

## FY09 Summary of Financial Results (Consolidated)

April 30, 2010

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

(Code Number: 6727 TSE1)

(URL <http://www.wacom.co.jp>)

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### 1. FY09 Consolidated Financial Results (April 1, 2009 – March 31, 2010)

#### (1) Business Performance (Consolidated) (rounded off to mY)

|      | Sales  |        | Operating Profit |         | Recurring Profit |         | Net Profit |         |
|------|--------|--------|------------------|---------|------------------|---------|------------|---------|
|      | mY     | %      | mY               | %       | mY               | %       | mY         | %       |
| FY09 | 32,045 | (-5.2) | 3,128            | (-27.5) | 3,156            | (-24.5) | 1,968      | (-23.7) |
| FY08 | 33,809 | (-8.0) | 4,311            | (-22.2) | 4,179            | (-25.1) | 2,579      | (-26.3) |

|      | Net Profit per Share Outstanding |     | Net Profit per Diluted Share Outstanding |     | Return on Equity (ROE) | Total Asset recurring profit ratio | Operating Profit Margin |
|------|----------------------------------|-----|--|-----|------------------------|------------------------------------|-------------------------|
|      | Yen                              | Sen | Yen                                      | Sen | %                      | %                                  | %                       |
| FY09 | 4,899.57                         |     | 4,888.56                                 |     | 10.9                   | 11.7                               | 9.8                     |
| FY08 | 6,213.93                         |     | 6,197.78                                 |     | 14.2                   | 15.2                               | 12.8                    |

#### (2) Financial Position (Consolidated)

|      | Total Assets | Net Assets | Equity Ratio | Net Assets per Share |     |
|------|--------------|------------|--------------|----------------------|-----|
|      | mY           | mY         | %            | Yen                  | Sen |
| FY09 | 28,199       | 18,270     | 64.8         | 45,467.55            |     |
| FY08 | 25,631       | 17,796     | 69.4         | 44,303.37            |     |

(For Reference) Net Assets FY09 18,270mY FY08 17,796mY

#### (3) Consolidated Cash Flow

|      | Operating Cash Flow | Investing Cash Flow | Financing Cash Flow | Cash & Cash Equivalent |
|------|---------------------|---------------------|---------------------|------------------------|
|      | mY                  | mY                  | mY                  | mY                     |
| FY09 | 3,606               | -805                | -1,199              | 12,350                 |
| FY08 | 1,478               | -1,174              | -2,676              | 11,014                 |

### 2. Dividend

| (Record date)    | Dividend Per Share |     |     |           |          | FY Amount of dividend | Payout ratio | Dividend on equity ratio |     |
|------------------|--------------------|-----|-----|-----------|----------|-----------------------|--------------|--------------------------|-----|
|                  | 1Q                 | 2Q  | 3Q  | End of FY | FY Total |                       |              |                          |     |
|                  | Yen                | Sen | Yen | Sen       | Yen      | Sen                   | mY           | %                        | %   |
| FY08             | -                  | -   | -   | 3,000.00  | 3,000.00 |                       | 1,205        | 48.3                     | 6.8 |
| FY09             | -                  | -   | -   | 3,000.00  | 3,000.00 |                       | 1,205        | 61.2                     | 6.7 |
| FY10 (estimates) | -                  | -   | -   | 3,000.00  | 3,000.00 |                       |              | 50.9                     |     |

### 3. Consolidated Business Forecasts of FY10 (April 1, 2010 – March 31, 2011)

|              | Sales  |         | Operating Profit |         | Recurring Profit |         | Net Profit |         | Net Profit per Share Outstanding |     |
|--------------|--------|---------|------------------|---------|------------------|---------|------------|---------|----------------------------------|-----|
|              | mY     | %       | mY               | %       | mY               | %       | mY         | %       | Yen                              | Sen |
| 2Q (FY09 1H) | 17,500 | ( 20.9) | 1,160            | ( 1.0)  | 1,140            | ( -7.9) | 700        | (-13.5) | 1,742.09                         |     |
| Full Year    | 37,800 | (18.0)  | 3,820            | ( 22.1) | 3,780            | ( 19.8) | 2,130      | ( 20.4) | 5,898.22                         |     |

### 4. Other

- 1) Reclassification of significant subsidiaries during the period (Reclassification due to the change in scope of consolidation) : No
- 2) Changes in accounting principles, procedures and methods of presentation in consolidated financial statements (Changes in significant items that form the basis for preparing consolidated financial statements)
  - Changes resulting from revisions in accounting standards : Yes
  - Changes other than those above : No
- 3) Numbers of shares outstanding (Common stock)
 

Number of shares outstanding at end of year (including treasury stock): 3/10: 421,816  
3/09: 421,696

Number of treasury stock outstanding at end of year: 3/10: 20,000 3/09: 20,000

\* 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.

[Qualitative news and financial statements]

〈Qualitative news for consolidated business performance〉

Wacom Group's business environment for FY09 (from April 1, 2009 to March 31, 2010) has remained severe throughout the fiscal year, due to a decrease of corporate investment in plant and equipment and sluggish consumer consumption. Yet on the other hand, the global economic situation is showing signs of mild recovery, thanks to the economic stimulus measures by each government. In the foreign exchange market, the U.S. dollar and Euro showed a significant depreciation against the Japanese yen compared to the previous fiscal year.

