable fiscal period). The main factors contributing to cash inflow were ¥633 million of depreciation. The main factors contributing to cash outflow were ¥507 million of decrease in provision, ¥819 million of increase in inventories, and ¥597 million of decrease in notes and accounts payable – trade .

Cash Flow from Investing Activities

Cash flow used for investing activities during the three-month period was ¥279 million (compared to ¥368 million used in the previous comparable fiscal period). The main contributing factor was ¥288 million of purchase of non-current assets.

Cash Flow from Financing Activities

Cash flow gained from financing activities during the three-month period was ¥124 million (compared to ¥43 million gained in the previous comparable fiscal period). The main contributing factors were ¥1,000 million of an inflow from short-term loans payable, and ¥ 876 million of 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 2018, which were announced on May 10, 2017.

(Accompanying data)

1.Summary of Consolidated Balance Sheet

(unit: '000 Yen)

	FY 3/2017 (as of March 31, 2017)	Q1 FY 3/2018 (as of June 30, 2017)
Assets		
Current assets		
Cash and deposits	14,204,928	13,169,249
Notes and accounts receivable - trade	10,768,466	10,410,746
Merchandise and finished goods	9,650,738	10,468,296
Work in process	260,308	393,448
Raw materials and supplies	1,753,480	1,852,696
Other	2,977,645	2,952,788
Allowance for doubtful accounts	-115,726	-90,753
Total current assets	39,499,839	39,156,470
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures, net	1,374,642	1,373,428
Other, net	2,928,715	2,941,382
Total property, plant and equipment	4,303,357	4,314,810
Intangible assets		
Other	4,312,796	4,030,754
Total intangible assets	4,312,796	4,030,754
Investments and other assets		
Other	2,209,977	2,283,016
Allowance for doubtful accounts	-76,386	-76,735
Total investments and other assets	2,133,591	2,206,281
Total non-current assets	10,749,744	10,551,845
Total assets	50,249,583	49,708,315
Liabilities		
Current liabilities		
Accounts payable - trade	7,481,847	6,974,044
Short-term loans payable	3,000,000	4,000,000
Income taxes payable	145,196	319,069
Provision for bonuses	936,567	454,881
Provision for directors' bonuses	1,534	14,342
Other	5,818,681	5,628,915
Total current liabilities	17,383,825	17,391,251
Non-current liabilities		
Long-term loans payable	10,000,000	10,000,000
Net defined benefit liability	923,928	926,689
Provision for bonuses	4,222	—
Provision for directors' bonuses	1,195	—
Asset retirement obligations	230,669	231,319
Other	348,847	437,653
Total non-current liabilities	11,508,861	11,595,661
Total liabilities	28,892,686	28,986,912

(unit: '000 Yen)

	FY 3/2017 (as of March 31, 2017)	Q1 FY 3/2018 (as of June 30, 2017)
Net assets		
Shareholders' equity		
Capital stock	4,203,469	4,203,469
Capital surplus	6,098,918	6,098,918
Retained earnings	13,134,374	12,332,471
Treasury shares	-1,900,416	-1,900,416
Total shareholders' equity	21,536,345	20,734,442
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,907	1,695
Foreign currency translation adjustment	-294,554	-127,008
Remeasurements of defined benefit plans	-13,554	-11,424
Total accumulated other comprehensive income	-306,201	-136,737
Subscription rights to shares	126,753	123,698
Total net assets	21,356,897	20,721,403
Total liabilities and net assets	50,249,583	49,708,315

2. Consolidated Profit & Loss Statement

(unit: '000 Yen)

