Q1 FY 3/2019 Summary of Consolidated Financial Results

August 6, 2018

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 3/2019 Consolidated Financial Results (April 1, 2018 – June 30, 2018)

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

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Pparent	
	mY	%	mY	%	mY	%	mY	%
Q1 FY 3/2019	17,861	11.9	-388	—	-324	—	-115	—
Q1 FY 3/2018	15,966	20.4	-138	—	-46	—	172	—

(Note) Comprehensive income Q1 FY 3/2019 -70 mY (—%) Q1 FY 3/2018 342 mY (—%)

	Net Profit Per Share Outstanding	Net Profit Per Diluted Share
	Yen Sen	Yen Sen
Q1 FY 3/2019	-0.71	—
Q1 FY 3/2018	1.06	—

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share
	mY	mY	%	Yen Sen
Q1 FY 3/2019	51,521	21,644	42.0	133.14
FY 3/2018	50,910	22,668	44.5	139.45

(For Ref.) Capital: Q 1 FY3/2019 21,626 mY Q 1 FY 3/2018 22,643 mY

2. Dividend

	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 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
H1	41,330	1.6	830	-44.7	670	-59.2	660	-60.6	4.06
Full Year	85,000	3.3	4,000	13.4	3,920	9.4	2,980	26.2	18.35

Changes in Business Forecasts of FY3/2019 : 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
Q1 FY 3/2019	166,546,400	FY 3/2018	166,546,400

Number of treasury stock outstanding at end of year:

	Shares		Shares
Q1 FY 3/2019	4,121,300	FY 3/2018	4,175,300

Number of average shares during the fiscal year:

	Shares		Shares
Q1 FY 3/2019	162,371,693	Q1 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 quarter of the fiscal year (April 1, 2018 to June 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 differences in the monetary policies of major countries. The estimated impact on the financial results due to currency fluctuations is as follows: negative impact of approximate 100million 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 quarter 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 segment, supply of new display models did not sufficiently meet market demand, sales of existing models of mobile products decelerated as they entered the later stages of their product life cycles, and market penetration of new models was delayed in pen tablet products. As a result, overall sales of the Brand Business segment were 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 devices and business opportunities in the educational market. Under these circumstances, overall sales in the Technology Solution Business segment significantly exceeded those of the same period of the previous fiscal year, supported by front-loaded demand for smartphones and strong sales of tablets.

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 ending March 31, 2019, the ratio of SG&A expenses to net sales was 36.4%, 6.4 points lower than the same period of the previous fiscal year, owing to continued optimization of SG&A expenses. In addition, 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. As a result, we posted a 142 million yen loss on retirement of software.

For the first quarter of the fiscal year ending March 31, 2019, consolidated net sales increased 11.9% to ¥17,861 million, operating loss increased by ¥251 million to ¥388 million, ordinary loss increased by ¥278 million to ¥324 million, and net loss attributable to owners of parent increased by ¥288 million to ¥115 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 grew steadily, but sales of the *Intuos* series declined due to slower market penetration of new products launched in March 2018. Sales of our emerging market model *One by Wacom* also declined relative to the same period of the previous fiscal year (a period during which Wacom earned a significant number of new customers). As a result, overall sales of pen tablet products were slightly lower than the same period of the previous fiscal year.

Display products

We strengthened the *Wacom Cintiq Pro* series product lineup during the first quarter 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 significantly 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

We developed a new stylus product *Bamboo Ink* in collaboration with Microsoft. Optimized for Windows OS tablet devices, we launched the product in June 2017, and expanded sales with a focus on the U.S. As a result, overall sales in the Consumer Business exceeded those of the same period of the previous fiscal year.

Business Solution

Sales of *STU* series LCD signature tablets expanded significantly owing to favorable sales, mainly to financial institutions in North America. As a result, Business Solution overall sales significantly exceeded those of 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 ending March 31, 2019 decreased 9.6% to ¥9,476 million, and segment profit decreased 53.8% to ¥687 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 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. As a result, overall sales for tablets significantly 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 quarter of the fiscal year ending March 31, 2019 increased 58.2% to ¥8,385 million, and segment profit increased 52.1% to ¥1,049 million.