The Japanese economy has not attained the full-scale recovery of corporate capital investment and employment though domestic production activities and consumer consumption of automobiles and flat panel TVs showed gradual recovery owing to economic stimulus measures and export expansion to Asian countries. In the US., the financial crisis was averted and consumer consumption went out of the worst period owing to the extension of home buyer tax credit and the federal "Cash for Clunkers" program. However, the full-scale recovery of corporate capital investment and consumer assumption is considered to require more time due to an on-going high unemployment rate and continuous inventory adjustment. The EU economy shows a pickup owing to the economic stimulus measures by each government. However, each country wasn't on a track to recovery due to the decrease in corporate capital investment, the sluggish consumer consumption caused by worsening employment conditions, and the deep-seated credit crunch for financial institutions demonstrated by Dubai debt crisis and Greece's fiscal problems. The economy in the Asia-Oceania countries in general shows a steady recovery trend. The Chinese economy is making a favorable recovery led by domestic demand as well as export expansion, which also gives South Korea and Taiwan ripple effects of production expansion.

Under the above conditions, Wacom aggressively devoted its efforts to developing new technologies, and developing, manufacturing, and selling new products as well as efficient cost control. The professional tablet, "Intuos4" released at the end of the previous fiscal year enjoyed a high reputation and the latest 3D filmmaking also expanded the use of tablets. In September, the Company announced a new user interface strategy by adding multi-touch, and at the same time, released a new series of consumer tablets, "Bamboo". The Company also began to mass-produce and provide a new multi-touch component that supports the functions of Windows 7 to major PC manufacturers, strengthening its leadership in the user interface field. Additionally in the music device field as a new entry, Wacom commercialized a professional DJ device

“nextbeat” and promoted it in Europe mainly. LCD tablets strengthened the product line and released new "Cintiq21UX" which adopted the advanced pen technology of "Intuos4" in March as well as wide-size LCD models and a portable model for digital signature. The Company set up to promote the IT infrastructure such as an ERP system and a global SCM system which increases its productivity and supports its future growth.

As a result, the consolidated FY09 business results ended in sales of ¥32.04bn (-5.2% YoY), operating profit ¥3.13bn (-27.5% YoY), recurring profit ¥3.16bn (-24.5% YoY), and net profit ¥1.97bn (-23.7% YoY).

#### (Business Segment Performance)

##### 1) ESD business

The tablet business, also known as the core business of Electronic Systems and Devices (ESD), as a whole, the sales maintained the same level as the previous year in the harsh conditions such as a decrease of corporate investment in plant and equipment and a sluggish consumer consumption despite the fact that the Company took the measure of developing new products to drive up consumer demand. In the professional segment, the sales of “Intuos4” released at the end of the previous fiscal year and “Intuos4 Wireless” released in February showed steady growth. On the consumer tablet side, “Bamboo” series recovered from a sales drop of the previous product in 1H and slightly exceeded the sales level of the previous year owing to “Bamboo” new series adding multi-touch function launched in September. As for LCD tablets, the sales decreased due to struggle of high-priced models such as “Cintiq” series for professional graphics fields influenced by the reduction of corporate investment in plant and equipment, despite the favorable sales growth of “SignPad” for the security field in Europe. With regard to the components business, the multi touch sensor system for Windows 7 was mass-produced and its shipment began in August. However, sales recorded a remarkable decrease because the acknowledgment of the touch function by ordinary users has not advanced enough from initial assumptions and sales to major customers of the components business were also sluggish. As for a professional DJ device, “nextbeat” as a new entry in the music device field, the new business faced severe results, due to taking more time to change the playing style of professional DJs and to develop a distribution channel than was the initial assumption.

As a result, the ESD business FY09 sales ended at ¥31.63bn (-4.3% YoY), and operating profit ¥4.88bn (-21.4% YoY).

##### 2) ECS business

The Engineering Collaborative Solutions (ECS) business suffered from the

severe business environment. Its sales remained at a lower level due to the decrease of manufacturer's investment in plant and equipment. In the above-mentioned situation, the ECS business provided incentives for existing users to upgrade, and for other CAD product users to replace their existing software by launching the latest product, "ECAD / dio" Ver. 10.0, an electronic designing CAD solution in September. The business also made efforts to promote sales activities by refurbishing the website and participating in domestic exhibitions and focused on the acquisition and renewal of annual maintenance contracts.

As a result, ECS business FY09 sales ended at ¥410mn (-45.3% YoY) and operating loss ¥109mn (OP ¥49mn FY08).

#### (Business Overview by Area)

##### Japan

The ESD business continued to remain in a severe situation as a whole despite maintaining the same sales level as the previous fiscal year in tablet business. The professional tablets "Intuos4" released at the end of the previous fiscal year and "Intuos4 Wireless" released in February showed a favorable increase in sales. On the other hand, the consumer tablet "Bamboo" series showed a sales decrease due to sluggish sales of the previous product in 1H despite the release of "Bamboo" new series adding multi-touch function in September. As for LCD tablets, "DT" series for vertical markets maintained steady sales, but sales as a whole decreased due to a sales drop of "Cintiq" series for the professional graphics market. For the components business; please refer to the "Business Segment Performance" section above. With regards to the ECS business, refer also to the "Business Segment Performance" section above.

As a result, sales in Japan ended at ¥10.93bn (-14.4% YoY), and OP ¥3.71bn (-30.7% YoY).