	Q1 FY 3/2017 (April 1,2016 to June 30, 2016)	Q1 FY 3/2018 (April 1, 2017 to June 30, 2017)
Net sales	13,260,875	15,966,343
Cost of sales	7,989,466	9,272,923
Gross profit	5,271,409	6,693,420
Selling, general and administrative expenses	6,718,325	6,831,279
Operating loss	-1,446,916	-137,859
Non-operating income		
Interest income	15,783	17,983
Rent income	9,243	—
Foreign exchange gains	—	60,827
Other	8,107	22,902
Total non-operating income	33,133	101,712
Non-operating expenses		
Interest expenses	5,111	9,388
Foreign exchange losses	61,562	—
Other	745	195
Total non-operating expenses	67,418	9,583
Ordinary loss	-1,481,201	-45,730
Extraordinary income		
Gain on sales of non-current assets	—	191
Gain on reversal of subscription rights to shares	2,286	3,606
Total extraordinary income	2,286	3,797
Extraordinary losses		
Loss on sales of non-current assets	31,657	—
Loss on retirement of non-current assets	—	838
Other	4,436	—
Total extraordinary losses	36,093	838
Loss before income taxes	-1,515,008	-42,771
Income taxes	-368,335	-215,095
Profit (loss)	-1,146,673	172,324
Profit (loss) attributable to owners of parent	-1,146,673	172,324

3. Consolidated Comprehensive Income Statement

(unit: '000 Yen)

	Q1 FY 3/2017 (April 1, 2016 to June 30, 2016)	Q1 FY 3/2018 (April 1, 2017 to June 30, 2017)
Profit (loss)	-1,146,673	172,324
Other comprehensive income		
Valuation difference on available-for-sale securities	-13,477	-212
Foreign currency translation adjustment	-1,444,438	167,546
Remeasurements of defined benefit plans, net of tax	2,682	2,130
Total other comprehensive income	-1,455,233	169,464
Comprehensive income	-2,601,906	341,788
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-2,601,906	341,788
Comprehensive income attributable to non-controlling interests	—	—

4. Summary of Consolidated Cash Flow Statement

(unit: '000 Yen)

	Q1 FY 3/2017 (April 1, 2016 to June 30, 2016)	Q1 FY 3/2018 (April 1, 2017 to June 30, 2017)
Cash flows from operating activities		
Loss before income taxes	-1,515,008	-42,771
Depreciation	621,114	632,515
Share-based compensation expenses	3,115	551
Increase (decrease) in provision	-432,504	-506,705
Increase (decrease) in net defined benefit liability	7,948	2,744
Interest and dividend income	-15,783	-17,983
Interest expenses	5,111	9,388
Decrease (increase) in notes and accounts receivable - trade	1,096,711	456,629
Decrease (increase) in inventories	-457,638	-818,818
Increase (decrease) in notes and accounts payable - trade	-8,917	-597,216
Other, net	557,263	-144,717
Subtotal	-138,588	-1,026,383
Interest and dividend income received	15,391	18,494
Interest expenses paid	-5,209	-8,956
Income taxes paid	-108,348	-187,468
Net cash provided by (used in) operating activities	-236,754	-1,204,313
Cash flows from investing activities		
Purchase of non-current assets	-899,902	-288,157
Proceeds from sales of non-current assets	532,780	191
Other, net	-736	8,814
Net cash provided by (used in) investing activities	-367,858	-279,152
Cash flows from financing activities		
Increase in short-term loans payable	―	1,000,000
Proceeds from long-term loans payable	3,000,000	―
Purchase of treasury shares	-296,089	―
Cash dividends paid	-2,663,511	-876,259
Other, net	2,508	―
Net cash provided by (used in) financing activities	42,908	123,741
Effect of exchange rate change on cash and cash equivalents	-866,289	324,045
Net increase (decrease) in cash and cash equivalents	-1,427,993	-1,035,679
Cash and cash equivalents at beginning of period	14,365,031	14,204,928
Cash and cash equivalents at end of period	12,937,038	13,169,249

5. Segment Information

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

Q1 FY 3/2017 (April 1, 2016 – June 30, 2016) (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	9,262,512	3,828,495	13,091,007	169,868	13,260,875	—	13,260,875
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	9,262,512	3,828,495	13,091,007	169,868	13,260,875	—	13,260,875
Segment Profit or Loss (-)	986,768	-95,882	890,886	6,766	897,652	-2,344,568	-1,446,916

(Note) 1. “Other Business” consist of Engineering Solution Business.
2. The above “Adjustment” in “Segment Profit”, -2,344,568 is mainly the cost of administrative functions which are not included in the reportable segments.
3. “Segment Profit or Loss” is adjusted for consolidated operating profit.