Consolidated financial position

1. Assets, Liabilities, and Net Assets

Total assets as of June 30, 2018 increased by ¥611 million to ¥51,521 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥514 million in notes and accounts receivable – trade, an increase of ¥760 million in merchandise and finished goods, an increase of ¥978 million in other of current assets, an increase of ¥567 million in investments and other assets, and a decrease of ¥2,327 million in cash and deposits.

Total liabilities as of June 30, 2018 increased by ¥1,636 million to ¥29,877 million compared to the end of the previous fiscal year. The main factors contributing to this were an increase of ¥2,385 million in notes and accounts payable-trade, and a decrease of ¥616 million in provision for bonuses.

Total net assets decreased by ¥1,024 million to ¥21,644 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥47 million in foreign currency translation adjustment, a decrease of ¥115 million in net loss attributable to owners of parent, and a decrease of ¥974 in the payment of shareholder's dividends.

As a result, the capital ratio decreased by 2.5 points to 42.0% compared to the end of the previous fiscal year.

2. Cash Flow

Consolidated cash and cash equivalents as of June 30, 2018 totaled ¥16,830 million, a ¥2,327 million decrease from the end of the previous fiscal year (compared to a ¥1,036 million decrease in the previous comparable fiscal period).

Cash Flow from Operating Activities

Cash flow used for operating activities for the first quarter of the fiscal year ending March 31, 2019 was ¥956 million (compared to ¥1,204 million used in the same period of the previous fiscal year). The main factors contributing to cash inflow were ¥582 million of depreciation and an increase of ¥2,400 million of increase in notes and accounts payable – trade. The main factors contributing to cash outflow were ¥463 million of loss before income taxes, a decrease of ¥606 million in provision, an increase of ¥1,581 million in notes and accounts receivable-trade, and an increase of ¥1,190 million in inventories.

Cash Flow from Investing Activities

Cash flow used for investing activities for the first quarter of the fiscal year ending March 31, 2019 was ¥531 million (compared to ¥279 million used in the same period of the previous fiscal year). The main contributing factor was ¥521 million of purchase of non-current assets.

Cash Flow from Financing Activities

Cash flow used for financing activities for the first quarter of the fiscal year ending March 31, 2019 was ¥870 million (compared to ¥124 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 ¥892 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 2019, which were announced on May 11, 2018.

(Accompanying data)

1. Summary of Consolidated Balance Sheet

(unit: '000 Yen)

	FY 3/2018 (as of March 31, 2018)	Q1 FY 3/2019 (as of June 30, 2018)
Assets		
Current assets		
Cash and deposits	19,157,127	16,829,993
Notes and accounts receivable - trade	10,738,243	11,252,404
Merchandise and finished goods	7,621,300	8,381,583
Work in process	162,693	209,281
Raw materials and supplies	1,935,894	2,335,865
Other	2,612,008	3,589,926
Allowance for doubtful accounts	-32,147	-37,887
Total current assets	42,195,118	42,561,165
Non-current assets		
Property, plant and equipment		
Other, net	4,301,363	4,319,496
Total property, plant and equipment	4,301,363	4,319,496
Intangible assets		
Other	2,951,431	2,611,598
Total intangible assets	2,951,431	2,611,598
Investments and other assets		
Other	1,520,716	2,086,919
Allowance for doubtful accounts	-59,115	-58,321
Total investments and other assets	1,461,601	2,028,598
Total non-current assets	8,714,395	8,959,692
Total assets	50,909,513	51,520,857
Liabilities		
Current liabilities		
Accounts payable - trade	7,100,670	9,485,229
Short-term loans payable	3,000,000	3,000,000
Income taxes payable	322,577	273,810
Provision for bonuses	1,037,202	421,300
Provision for directors' bonuses	48,908	56,868
Other	5,242,731	5,304,043
Total current liabilities	16,752,088	18,541,250
Non-current liabilities		
Long-term loans payable	10,000,000	10,000,000
Net defined benefit liability	809,066	811,427
Asset retirement obligations	234,735	236,920
Other	445,143	287,005
Total non-current liabilities	11,488,944	11,335,352
Total liabilities	28,241,032	29,876,602