##### U.S.

In this market, of which the U.S. subsidiary is in charge, the sales as a whole decreased due to considerable influences of a decrease in consumer consumption caused by the economic slowdown and the significant depreciation of the US dollar. However, sales in 2H showed a favorable growth owing to Christmas selling season and new product effects. The professional tablets "Intuos4" released at the end of the previous fiscal year and "Intuos4 Wireless" released in February maintained steady sales. The consumer tablet "Bamboo" series showed a slight sales increase owing to favorable sales of "Bamboo" new series adding multi-touch function launched in September despite a sales drop of the previous model in 1H. As for LCD tablets, sales continued to remain in a

severe situation due to even lower buyers' interest attributed to its high price range compared with professional and consumer tablets in vertical and consumer markets.

Consequently, sales in the U.S. ended at ¥9.28bn (-5.5% YoY), and operating loss ¥46mn (OP ¥356mn FY08).

#### Germany

The European market, of which the German subsidiary is in charge, showed favorable sales growth based on local currency, however, sales based on Japanese yen remained at a slight increase due to the significant depreciation of the Euro. Sales of the professional tablets showed a drop due to the high ratio of low-priced "Intuos" series despite the sales volume growth. Sales of the consumer tablet "Bamboo" series showed a favorable increase thanks to the new series of "Bamboo" launched in September. As for LCD tablets, "SignPad" for the security field recorded favorable sales, but sales as a whole remained at a slight increase due to a sales drop of "Cintiq" series for the professional graphics market. Geographically, sales in Germany, Italy, and France enjoyed favorable growth, while U.K. and Russia still faced an uphill battle.

Accordingly, sales in the European market ended at ¥8.24bn (+3.1% YoY) and OP was ¥502mn (+42.3% YoY).

#### Asia & Oceania

In the markets, of which subsidiaries in Asia & Oceania are in charge, sales as a whole are maintaining a favorable trend. Sales of the professional tablets "Intuos4" released at the end of the previous fiscal year marked a favorable increase, thanks to developing new sales channels and improving store-front decorations. Sales of the consumer tablet "Bamboo" series recovered from a sales drop of the previous product in 1H and increased owing to "Bamboo" new series adding multi-touch function, launched in September. On the other hand, the LCD tablet showed a sales drop due to facing unfavorable sales of "Cintiq" series for professional graphics market.

Geographically, Taiwan and other ASEAN countries showed a favorable sales increase. In the Chinese market, the government's domestic demand expansion plan worked well. As a result, sales showed a positive trend thanks to favorable sales to government offices and educational institutions.

Therefore, Asia & Oceania sales ended at ¥3.59bn (+11.4% YoY), and OP ¥236mn (+434.7% YoY).

〈Qualitative news for consolidated financial position〉

Total assets increased by ¥2.57bn to ¥28.20bn in FY09 compared with the end of FY08. The main reasons were a ¥0.80bn increase in notes and accounts receivable and a ¥1.02bn increase in other current assets due to the increase of materials supplied to manufacturers at cost for launching new products, and a ¥0.76bn increase in intangible fixed assets due to the acquisition of intellectual property for maintaining the competitiveness and the structuring of the next enterprise resource planning systems.

Total liabilities increased by ¥2.10bn to ¥9.93bn in FY09 compared with the end of FY08. The main reasons for the increase were a ¥1.09bn in notes and accounts payable mainly due to the increase in the purchase of materials for the launching of new products and a ¥399mn in accrued income tax.

Total net assets increased by ¥0.47bn to ¥18.27bn. The main reason for the increase was a ¥1.97bn increase in retained earnings for FY09, despite a ¥1.21bn payment of shareholders' dividends and a ¥0.29bn decrease in foreign currency translation adjustments due to the appreciation of the Japanese yen.

Consolidated cash & cash equivalents for FY09 increased by ¥1.34bn (¥2.56bn decrease in FY08) to ¥12.35bn in FY09, compared with the end of FY08.

(Cash Flow from Operating Activities)

Earned operating cash flow for FY09 was ¥3.61bn (¥1.48bn gained in FY08). The main reasons for the increase were a ¥3.12bn in the sum of NPBT, a ¥0.76bn in depreciation, and a ¥1.13bn increase in accounts payable, despite a ¥1.49bn increase in account receivable.

(Cash Flow from Investing Activities)

Investing cash flow for FY09 was ¥0.81bn. (¥1.17bn expended in FY08) The main reasons were the purchases of mold, intellectual property, and the next enterprise resource planning systems of ¥1.31bn in fixed assets and a proceed from redemption of held-to-maturity securities of ¥0.5bn.

(Cash Flow from Financing Activities)

Financing cash flow for FY09 was ¥1.20bn. (¥2.68bn expended in FY08) The main reason was a payment of shareholders' dividends of ¥1.20bn.

〈Qualitative news on the forecast of consolidated results〉

In FY10 (from April 1, 2010 to March 31, 2011), Wacom forecasts that the recession is bottoming out after the financial crisis and the global economy will accelerate growth driven by the growth in emerging markets such as Asia region led by China and India as well as Latin America in 2H of FY10.

Regionally, the Company has severe constraints as follows: the slow recovery of employment-earnings circumstances and housing market in the U.S., the continuous influence of the financial crisis in EU, and the continuous low economic growth despite the support of exports to Asia in Japan. On the other hand, the sustained growth is expected in China owing to the increase of infrastructure investment and exports to developed countries.