Q1 FY 3/2018 (April 1, 2017 – June 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	10,487,488	5,301,226	15,788,714	177,629	15,966,343	—	15,966,343
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	10,487,488	5,301,226	15,788,714	177,629	15,966,343	—	15,966,343
Segment Profit or Loss (-)	1,486,025	689,894	2,175,919	-930	2,174,989	-2,312,848	-137,859

(Note) 1. “Other Business” consist of Engineering Solution Business.
2. The above “Adjustment” in “Segment Profit”, -2,312,848 (‘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.

Q1 FY 3/2018 Summary of Consolidated Financial Results
from April 1, 2017 to June 30, 2017

(1) Business Performance

	FY 3/17 Q1 Result	FY 3/18 Q1 Result	YOY Change Amount	YOY Change Ratio	FY 3/17 Full Year Result	FY 3/18 Full Year Forecast	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Sales	13,261	15,966	2,705	20.4%	71,314	76,800	5,486	7.7%
Operating Profit	-1,447	-138	1,309	--	-1,171	1,800	2,971	--
(Operation Profit Margin)	*-10.9%*	*-0.9%*			*-1.6%*	*2.3%*		
Recurring Profit	-1,481	-46	1,435	--	-870	1,740	2,610	--
(Recurring Profit Margin)	*-11.2%*	*-0.3%*			*-1.2%*	*2.3%*		
Net Proift	-1,147	172	1,319	--	-5,534	1,130	6,664	--
(Net Profit Margin)	*-8.6%*	*1.1%*			*-7.8%*	*1.5%*		
P/L FX Rate (Average in the Term)	JPY	JPY	JPY		JPY	JPY	JPY	
(US Dollar)	109.07	111.61	2.54	2.3%	109.03	110.00	0.97	0.9%
(Euro)	122.47	123.14	0.67	0.5%	119.37	118.00	-1.37	-1.1%

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

(2) Sales by Business Segment

	FY 3/17 Q1 Result	FY 3/18 Q1 Result	YOY Change Amount	YOY Change Ratio	FY 3/17 Full Year Result	FY 3/18 Full Year Forecast	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Brand Business								
Sales	9,263	10,487	1,224	13.2%	43,874	49,200	5,326	12.1%
Operating Profit	987	1,486	499	50.6%	5,685	8,100	2,415	42.5%
(Operation Profit Margin)	10.7%	14.2%			13.0%	16.5%		
Technology Solution Business								
Sales	3,828	5,301	1,473	38.5%	26,758	26,900	142	0.5%
Operating Profit	-96	690	786	--	2,443	2,260	-183	-7.5%
(Operation Profit Margin)	-2.5%	13.0%			9.1%	8.4%		
Other Business								
Sales	170	178	8	4.6%	682	700	18	2.6%
Operating Profit	7	-1	-8	--	-32	40	72	--
(Operation Profit Margin)	4.0%	-0.5%			-4.8%	5.7%		