(unit: '000 Yen)

	FY 3/2018 (as of March 31, 2018)	Q1 FY 3/2019 (as of June 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	13,432,359
Treasury shares	-1,900,416	-1,875,838
Total shareholders' equity	22,924,003	21,860,952
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	86	-1,646
Foreign currency translation adjustment	-284,565	-237,086
Remeasurements of defined benefit plans	3,749	3,793
Total accumulated other comprehensive income	-280,730	-234,939
Share acquisition rights	25,208	18,242
Total net assets	22,668,481	21,644,255
Total liabilities and net assets	50,909,513	51,520,857

2. Consolidated Profit & Loss Statement

(unit: '000 Yen)

	Q1 FY 3/2018 (April 1,2017 to June 30, 2017)	Q1 FY 3/2019 (April 1,2018 to June 30, 2018)
Net sales	15,966,343	17,861,057
Cost of sales	9,272,923	11,751,295
Gross profit	6,693,420	6,109,762
Selling, general and administrative expenses	6,831,279	6,498,261
Operating loss	-137,859	-388,499
Non-operating income		
Interest income	17,983	11,184
Foreign exchange gains	60,827	46,582
Other	22,902	17,815
Total non-operating income	101,712	75,581
Non-operating expenses		
Interest expenses	9,388	9,545
Other	195	1,194
Total non-operating expenses	9,583	10,739
Ordinary loss	-45,730	-323,657
Extraordinary income		
Gain on sales of non-current assets	191	2,537
Gain on sales of investment securities	—	898
Gain on reversal of share acquisition rights	3,606	—
Total extraordinary income	3,797	3,435
Extraordinary losses		
Loss on sales of non-current assets	—	339
Loss on retirement of non-current assets	838	142,091
Total extraordinary losses	838	142,430
Loss before income taxes	-42,771	-462,652
Income taxes	-215,095	-347,206
Profit (loss)	172,324	-115,446
Profit (loss) attributable to owners of parent	172,324	-115,446

Consolidated Comprehensive Income Statement

(unit: '000 Yen)

	Q1 FY 3/2018 (April 1, 2017 to June 30, 2017)	Q1 FY 3/2019 (April 1, 2018 to June 30, 2018)
Profit (loss)	172,324	-115,446
Other comprehensive income		
Valuation difference on available-for-sale securities	-212	-1,732
Foreign currency translation adjustment	167,546	47,479
Remeasurements of defined benefit plans, net of tax	2,130	44
Total other comprehensive income	169,464	45,791
Comprehensive income	341,788	-69,655
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	341,788	-69,655
Comprehensive income attributable to non-controlling interests	—	—

3. Summary of Consolidated Cash Flow Statement

(unit: '000 Yen)

	Q1 FY 3/2018 (April 1, 2017 to June 30, 2017)	Q1 FY 3/2019 (April 1, 2018 to June 30, 2018)
Cash flows from operating activities		
Loss before income taxes	-42,771	-462,652
Depreciation	632,515	582,396
Share-based compensation expenses	551	-2,268
Loss on retirement of non-current assets	838	142,091
Increase (decrease) in provision	-506,705	-605,775
Increase (decrease) in net defined benefit liability	2,744	2,440
Interest and dividend income	-17,983	-11,184
Interest expenses	9,388	9,545
Decrease (increase) in notes and accounts receivable - trade	456,629	-1,580,944
Decrease (increase) in inventories	-818,818	-1,190,451
Increase (decrease) in notes and accounts payable - trade	-597,216	2,400,172
Other, net	-145,555	74,323
Subtotal	-1,026,383	-642,307
Interest and dividend income received	18,494	10,870
Interest expenses paid	-8,956	-9,153
Income taxes paid	-187,468	-314,953
Net cash provided by (used in) operating activities	-1,204,313	-955,543
Cash flows from investing activities		
Purchase of non-current assets	-288,157	-520,667
Proceeds from sales of non-current assets	191	6,128
Other, net	8,814	-16,106
Net cash provided by (used in) investing activities	-279,152	-530,645
Cash flows from financing activities		
Increase in short-term loans payable	1,000,000	—
Proceeds from disposal of treasury shares	—	21,924
Cash dividends paid	-876,259	-891,614
Net cash provided by (used in) financing activities	123,741	-869,690
Effect of exchange rate change on cash and cash equivalents	324,045	28,744
Net increase (decrease) in cash and cash equivalents	-1,035,679	-2,327,134
Cash and cash equivalents at beginning of period	14,204,928	19,157,127
Cash and cash equivalents at end of period	13,169,249	16,829,993