Wacom continues to control its costs to secure management stability, positively promotes releases of new products, and develops new technologies for the development of new business and future growth. The Company assumes the average foreign exchange rates to be ¥90 per 1 U.S. dollar and ¥125 per 1 Euro in this fiscal year, and is expecting consolidated yearly sales of ¥37.80bn (+18.0% YoY), operating profit ¥3.82bn (+22.1% YoY), recurring profit ¥3.78bn (+19.8% YoY), and net profit ¥2.37bn (+20.4% YoY).

From the next fiscal year, according to "accounting standard for disclosure of segment information" (management approach), Wacom will disclose re-divided reporting segments from two existing segments of ESD business and ECS business to: 3 segments of the tablet business, the components business, and the other businesses.

The tablet business, in the flagship tablets for professionals, promotes existing users' replacements and new users' buying in this fiscal period with the "Inuos4" released in March last year and new models. On the consumer tablet side, the Company enhances "Bamboo" brand and positively expands sales in graphics and business markets owing to releases of new products. As for LCD tablets, the Company will expand "Cintiq" series for professional graphics tablet users in the graphics field and release new products. On the vertical market side, the Company expects a further growth thanks to promoting new products for the education field and marketing "SignPad", which was developed for digital signature capture. As a result of the above products promotions, the tablet business is expecting FY10 sales reaching ¥30.60bn.

The components business will continue to accelerate growth by expanding the supplies of the pen sensor components as well as multi-touch to PC manufacturers. In addition, the business is also developing markets for touch sensors for products of new categories such as e-book and slate-type devices as well as industrial equipment including POS devices and arcade game devices which are outside the PC market. As a result of the above promotions, the

components business is expecting FY10 sales to reach ¥6.60bn.

The other businesses include the software business and the DJ instrument business.

The software business, the former ECS business, continues to enhance sales and development of the product series and will positively promote solution proposals against competing products. The DJ instrument business, the former music instrument business, dealing with a professional DJ interface device, “nextbeat” in the music device field, strives for developing sales channels mainly in Europe and increasing awareness. Summing up the above businesses, the components business is expecting FY10 sales ending at ¥6.60bn.

Wacom strives to improve visibility as a global brand, aggressively promotes products in every business field to achieve the mid-term plan, and continuously enhances global leadership. On the technology development side, the Company continues to develop new products and technologies and strengthens the business base for sustainable growth. Global SCM and Quality Assurance systems, critical to support future growth and profit are also structured and maintained continuously. Wacom continues structuring the next IT infrastructure in addition to strengthening compliance with the Financial Instruments and Exchange Law (J-SOX), promoting global branding, and developing new products as intensive projects.

#### 〈Dividend payout policy and dividend at the end of FY〉

Wacom’s dividend payout policy is to maintain stable payouts to ensure future business development and reinforce the financial base. The payout ratio is targeted to be more than 30% on a consolidated basis and increased in the long-term in order to attract global investment into the Company.

With regard to repurchase of own shares, it is not a regular payout policy like dividend but the Company makes a decision with the purpose of improving capital efficiency and ensuring a flexible capital strategy that is effective in variable business situations.

In accordance with the above policy the Wacom Board of Directors has decided to pay a dividend of ¥3,000 per share. As a result, the payout ratio is 61.2% at the end of FY09.

The dividend for FY10 is estimated at ¥3,000 per share. As a result, the payout ratio will be 50.9% at the end of FY10.

Trend of Consolidated Cash Flow Indicator (for Reference)

|   | FY06<br>Full-term End | FY07<br>Full-term End | FY08<br>Full-term End | FY09<br>Full-term End |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Shareholder's<br>Equity Ratio (%)                     | 64.9                  | 63.5                  | 69.4                  | 64.8                  |
| Market Cap based<br>Total Shareholder's<br>Equity Ratio (%) | 547.7                 | 303.4                 | 161.7                 | 203                   |
| Debt<br>Redemption(Yr)                                      | 0.2                   | 0.2                   | 0.4                   | 0.2                   |
| Interest Coverage<br>Ratio                                  | 234.2                 | 310.3                 | 118.9                 | 253.7                 |

(Note) Total Shareholder's Equity Ratio: Total Shareholder's Equity / Total Assts  
 Market Cap based Total Shareholder's Equity Ratio: Market Cap / Total Assets  
 Debt Redemption Year: Interest-Bearing Debt / Operating Cash Flow  
 (For mid-term end, operating cash flow is doubled for full year measurement.)  
 Interest Coverage Ratio: Operating Cash Flow / Interest Payment

(Accompanying data)

Consolidated Balance Sheet (Summary), Consolidated Profit and Loss Statement (Summary),  
 Consolidated Statement of Changes in Shareholder's Equity, Consolidated Cash Flow Statement  
 (Summary), and Segment Information (Summary).

