

FY09 1Q Summary of Financial Results (Consolidated)

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

(Code Number: 6727 TSE1)

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1. FY09 1Q Consolidated Financial Results (April 1, 2009 – June 30, 2009)

(1) Business Performance (Consolidated)

(rounded off to mY)

	Sales		Operating Profit		Recurring Profit		Net Profit	
	mY	%	mY	%	mY	%	mY	%
FY09 1Q	7,325	(-19.0)	479	(-54.7)	524	(-47.1)	351	(-41.7)
FY08 1Q	9,038	(-)	1,056	(-)	992	(-)	602	(-)

	Net Profit per Share Outstanding		Net Profit per Diluted Share Outstanding	
	Yen	Sen	Yen	Sen
FY09 1Q	873.78		871.8	
FY08 1Q	1,430.07		1,424.58	

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
FY09 1Q	24,170	16,971	70.2	42,244.73	
FY08	25,631	17,796	69.4	44,303.37	

(For Reference) Net Assets FY09 1Q 16,971mY FY08 17,796mY

2. Dividend

(Record date)	Dividend Per Share									
	1Q		2Q		3Q		End of FY		FY Total	
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen
FY08	-		0		-		3,000.00		3,000.00	
FY09	-		-		-		-		-	
FY09 (estimates)	-		0		-		3,000.00		3,000.00	

Changes in dividend per share of FY09 1Q : No

3. Consolidated Business Forecasts of FY09 (April 1, 2009 – March 31, 2010)

	Sales		Operating Profit		Recurring Profit		Net Profit		Net Profit per Share Outstanding	
	mY	%	mY	%	mY	%	mY	%	Yen	Sen
2Q (FY09 1H)	14,800	(-20.4)	600	(-76.5)	600	(-76.3)	360	(-77.1)	896.11	
Full Year	35,500	(5.0)	3,550	(-17.7)	3,500	(-16.2)	2,130	(-17.4)	5,301.99	

Changes in Consolidated Business Forecasts of FY09 1Q : No

4. Other

- 1) Reclassification of significant subsidiaries during the period (Reclassification due to the change in scope of consolidation) : No
- 2) Acceptance of simple accounting method approach : Yes
- 3) 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 : No
 - Changes other than those 1) above : No

4) Numbers of shares outstanding (Common stock)

Number of shares outstanding at end of year (including treasury stock): 6/09: 421,736
3/09: 421,636

Number of treasury stock outstanding at end of year: 6/09: 20,000 3/09: 20,000

Number of average shares for fiscal period (total consolidated fiscal year): 6/09: 401,723
3/09: 420,670

* 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 (Summary), Consolidated Profit and Loss Statement (Summary), Consolidated Cash Flow Statement (Summary), and Segment Information (Summary).

[Qualitative news and financial statements]

〈Qualitative news for consolidated business performance〉

Wacom Group's business environment for FY09 (from April 1, 2009 to June 30, 2009) has remained severe since the latter part of the previous 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 having bottomed out due to the economic stimulus measures of each government. In the foreign exchange market, the U.S. dollar kept to the level of the Company's assumed average rate (¥95 per 1 U.S. dollar) and the Euro appreciated against the assumed average rate (¥120 per 1 Euro). However the U.S. dollar and Euro showed a significant depreciation against the Japanese yen compared to the previous fiscal year.

The Japanese economy continues to show a significant decrease of corporate capital investment and export, a worsened employment and income environment, and to keep a low level of consumer consumption, though domestic production activities showed gradual recovery. In the US., the financial crisis was averted, however, corporate capital investment and consumer consumption are still flagging. This is accompanied by a fast revitalization of the automobile manufacturing industry, causing a rise in job losses and inventory adjustment. The EU countries are concerned about the prolonging of the economic slowdown due to the decrease in domestic and foreign demand and in corporate capital investment. This is attributed to a credit crunch, in addition to the sluggish consumer consumption caused by rapidly worsening employment conditions. The economy in Asia-Oceania countries in general continues to be in a difficult situation. On the other hand, the Chinese economy is showing recovery, led by domestic demand.

Under the above conditions, Wacom's performance in 1Q remains steady against the forecast at the beginning of the fiscal year. However, it was significantly lower than the previous fiscal year as a result. The Company also devoted itself to developing the multi-touch component and its production readiness for Windows 7, in addition to developing a professional DJ interface device and building its dealer network to strengthen our competitive advantage in the user interface field. The Company steadily complied with the Financial Instruments and Exchange Law (J-SOX) legislated since the previous fiscal year.