Segment Information and Other information

1. Segment Information

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

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 3/2019 (April 1, 2018 – June 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	9,475,758	8,385,299	17,861,057	—	17,861,057	—	17,861,057
Sales between internal segments and internal transfer	—	—	—	—	—	—	—
Total	9,475,758	8,385,299	17,861,057	—	17,861,057	—	17,861,057
Segment Profit or Loss (-)	686,960	1,049,019	1,735,979	—	1,735,979	-2,124,478	-388,499

(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”, -2,124,478 (‘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 3/2019 Summary of Consolidated Financial Results
from April 1, 2018 to June 30, 2018

(1) Business Performance

	FY 3/18 Q1 Result	FY 3/19 Q1 Result	YOY Change Amount	YOY Change Ratio	FY 3/18 Full Year Result	FY 3/19 Full Year Forecast	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Sales	15,966	17,861	1,895	11.9%	82,263	85,000	2,737	3.3%
Operating Profit	-138	-388	-250	--	3,527	4,000	473	13.4%
(Operation Profit Margin)	*-0.9%*	*-2.2%*			*4.3%*	*4.7%*		
Recurring Profit	-46	-324	-278	--	3,585	3,920	335	9.4%
(Recurring Profit Margin)	*-0.3%*	*-1.8%*			*4.4%*	*4.6%*		
Net Proift	172	-115	-287	--	2,362	2,980	618	26.2%
(Net Profit Margin)	*1.1%*	*-0.6%*			*2.9%*	*3.5%*		
P/L FX Rate (Average in the Term)	JPY	JPY	JPY		JPY	JPY	JPY	
(US Dollar)	111.61	108.71	-2.90	-2.6%	110.81	105.00	-5.81	-5.2%
(Euro)	123.14	129.39	6.25	5.1%	129.45	130.00	0.55	0.4%

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

(2) Business Performance by Business Segment

	FY 3/18 Q1 Result	FY 3/19 Q1 Result	YOY Change Amount	YOY Change Ratio	FY 3/18 Full Year Result	FY 3/19 Full Year Forecast	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Brand Business								
Sales	10,487	9,476	-1,011	-9.6%	48,173	50,300	2,127	4.4%
Segment Profit	1,486	687	-799	-53.8%	6,470	9,700	3,230	49.9%
(Profit Margin)	14.2%	7.2%			13.4%	19.3%		
Technology Solution Business								
Sales	5,301	8,385	3,084	58.2%	33,648	34,700	1,052	3.1%
Segment Profit	690	1,049	359	52.1%	5,678	2,590	-3,088	-54.4%
(Profit Margin)	13.0%	12.5%			16.9%	7.5%		
Other Business								
Sales	178	--	-178	-100.0%	442	--	-442	-100.0%
Segment Profit	-1	--	1	--	-65	--	65	--
(Profit Margin)	-0.5%	--			-14.8%	--		