(Accompanying data)

## 1. Summary of Consolidated Balance Sheet

(Unit: '000 Yen, %)

| Subject  | FY09<br>(as of Mar. 31, 2010) | FY08<br>(as of Mar. 31, 2009) |
|--|-------------------------------|-------------------------------|
|  | Amount                        | Amount                        |
| (Assets)   |                               |                               |
| Current Assets                                     |                               |                               |
| 1. Cash and cash equivalents                       | 12,350,113                    | 9,994,114                     |
| 2. Notes and accounts receivable                   | 4,701,126                     | 3,897,615                     |
| 3. Securities                                      | —                             | 1,520,000                     |
| 4. Finished products                               | 2,123,002                     | 2,164,512                     |
| 5. Work in process                                 | 149,084                       | 162,442                       |
| 6. Raw materials                                   | 683,440                       | 747,434                       |
| 7. Accrued Revenue                                 | 1,920,657                     | —                             |
| 8. Deferred tax assets                             | 542,650                       | 734,755                       |
| 9. Others  | 393,620                       | 1,623,022                     |
| 10. Allowance for doubtful accounts                | -39,753                       | -35,689                       |
| Total Current Assets                               | 22,823,939                    | 20,808,205                    |
| Fixed Assets                                       |                               |                               |
| 1. Tangible fixed assets                           |                               |                               |
| (1) Buildings and facilities (net amount)          | 1,739,717                     | 1,867,517                     |
| (2) Machinery, equipment and vehicles (net amount) | 90,057                        | 86,944                        |
| (3) Tools and furniture (net amount)               | 461,607                       | 537,799                       |
| (4) Land   | 1,446,994                     | 1,452,507                     |
| (5) Construction in Progress                       | —                             | 25,390                        |
| Total tangible fixed assets                        | 3,738,375                     | 3,970,157                     |
| 2. Intangible fixed assets                         |                               |                               |
| (1) Goodwill                                       | 84,097                        | 110,098                       |
| (2) Others   | 1,323,391                     | 538,427                       |
| Total intangible fixed assets                      | 1,407,488                     | 648,525                       |
| 3. Investment and other assets                     |                               |                               |
| (1) Investment securities                          | 35,077                        | 35,277                        |
| (2) Deferred tax assets                            | 16,515                        | 4,480                         |
| (3) Others   | 178,035                       | 166,331                       |
| (4) Allowance for doubtful accounts                | —                             | -1,918                        |
| Total investment and other assets                  | 229,627                       | 204,170                       |
| Total Fixed assets                                 | 5,375,490                     | 4,822,852                     |
| Total Assets                                       | 28,199,429                    | 25,631,057                    |

(Unit: '000 Yen, %)

| Subject   | FY09<br>(as of Mar. 31, 2010) | FY08<br>(as of Mar. 31, 2009) |
|---|-------------------------------|-------------------------------|
|   | Amount                        | Amount                        |
| (Liabilities)   |                               |                               |
| Current Liabilities   |                               |                               |
| 1. Notes and accounts payable   | 4,983,535                     | 3,895,717                     |
| 2. Short-term debt  | 600,000                       | 600,000                       |
| 3. Accrued income taxes   | 813,874                       | 414,881                       |
| 4. Allowance for bonus payable  | 314,192                       | 343,537                       |
| 5. Allowance for Director's bonus payable                               | 32,357                        | —                             |
| 6. Others   | 2,137,885                     | 1,613,275                     |
| Total Current Liabilities   | 8,881,843                     | 6,867,410                     |
| Fixed Liabilities   |                               |                               |
| 1. Deferred tax liabilities   | 102,386                       | 115,334                       |
| 1. Accrued retirement benefits  | 438,024                       | 420,151                       |
| 2. Reserve for retirement benefits for directors and corporate auditors | 459,085                       | 429,227                       |
| 3. Others   | 48,501                        | 2,448                         |
| Total Fixed Liabilities   | 1,047,996                     | 967,160                       |
| Total Liabilities   | 9,929,839                     | 7,834,570                     |
| (Net Assets)  |                               |                               |
| Shareholders' Equity  |                               |                               |
| 1. Capital  | 4,196,405                     | 4,195,345                     |
| 2. Additional paid-in capital   | 4,037,819                     | 4,036,759                     |
| 3. Retained earnings  | 13,060,831                    | 12,297,513                    |
| 4. Treasury stock   | -1,848,486                    | -1,848,486                    |
| Total Shareholders' Equity  | 19,446,569                    | 18,681,131                    |
| Evaluation & Exchange Conversion  |                               |                               |
| 1. Foreign currency translation adjustments                             | -1,176,979                    | -884,644                      |
| Total Evaluation & Exchange Conversion                                  | -1,176,979                    | -884,644                      |
| Total Net Assets  | 18,269,590                    | 17,796,487                    |
| Total Liabilities & Net Assets  | 28,199,429                    | 25,631,057                    |

## 2. Consolidated Profit &amp; Loss Statement

(Unit: '000 Yen, %)

| Subject   | FY09<br>(Apr. 1, 2009 to Mar. 31, 2010) | FY08<br>(Apr. 1, 2008 to Mar. 31, 2009) |
|---|---|---|
|   | Amount                                  | Amount                                  |
| Sales   | 32,044,578                              | 33,809,138                              |
| Cost of Goods Sold                                | 16,376,431                              | 17,047,974                              |
| Gross Profit                                      | 15,668,147                              | 16,761,164                              |
| Sales & General Administration Cost               | 12,540,325                              | 12,449,786                              |
| Operating Profit                                  | 3,127,822                               | 4,311,378                               |
| Non-operating Revenue                             | 50,197                                  | 112,740                                 |
| 1. Interest and dividend income                   | 21,510                                  | 85,102                                  |
| 2. Others   | 28,687                                  | 27,638                                  |
| Non-operating Expense                             | 21,855                                  | 245,049                                 |
| 1. Interest cost                                  | 14,131                                  | 12,375                                  |
| 2. Foreign exchange loss                          | 4,210                                   | 204,410                                 |
| 3. Others   | 3,514                                   | 28,264                                  |
| Recurring Profit                                  | 3,156,164                               | 4,179,069                               |
| Extraordinary Gain                                | 14,372                                  | 14,372                                  |
| 1. Gain on Sales of Property, Plant and Equipment | —                                       | 155                                     |
| 2. Legal settlement received                      | —                                       | 14,217                                  |
| Extraordinary Loss                                | 35,297                                  | 13,780                                  |
| 1. Loss on sales of fixed assets                  | 1,243                                   | 446                                     |
| 2. Loss on disposal of fixed assets               | 34,054                                  | 13,334                                  |
| Net Profit before Taxes and Other Adjustments     | 3,120,867                               | 4,179,661                               |
| Income Tax, Inhabitant Tax and Enterprise Tax     | 1,152,461                               | 1,600,636                               |
| Net Profit  | 1,968,406                               | 2,579,025                               |