As a result, the consolidated FY09 1Q business results ended in sales of ¥7.32bn (-19.0% YoY), operating profit ¥0.48 bn (-54.7% YoY), recurring profit ¥0.52bn (-47.1% YoY), and net profit ¥0.35bn (-41.7% 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, suffered from substantial exchange rate fluctuations, although the global economic slowdown, caused by decreasing demand seems to have bottomed out. In the professional graphics segment, the new product “Inuos4”, released in March, received a high evaluation and enjoyed sales growth. On the consumer tablet side, the “Bamboo” series recorded a sales decrease due to sluggish consumer consumption. As for LCD tablets, the business was significantly influenced by the reduction of corporate investment in plant and equipment and its sales also decreased.

With regard to the components business, which suffered from the global economic slowdown and the appreciation of the Japanese yen, sales recorded a remarkable decrease, due to the change in the competitive environment as well as sluggish sales growth of major customers. On the other hand, the development of the touch panel and readiness for its commercial production made significant progress.

As a result, the ESD business FY09 1Q sales ended at ¥7.23bn (-18.3% YoY), and operating profit ¥0.98bn (-38.8% YoY).

2) ECS business

The Engineering Collaborative Solutions (ECS) business suffered from the severe business environment, sales remaining at a lower level due to the freeze and delay of the manufacturer’s investment in plant and equipment. In the above-mentioned situation, the ECS business gave existing users incentives to upgrade, and encouraged other CAD product users to replace their existing software with “ECAD / dio” Ver. 9.0 in an electronic design segment of the CAD market. In addition the business made an effort to promote inquiry by refurbishing the website and having a higher level of appeal.

As a result, ECS business FY09 1Q sales ended at ¥98mn (-48.6% YoY) and operating loss ¥34mn (OP 4mn FY08 1Q).

(Business Overview by Area)

Japan

For the ESD business, the professional pen tablet “Intuos” series released “Intuos4” in March, and recorded a significant increase in sales, compared to the previous fiscal year, owing to the enhancement of store-front decorations and advertisements in major GMSs. The consumer pen tablet “Bamboo” series showed a sales decrease due to the passing of one and a half years since its release and the shifting to “Intuos4” by some users. As for LCD tablets, “DTU-1931” which was released in FY08, is receiving favorable appraisal from the medical field, but sales of “Cintiq” series showed a slight decrease due to the economic slowdown.

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 ¥2.53bn (-27.5% YoY), and OP ¥0.54bn (-62.4% YoY).

U.S.

In this market, of which the U.S. subsidiary is in charge, the decrease in consumption attenuation caused by the economic slowdown still didn't recover as a whole and the economy continued to remain in a severe downturn. However, sales of the professional pen tablet “Intuos4”, released in March, recorded a remarkable increase compared with the previous fiscal year, thanks to the high evaluation. The consumer pen tablet “Bamboo” series didn't reach the previous sales level due to the high ratio of low-priced products, despite the sales volume growth. As for LCD tablets, sales significantly decreased due to even lower buyer interest attributed to its high price range compared with professional and consumer pen tablets.

Consequently, sales in the U.S. ended at ¥2.40bn (-13.0% YoY), and OP ¥68mn (-69.5% YoY).

Germany

The European market, which the German subsidiary is in charge of, was still influenced by the economic slowdown and continued to remain in a severe downturn, as a whole. Sales of the professional pen tablet showed a significant drop below FY08 level due to a decrease in sales volume and the slight depreciation of the average sales price. This was influenced by the distributor's inventory of the previous product in addition to the nearly 20 percent

depreciation of Euro against the Japanese yen compared to the previous fiscal year. Sales of the consumer pen tablet “Bamboo” series showed a decrease due to unfavorable foreign exchange rates despite maintaining the same amount in sales based on the Euro. As for LCD tablets, the business enjoyed growth thanks to the favorable sales performance of OEM projects for the education field and “SignPad” for digital signature, despite unfavorable foreign exchange rates. Geographically, sales in Germany, France and Spain were on a track to recovery, while U.K., Russia and East Europe still faced an uphill battle. Accordingly, sales in Europe ended at ¥1.50bn (-17.0% YoY) and Operating Loss ¥52mn (Operating Loss ¥4mn FY08 1Q).