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

(3) Sales by Product Lines

(by Subsidiaries)	FY 3/17 Q1 Result	FY 3/18 Q1 Result	YOY Change Amount	YOY Change Ratio	FY 3/17 Full Year Result	FY 3/18 Full Year Forecast	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Brand Business	**9,263**	**10,487**	**1,224**	**13.2%**	**43,874**	**49,200**	**5,326**	**12.1%**
Creative Business	8,004	9,122	1,118	14.0%	38,737	43,370	4,633	12.0%
Pen tablets	4,555	4,821	266	5.9%	22,267	23,430	1,163	5.2%
(Japan)	*512*	*554*	*42*	*8.2%*	*2,245*			
(U.S.)	*1,233*	*1,294*	*61*	*5.0%*	*6,708*			
(Germany)	*1,061*	*1,091*	*30*	*2.8%*	*6,459*			
(Asia-Oceania)	*1,749*	*1,883*	*134*	*7.7%*	*6,855*			
Mobiles	753	1,000	247	32.7%	4,247	5,800	1,553	36.6%
(Japan)	*149*	*264*	*115*	*77.3%*	*995*			
(U.S.)	*284*	*254*	*-30*	*-10.4%*	*1,389*			
(Germany)	*128*	*171*	*43*	*33.1%*	*947*			
(Asia-Oceania)	*192*	*311*	*119*	*61.5%*	*916*			
Displays	2,696	3,301	605	22.5%	12,223	14,140	1,917	15.7%
(Japan)	*503*	*764*	*261*	*52.0%*	*2,122*			
(U.S.)	*1,056*	*1,241*	*185*	*17.5%*	*4,560*			
(Germany)	*544*	*514*	*-30*	*-5.5%*	*3,215*			
(Asia-Oceania)	*593*	*782*	*189*	*31.9%*	*2,326*			
Consumer Business	233	578	345	148.0%	1,321	1,730	409	31.0%
(Japan)	*32*	*49*	*17*	*53.7%*	*147*			
(U.S.)	*112*	*337*	*225*	*200.6%*	*422*			
(Germany)	*40*	*107*	*67*	*169.2%*	*580*			
(Asia-Oceania)	*49*	*85*	*36*	*72.4%*	*172*			
Business Solution	1,026	787	-239	-23.3%	3,816	4,100	284	7.4%
(Japan)	*199*	*221*	*22*	*11.2%*	*988*			
(U.S.)	*89*	*138*	*49*	*55.0%*	*440*			
(Germany)	*548*	*310*	*-238*	*-43.4%*	*1,852*			
(Asia-Oceania)	*190*	*118*	*-72*	*-38.1%*	*536*			
Technology Solution Business	**3,828**	**5,301**	**1,473**	**38.5%**	**26,758**	**26,900**	**142**	**0.5%**
For smartphones	1,255	207	-1,048	-83.5%	13,208	11,000	-2,208	-16.7%
For tablets, others	2,573	5,094	2,521	97.9%	13,550	15,900	2,350	17.3%
Other Business	**170**	**178**	**8**	**4.6%**	**682**	**700**	**18**	**2.6%**
Engineering Solution	170	178	8	4.6%	682	700	18	2.6%
(Japan)	*170*	*178*	*8*	*4.6%*	*682*			
Total	**13,261**	**15,966**	**2,705**	**20.4%**	**71,314**	**76,800**	**5,486**	**7.7%**

Note) "For notebook PCs" categorized as a product line of "Technology Solution Business" in the previous fiscal year is integrated into "For tablets, others".

(4) Sales by Subsidiaries

	FY 3/17 Q1 Result	FY 3/18 Q1 Result	YOY Change Amount	YOY Change Ratio	FY 3/17 Full Year Result	FY 3/18 Full Year Forecast	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Japan	5,393	7,331	1,938	35.9%	33,936	34,680	744	2.2%
(Japan excluding Tech Solution biz.)	*1,565*	*2,030*	*465*	*29.8%*	*7,178*	*7,780*	*602*	*8.4%*
U.S.	2,774	3,264	490	17.7%	13,520	15,200	1,680	12.4%
Germany	2,321	2,193	-128	-5.5%	13,053	14,490	1,437	11.0%
Asia-Oceania	2,773	3,178	405	14.6%	10,805	12,430	1,625	15.0%
Total	13,261	15,966	2,705	20.4%	71,314	76,800	5,486	7.7%

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 3/17 Q1 Result	FY 3/18 Q1 Result	YOY Change Amount	YOY Change Ratio	FY 3/17 Full Year Result	FY 3/18 Full Year Forecast	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Capital Expenditure	838	353	-485	-57.9%	3,580	2,400	-1,180	-33.0%
Depreciation	621	633	12	1.8%	2,573	2,800	227	8.8%
R&D Expenditure	1,062	857	-205	-19.3%	4,397	4,900	503	11.4%

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