### 3. Consolidated Statement of Changes in Shareholder's Equity

FY09 (Apr. 1, 2009 to Mar. 31, 2010)

(Unit: '000 Yen)

|  | Shareholders' Equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital Stock        | Capital Surplus | Retained Earnings | Treasury Stocks | Total Shareholders' Equity |
| Balance as of March 31, 2009   | 4,195,345            | 4,036,759       | 12,297,513        | -1,848,486      | 18,681,131                 |
| Increase/decrease during the fiscal 2008                                       |                      |                 |                   |                 |                            |
| Stock Issuance   | 1,060                | 1,060           |                   |                 | 2,120                      |
| Distribution of Retained earnings  |                      |                 | -1,205,088        |                 | -1,205,088                 |
| Net Profit   |                      |                 | 1,968,406         |                 | 1,968,406                  |
| Repurchase of own Shares   |                      |                 |                   |                 |                            |
| Net increase/decrease during the fiscal 2009 of non shareholders' equity items |                      |                 |                   |                 |                            |
| Total increase/decrease during the fiscal 2009                                 | 1,060                | 1,060           | 763,318           |                 | 765,438                    |
| Balance as of March 31, 2010   | 4,196,405            | 4,037,819       | 13,060,831        | -1,848,486      | 19,446,569                 |

|  | Valuation and Translation Adjustments   |   | Total Net Assets |
|--|---|---|------------------|
|  | Foreign Currency Transaction Adjustment | Total Valuation And Translation Adjustments |                  |
| Balance as of March 31, 2009   | -884,644                                | -884,644                                    | 17,796,487       |
| Increase/decrease during the fiscal 2009                                       |   |   |                  |
| Stock Issuance   |   |   | 2,120            |
| Distribution of Retained earnings  |   |   | -1,205,088       |
| Net Profit   |   |   | 1,968,406        |
| Repurchase of own Shares   |   |   |                  |
| Net increase/decrease during the fiscal 2009 of non shareholders' equity items | -292,335                                | -292,335                                    | -292,335         |
| Total increase/decrease during the fiscal 2009                                 | -292,335                                | -292,335                                    | 473,103          |
| Balance as of March 31, 2010   | -1,176,979                              | -1,176,979                                  | 18,269,590       |

FY08 (Apr. 1, 2008 to Mar. 31, 2009)

(Unit: '000 Yen)

|  | Shareholders' Equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital Stock        | Capital Surplus | Retained Earnings | Treasury Stocks | Total Shareholders' Equity |
| Balance as of March 31, 2008   | 4,082,842            | 3,924,258       | 10,853,924        | 0               | 18,861,024                 |
| Changes of accounting principles in subsidiaries during the Fiscal 2008              |                      |                 | -29,344           |                 | -29,344                    |
| Increase/decrease during the fiscal 2008   |                      |                 |                   |                 |                            |
| Stock Issuance   | 112,503              | 112,501         |                   |                 | 225,004                    |
| Distribution of Retained earnings  |                      |                 | -1,050,390        |                 | -1,050,390                 |
| Net Profit   |                      |                 | 2,579,025         |                 | 2,579,025                  |
| Increase/decrease due to the change in scope of consolidation during the fiscal 2008 |                      |                 | -55,702           |                 | -55,702                    |
| Repurchase of own Shares   |                      |                 |                   | -1,848,486      | -1,848,486                 |
| Net increase/decrease during the fiscal 2008 of non shareholders' equity items       |                      |                 |                   |                 |                            |
| Total increase/decrease during the fiscal 2008                                       | 112,503              | 112,501         | 1,472,933         | -1,848,486      | -150,549                   |
| Balance as of March 31, 2009   | 4,195,345            | 4,036,759       | 12,297,513        | -1,848,486      | 18,681,131                 |

|  | Valuation and Translation Adjustments   |   | Total Net Assets |
|--|---|---|------------------|
|  | Foreign Currency Transaction Adjustment | Total Valuation And Translation Adjustments |                  |
| Balance as of March 31, 2008   | -299,282                                | -299,282                                    | 18,561,742       |
| Changes of accounting principles in subsidiaries during the Fiscal 2008              |   |   | -29,344          |
| Increase/ decrease during the fiscal 2008  |   |   |                  |
| Stock Issuance   |   |   | 225,004          |
| Distribution of Retained earnings  |   |   | -1,050,390       |
| Net Profit   |   |   | 2,579,025        |
| Increase/decrease due to the change in scope of consolidation during the fiscal 2008 |   |   | -55,702          |
| Repurchase of own shares   |   |   | -1,848,486       |
| Net increase/decrease during the fiscal 2008 of non shareholders' equity items       | -585,362                                | -585,362                                    | -585,362         |
| Total increase/ decrease during the fiscal 2008                                      | -585,362                                | -585,362                                    | -735,911         |
| Balance as of March 31, 2009   | -884,644                                | -884,644                                    | 17,796,487       |