Asia & Oceania

In the markets, of which subsidiaries in Asia & Oceania are in charge, sales of the professional pen tablet “Intuos” series marked a favorable increase, thanks to a high evaluation of “Intuos4” released in March and the successful promotion of “Intuos3” for education institutions. On the other hand, sales of the consumer pen tablet “Bamboo™” series didn’t recover and showed a remarkable drop, which has continued since the previous year due to the economy slowdown. The LCD tablet also showed a sales drop due to unfavorable foreign exchange rates. Geographically, South Korea, Taiwan and Australia showed a sales recovery. Meanwhile, India and ASEAN countries, newly emerging markets, were influenced by the aftermath of the global economic slowdown. As a result, the growth decelerated. The Chinese market continued to face a difficult economic situation due to the Sichuan earthquake and stagnated distribution by the Olympics. However, the government’s domestic demand expansion plan worked well. As a result, sales showed a recovery to the previous fiscal year level, thanks to favorable sales to government offices and educational institutions. Therefore, Asia & Oceania sales ended at ¥0.89bn (-8.7% YoY), and OP ¥16mn (-81.3% YoY).

〈Qualitative news for consolidated financial position〉

Total assets decreased by ¥1.46bn to ¥24.17bn in 1Q of FY09 compared with the end of FY08. Current assets decreased by ¥1.44bn to ¥19.36bn. The main reasons were a ¥0.67bn decrease in cash & cash equivalents due to a payment of shareholders' dividends and a ¥0.48bn decrease in inventories due to inventory adjustment, influenced by declining demand. The main reason for a ¥17mn decrease to ¥4.80bn in fixed assets was the progress of depreciation in tangible and intangible fixed assets. Total liabilities decreased by ¥0.64bn to ¥7.20bn in 1Q of FY09 compared with the end of FY08. The reason for the decrease by ¥0.68bn to 6.19bn in current liabilities was mainly due to a ¥0.63bn decrease in notes and accounts payable. The reasons for an increase by ¥40mn to 1.01bn in fixed liabilities were mainly due to a ¥20mn increase in the sum of reserves for retirement allowances and directors' retirement allowances. Total net assets decreased by ¥0.83bn to ¥16.97bn. The main reason for the decrease in total net assets was a ¥1.21bn payment of shareholders' dividends, despite a ¥0.35bn increase in retained earnings for 1Q.

Consolidated cash & cash equivalents for FY09 1Q decreased by ¥0.67bn (¥1.51bn decrease in FY08 1Q) to ¥10.35bn in FY09 1Q, compared with the end of FY08.

(Cash Flow from Operating Activities)

Earned operating cash flow for FY09 1Q was ¥0.54bn (¥0.67bn expended in FY08 1Q). The main reasons were a ¥1.03bn increase in the sum of NPBT and a decrease of inventories despite a decrease in ¥0.62bn of accounts payable.

(Cash Flow from Investing Activities)

Investing cash flow for FY09 1Q was ¥0.19mn (¥0.43mn expended in FY08 1Q). The main reason was the purchases of mold and other fixed assets of ¥0.19mn.

(Cash Flow from Financing Activities)

Financing cash flow for FY09 1Q was ¥1.04mn (¥0.69bn expended in FY08 1Q). The main reason was a payment of shareholders' dividends of ¥1.04bn.

〈Qualitative news on the forecast of consolidated results〉

The business results in Q1 of FY09 kept to a level which exceeds the initial forecast compared to the Company's assumed average rate on May 8th, thanks to a depreciation of the Japanese yen and despite continuing harsh conditions caused by the global recession since the previous fiscal year. Although the global economic downturn has shown some signs of having bottomed out, there continues to be uncertain conditions due to a harsh business environment. Therefore, we will maintain our earnings forecast, released on May 8th, 2009.