Note) The above profit in each segment doesn't include the amont 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 Q1 Result	FY 3/19 Q1 Result	YOY Change Amount	YOY Change Ratio	FY 3/18 Full Year Result	FY 3/19 Full Year Forecast	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Brand Business	**10,487**	**9,476**	**-1,011**	**-9.6%**	**48,173**	**50,300**	**2,127**	**4.4%**
Creative Business	9,122	7,571	-1,551	-17.0%	40,362	43,240	2,878	7.1%
Pen tablets	4,821	4,609	-212	-4.4%	23,390	25,050	1,660	7.1%
(Japan)	*554*	*389*	*-165*	*-29.8%*	*2,040*			
(U.S.)	*1,293*	*1,158*	*-135*	*-10.5%*	*6,839*			
(Germany)	*1,091*	*1,061*	*-30*	*-2.8%*	*6,909*			
(Asia-Oceania)	*1,883*	*2,001*	*118*	*6.3%*	*7,602*			
Displays	3,301	2,320	-981	-29.7%	13,045	14,370	1,325	10.2%
(Japan)	*764*	*496*	*-268*	*-35.1%*	*2,715*			
(U.S.)	*1,241*	*723*	*-518*	*-41.7%*	*4,577*			
(Germany)	*514*	*443*	*-71*	*-13.8%*	*2,822*			
(Asia-Oceania)	*782*	*658*	*-124*	*-15.9%*	*2,931*			
Mobiles	1,000	642	-358	-35.8%	3,927	3,820	-107	-2.7%
(Japan)	*264*	*193*	*-71*	*-27.0%*	*971*			
(U.S.)	*254*	*191*	*-63*	*-24.9%*	*1,120*			
(Germany)	*171*	*145*	*-26*	*-15.1%*	*733*			
(Asia-Oceania)	*311*	*113*	*-198*	*-63.6%*	*1,103*			
Consumer Business	578	684	106	18.4%	3,310	2,640	-670	-20.2%
(Japan)	*49*	*35*	*-14*	*-29.4%*	*214*			
(U.S.)	*337*	*486*	*149*	*44.2%*	*2,113*			
(Germany)	*107*	*89*	*-18*	*-16.8%*	*664*			
(Asia-Oceania)	*85*	*74*	*-11*	*-11.8%*	*319*			
Business Solution	787	1,221	434	55.1%	4,501	4,420	-81	-1.8%
(Japan)	*221*	*202*	*-19*	*-8.5%*	*1,072*			
(U.S.)	*138*	*332*	*194*	*139.2%*	*950*			
(Germany)	*310*	*516*	*206*	*66.4%*	*1,880*			
(Asia-Oceania)	*118*	*171*	*53*	*45.8%*	*599*			
Technology Solution Business	**5,301**	**8,385**	**3,084**	**58.2%**	**33,648**	**34,700**	**1,052**	**3.1%**
For smartphones	207	2,109	1,902	916.3%	11,708	14,650	2,942	25.1%
For tablets, others	5,094	6,276	1,182	23.2%	21,940	20,050	-1,890	-8.6%
Other Business	**178**	**--**	**-178**	**-100.0%**	**442**	**--**	**-442**	**-100.0%**
Engineering Solution	178	--	-178	-100.0%	442	--	-442	-100.0%
(Japan)	*178*	*--*	*-178*	*-100.0%*	*442*			
Total	**15,966**	**17,861**	**1,895**	**11.9%**	**82,263**	**85,000**	**2,737**	**3.3%**

(4) Sales by Subsidiaries

	FY 3/18 Q1 Result	FY 3/19 Q1 Result	YOY Change Amount	YOY Change Ratio	FY 3/18 Full Year Result	FY 3/19 Full Year Forecast	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Japan	7,331	9,700	2,369	32.3%	41,103	42,030	927	2.3%
(Japan excluding Tech Solution biz.)	*2,030*	*1,315*	*-715*	*-35.2%*	*7,455*	*7,330*	*-125*	*-1.7%*
U.S.	3,264	2,889	-375	-11.5%	15,599	15,370	-229	-1.5%
Germany	2,193	2,254	61	2.8%	13,007	14,440	1,433	11.0%
Asia-Oceania	3,178	3,018	-160	-5.0%	12,554	13,160	606	4.8%
Total	15,966	17,861	1,895	11.9%	82,263	85,000	2,737	3.3%

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 Q1 Result	FY 3/19 Q1 Result	YOY Change Amount	YOY Change Ratio	FY 3/18 Full Year Result	FY 3/19 Full Year Forecast	YOY Change Amount	YOY Change Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY	mil JPY	
Capital Expenditure	353	393	40	11.5%	1,513	2,300	787	52.0%
Depreciation	633	582	-51	-7.9%	2,421	2,600	179	7.4%
R&D Expenditure	857	879	22	2.6%	4,385	5,000	615	14.0%

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