## 3. Summary of Consolidated Cash Flow Statement

(Unit: '000 Yen)

|   | FY09<br>(Apr. 1, 2009 to Mar. 31, 2010) | FY08<br>(Apr. 1, 2008 to Mar. 31, 2009) |
|---|---|---|
|   | Amount                                  | Amount                                  |
| <b>Operating Cash Flow</b>  |   |   |
| Net profit before taxes and other adjustments                                   | 3,120,867                               | 4,179,661                               |
| Depreciation  | 757,167                                 | 664,439                                 |
| Increase in allowance for doubtful accounts<br>(- represents decrease)          | 3,247                                   | 14,254                                  |
| Increase in allowance for bonus payable<br>(- represents decrease)              | -27,704                                 | -125,070                                |
| Increase in allowance for Director's bonus payable<br>(- represents decrease)   | 32,943                                  | -23,695                                 |
| Increase Reserve for Retirement Allowance<br>(- represents decrease)            | 14,058                                  | 48,912                                  |
| Increase Reserve for Director's Retirement Allowance<br>(- represents decrease) | 34,024                                  | 57,382                                  |
| Interest and dividend income  | -21,510                                 | -85,102                                 |
| Interest cost   | 14,131                                  | 12,375                                  |
| Exchange Loss (- Gain)  | 160,114                                 | -78,350                                 |
| Loss on Sale and Disposal of Fixed Assets                                       | 35,297                                  | 13,625                                  |
| Decrease in notes and accounts receivable (-<br>represents increase)            | -1,492,802                              | 737,805                                 |
| Decrease in inventory (- represents increase)                                   | 31,497                                  | -36,483                                 |
| Increase in notes and accounts payable (-<br>represents decrease)               | 1,131,963                               | -1,623,667                              |
| Others  | 534,994                                 | -84,487                                 |
| Subtotal  | 4,328,286                               | 3,671,599                               |
| Interest and dividend received  | 34,676                                  | 79,379                                  |
| Interest paid   | -14,213                                 | -12,424                                 |
| Income tax paid   | -742,442                                | -2,260,908                              |
| <b>Operating Cash Flow</b>  | <b>3,606,307</b>                        | <b>1,477,646</b>                        |
| <b>Investing Cash Flow</b>  |   |   |
| Payments for purchase of Tangible Assets  | -375,920                                | -955,752                                |
| Payments for purchase of Intangible Assets                                      | -192,361                                | -200                                    |
| Payments for purchase of Software   | -739,787                                | -197,934                                |
| Proceeds from Sale of Fixed assets  | 11,353                                  | 7,479                                   |
| Payments for Purchase of Stock of subsidiary<br>company                         | 500,000                                 | —                                       |
| Deposit and Guarantee Money Paid  | —                                       | -50,325                                 |
| Deposit and Guarantee Money Received  | —                                       | 23,022                                  |
| Others  | -8,372                                  | —                                       |
| <b>Investing Cash Flow</b>  | <b>-805,087</b>                         | <b>-1,173,710</b>                       |
| <b>Financing Cash Flow</b>  |   |   |
| Proceeds from stock issuance  | 2,092                                   | 222,293                                 |
| Payments for repurchase own shares  | —                                       | -1,852,061                              |
| Payments for shareholders' dividends  | -1,201,459                              | -1,046,500                              |
| <b>Financing Cash Flow</b>  | <b>-1,199,367</b>                       | <b>-2,676,268</b>                       |
| Effect of Exchange Rate Changes on Cash and Cash<br>Equivalents                 | -265,854                                | -190,748                                |

|   |            |            |
|---|------------|------------|
| Net Increase in Cash and Cash Equivalents (- represents Decrease) | 1,335,999  | -2,563,080 |
| Cash and Cash Equivalents at beginning of term                    | 11,014,114 | 13,577,194 |
| Cash and Cash Equivalents at end of term                          | 12,350,113 | 11,014,114 |
|   |            |            |

#### 4. Segment Information

[By Division]

FY08 (April 1, 2008 – March 31, 2009)

(Unit: '000 Yen)

|   | ESD<br>Business | ECS<br>Business | Total      | Internal<br>Elimination | Consolidated |
|---|-----------------|-----------------|------------|-------------------------|--------------|
| I Sales   |                 |                 |            |                         |              |
| (1) Sales towards external customers                      | 33,058,396      | 750,742         | 33,809,138 | —                       | 33,809,138   |
| (2) Sales between internal segments and internal transfer | —               | —               | —          | —                       | —            |
| Total   | 33,058,396      | 750,742         | 33,809,138 | —                       | 33,809,138   |
| Operating Cost  | 26,847,100      | 701,693         | 27,548,793 | 1,948,967               | 29,497,760   |
| Operating Profit  | 6,211,296       | 49,049          | 6,260,345  | -1,948,967              | 4,311,378    |
| II Asset, Depreciation, Capital expenditure               |                 |                 |            |                         |              |
| (1) Asset   | 14,480,863      | 476,060         | 14,956,923 | 10,674,134              | 25,631,057   |
| (2) Depreciation  | 513,311         | 45,177          | 558,488    | 105,951                 | 664,439      |
| (3) Capital expenditure                                   | 940,194         | 24,643          | 964,837    | 209,659                 | 1,174,496    |