(Accompanying data)

1. Summary of Consolidated Balance Sheet

(Unit: '000 Yen)

Subject	FY09 1Q (as of Jun. 30, 2009)	FY08 (as of Mar. 31, 2009)
	Amount	Amount
(Assets)		
Current Assets		
1. Cash and cash equivalents	10,345,013	9,994,114
2. Notes and accounts receivable	4,005,355	3,897,615
3. Securities	500,000	1,520,000
4. Merchandise and Finished Products	1,753,353	2,164,512
5. Work in process	223,687	162,442
6. Raw Materials and Supplies	621,988	747,434
7. Others	1,945,358	2,357,777
8. Allowance for doubtful accounts	-30,672	-35,689
Total Current Assets	19,364,082	20,808,205
Fixed Assets		
1. Tangible fixed assets		
(1) Buildings and facilities (net amount)	1,834,041	1,867,517
(2) Others (net amount)	2,140,091	2,102,640
Total tangible fixed assets	3,974,132	3,970,157
2. Intangible fixed assets		
(1) Goodwill	102,402	110,098
(2) Others	519,124	538,427
Total intangible fixed assets	621,526	648,525
3. Investment and other assets		
(1) Others	212,301	206,088
(2) Allowance for doubtful accounts	-2,172	-1,918
Total investment and other assets	210,129	204,170
Total Fixed assets	4,805,787	4,822,852
Total Assets	24,169,869	25,631,057

(Unit: '000 Yen)

Subject	FY09 1Q (as of Jun. 30, 2009)	FY08 (as of Mar. 31, 2009)
	Amount	Amount
(Liabilities)		
Current Liabilities		
1. Notes and accounts payable	3,265,528	3,895,717
2. Short-term debt	600,000	600,000
3. Accrued income taxes	35,805	414,881
4. Allowance for bonus payable	389,126	343,537
5. Allowance for board members' bonus payable	59,478	—
6. Others	1,841,984	1,613,275
Total Current Liabilities	6,191,921	6,867,410
Fixed Liabilities		
1. Accrued retirement benefits	431,036	420,151
2. Reserve for retirement benefits for directors and corporate auditors	438,265	429,227
3. Others	137,419	117,782
Total Fixed Liabilities	1,006,720	967,160
Total Liabilities	7,198,641	7,834,570
(Net Assets)		
Shareholders' Equity		
1. Capital Stock	4,195,698	4,195,345
2. Capital Surplus	4,037,112	4,036,759
3. Retained earnings	11,443,445	12,297,513
4. Treasury stock	-1,848,486	-1,848,486
Total Shareholders' Equity	17,827,769	18,681,131
Evaluation & Exchange Conversion		
1. Foreign currency translation adjustments	-856,541	-884,644
Total Evaluation & Exchange Conversion	-856,541	-884,644
Total Net Assets	16,971,228	17,796,487
Total Liabilities & Net Assets	24,169,869	25,631,057

2. Consolidated Profit & Loss Statement

(Unit: '000 Yen)

Subject	FY08 1Q (Apr. 1, 2008 to Jun. 30, 2008)	FY09 1Q (Apr. 1, 2009 to Jun. 30, 2009)
	Amount	Amount
Sales	9,037,972	7,324,760
Cost of Goods Sold	4,788,129	3,597,953
Gross Profit	4,249,843	3,726,807
Sales & General Administration Cost	3,193,667	3,247,984
Operating Profit	1,056,176	478,823
Non-operating Revenue	27,445	49,418
1. Interest and dividend income	21,857	7,274
2. Exchange gain	-	39,635
3. Others	5,588	2,509
Non-operating Expense	91,534	3,767
1. Interest cost	2,843	2,597
2. Exchange loss	84,130	-
3. Others	4,561	1,170
Recurring Profit	992,087	524,474
Extraordinary Gain	11,684	-
1. Reversal of allowance for doubtful accounts	11,684	-
Extraordinary Loss	783	601
1. Loss on sales of fixed assets	-	149
2. Loss on disposal of fixed assets	783	452
Net Profit before Taxes and Other Adjustments	1,002,988	523,873
Income Tax, Inhabitant Tax and Enterprise Tax	401,401	172,854
Net Profit	601,587	351,019

3. Summary of Consolidated Cash Flow Statement

(Unit: '000 Yen)

	FY08 1Q (Apr. 1, 2008 to Jun. 30, 2008)	FY09 1Q (Apr. 1, 2009 to Jun. 30, 2009)
	Amount	Amount
Operating Cash Flow		
Net profit before taxes and other adjustments	1,002,988	523,873
Depreciation	141,891	144,752
Increase in allowance (- represents decrease)	-230,124	117,709
Interest and dividend income	-21,857	-7,274
Interest cost	2,843	2,597
Decrease in notes and accounts receivable (- represents increase)	-604,198	-116,928
Decrease in inventory (- represents increase)	-116,029	502,610
Increase in notes and accounts payable (- represents decrease)	126,112	-619,457
Others	136,223	383,123
Subtotal	437,849	931,005
Interest and dividend received	10,621	19,234
Interest paid	-2,848	-2,666
Income tax paid	-1,114,620	-404,555
Operating Cash Flow	-668,998	543,018
Investing Cash Flow		
Payments for purchase of Fixed Assets	-381,806	-190,294
Others	-52,501	2,025
Investing Cash Flow	-434,307	-188,269
Financing Cash Flow		
Proceeds from stock issuance	221,813	692
Payments for shareholders' dividends	-909,098	-1,041,423
Financing Cash Flow	-687,285	-1,040,731
Effect of Exchange Rate Changes on Cash and Cash Equivalents	273,570	16,881
Net Increase in Cash and Cash Equivalents (- represents Decrease)	-1,517,020	-669,101
Cash and Cash Equivalents at beginning of term	13,577,194	11,014,114
Cash and Cash Equivalents at end of term	12,060,174	10,345,013

4. Segment Information

[By Division]

FY08 1Q (April 1, 2008 – June 30, 2008)

(Unit: '000 Yen)

	ESD Business	ECS Business	Total	Internal Elimination	Consolidated
I Sales					
(1) Sales towards external customers	8,847,890	190,082	9,037,972	—	9,037,972
(2) Sales between internal segments and internal transfer	—	—	—	—	—
Total	8,847,890	190,082	9,037,972	—	9,037,972
Operating Profit	1,598,913	4,200	1,603,113	-546,937	1,056,176

FY09 1Q (April 1, 2009 – June 30, 2009)

(Unit: '000 Yen)

	ESD Business	ECS Business	Total	Internal Elimination	Consolidated
I Sales					
(1) Sales towards external customers	7,227,034	97,726	7,324,760	—	7,324,760
(2) Sales between internal segments and internal transfer	—	—	—	—	—
Total	7,227,034	97,726	7,324,760	—	7,324,760
Operating Profit	977,858	-34,102	943,756	-464,933	478,823

[By Area]

FY08 1Q (April 1, 2008 – June 30, 2008)

(Unit: '000 Yen)

	Japan	US	Europe	Asia & Oceania	Total	Internal Elimination	Consolidated
I Sales							
(1) Sales towards external customers	3,495,692	2,759,713	1,806,339	976,228	9,037,972	—	9,037,972
(2) Sales between internal segments and internal transfer	3,807,604	54,232	—	7,623	3,869,459	-3,869,459	—
Total	7,303,296	2,813,945	1,806,339	983,851	12,907,431	-3,869,459	9,037,972
Operating Profit	1,438,621	223,813	-3,903	83,352	1,741,883	-685,707	1,056,176

FY09 1Q (April 1, 2009 – June 30, 2009)

(Unit: '000 Yen)

	Japan	US	Germany	Asia & Oceania	Total	Internal Elimination	Consolidated
I Sales							
(1) Sales towards external customers	2,533,961	2,401,628	1,497,654	891,517	7,324,760	—	7,324,760
(2) Sales between internal segments and internal transfer	2,519,742	136,513	9,551	49,096	2,714,902	-2,714,902	—
Total	5,053,703	2,538,141	1,507,205	940,613	10,039,662	-2,714,902	7,324,760
Operating Profit	541,206	68,222	-51,891	15,591	573,128	-94,305	478,823

Europe segment has changed to Germany since FY09 1Q with the completion of liquidation of Wacom Component Europe (UK).

[Overseas Sales]

FY08 1Q (April 1, 2008 – June 30, 2008)

(Unit: '000 Yen)

	US	Europe	Asia & Oceania	Others	Total
I Overseas Sales	2,744,073	1,756,403	2,494,869	115,337	7,110,682
II Consolidated Sales	—	—	—	—	9,037,972
Ratio (%)	30.4	19.4	27.6	1.3	78.7

FY09 1Q (April 1, 2009 – June 30, 2009)

(Unit: '000 Yen)

	US	Europe	Asia & Oceania	Others	Total
I Overseas Sales	2,438,182	1,360,607	1,570,880	176,669	5,546,338
II Consolidated Sales	—	—	—	—	7,324,760
Ratio (%)	33.3	18.6	21.4	2.4	75.7

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.