FY09 (April 1, 2009 – March 31, 2010)

(Unit: '000 Yen)

|   | ESD<br>Business | ECS<br>Business | Total      | Internal<br>Elimination | Consolidated |
|---|-----------------|-----------------|------------|-------------------------|--------------|
| I Sales   |                 |                 |            |                         |              |
| (1) Sales towards external customers                      | 31,633,801      | 410,777         | 32,044,578 | —                       | 32,044,578   |
| (2) Sales between internal segments and internal transfer | —               | —               | —          | —                       | —            |
| Total   | 31,633,801      | 410,777         | 32,044,578 | —                       | 32,044,578   |
| Operating Cost  | 26,753,816      | 519,787         | 27,273,603 | 1,643,153               | 28,916,756   |
| Operating Profit  | 4,879,985       | △109,010        | 4,770,975  | -1,643,153              | 3,127,822    |
| II Asset, Depreciation, Capital expenditure               |                 |                 |            |                         |              |
| (1) Asset   | 17,699,823      | 468,556         | 18,168,379 | 10,031,050              | 28,199,429   |
| (2) Depreciation  | 601,094         | 31,623          | 632,717    | 124,450                 | 757,167      |
| (3) Capital expenditure                                   | 573,774         | 22,361          | 596,135    | 789,114                 | 1,385,249    |

[By Area]

FY08 (April 1, 2008 – March 31, 2009)

(Unit: '000 Yen)

|   | Japan      | US         | Europe    | Asia<br>&<br>Oceania | Total      | Internal<br>Elimination | Consolidated |
|---|------------|------------|-----------|----------------------|------------|-------------------------|--------------|
| I Sales   |            |            |           |                      |            |                         |              |
| (1) Sales towards external customers                      | 12,772,956 | 9,816,329  | 7,995,377 | 3,224,476            | 33,809,138 | —                       | 33,809,138   |
| (2) Sales between internal segments and internal transfer | 14,721,928 | 233,032    | —         | 52,195               | 15,007,155 | -15,007,155             | —            |
| Total   | 27,494,884 | 10,049,361 | 7,995,377 | 3,276,671            | 48,816,293 | -15,007,155             | 33,809,138   |
| Operating Cost  | 22,141,865 | 9,693,111  | 7,642,570 | 3,232,594            | 42,710,140 | -13,212,380             | 29,497,760   |
| Operating Profit  | 5,353,019  | 356,250    | 352,807   | 44,077               | 6,106,153  | -1,794,775              | 4,311,378    |
| II Asset  | 9,326,919  | 4,997,714  | 3,444,995 | 1,370,768            | 19,140,396 | 6,490,661               | 25,631,057   |

FY09 (April 1, 2009 – March 31, 2010)

(Unit: '000 Yen)

|   | Japan      | US        | Europe    | Asia<br>&<br>Oceania | Total      | Internal<br>Elimination | Consolidated |
|---|------------|-----------|-----------|----------------------|------------|-------------------------|--------------|
| I Sales   |            |           |           |                      |            |                         |              |
| (1) Sales towards external customers                      | 10,931,061 | 9,280,641 | 8,240,731 | 3,592,145            | 32,044,578 | —                       | 32,044,578   |
| (2) Sales between internal segments and internal transfer | 13,930,949 | 329,117   | 52,665    | 224,158              | 14,536,889 | -14,536,889             | —            |
| Total   | 24,862,010 | 9,609,758 | 8,293,396 | 3,816,303            | 46,581,467 | -14,536,889             | 32,044,578   |
| Operating Cost  | 21,152,881 | 9,655,323 | 7,791,244 | 3,580,644            | 42,180,092 | -13,263,336             | 28,916,756   |
| Operating Profit  | 3,709,129  | -45,565   | 502,152   | 235,659              | 4,401,375  | -1,273,553              | 3,127,822    |
| II Asset  | 12,605,109 | 5,212,724 | 3,652,776 | 1,805,363            | 23,275,972 | 4,923,457               | 28,199,429   |

[Overseas Sales]

FY08 (April 1, 2008 – March 31, 2009)

(Unit: '000 Yen)

|                   | US        | Europe    | Asia<br>&<br>Oceania | Others  | Total      |
|-------------------|-----------|-----------|----------------------|---------|------------|
| I Overseas Sales  | 9,857,704 | 7,916,818 | 8,243,340            | 303,777 | 26,321,639 |
| II Overseas Sales | —         | —         | —                    | —       | 33,809,138 |
| Ratio (%)         | 29.2      | 23.4      | 24.4                 | 0.9     | 77.9       |

FY09 (April 1, 2009 – March 31, 2010)

(Unit: '000 Yen)

|                   | US        | Europe    | Asia<br>&<br>Oceania | Others  | Total      |
|-------------------|-----------|-----------|----------------------|---------|------------|
| I Overseas Sales  | 9,397,082 | 8,072,554 | 7,081,700            | 504,019 | 25,055,355 |
| II Overseas Sales | —         | —         | —                    | —       | 32,044,578 |
| Ratio (%)         | 29.3      | 25.2      | 22.1                 | 1.6     | 78.2       |

U.S.: U.S. Canada

Europe: U.K. Germany, France, Netherland etc.

Asia & Oceania: South Korea, Taiwan, Australia, P. R. of China etc.

Others: Middle East, South America, Africa etc.