

Q3 FY 3/2025 Summary of Consolidated Financial Results

January 31, 2025

Company Name Wacom Co., Ltd.

(Code Number: 6727 TSE Prime)

(URL <https://www.wacom.com>)

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Preparation of Supplemental Explanatory Material for Financial Results: Yes

Holding of Large Meeting for Financial Results: No

1. Q3 FY 3/2025 Consolidated Financial Results (April 1, 2024 – December 31, 2024)

(1) Business Performance (Consolidated)

(Round off to mY)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	mY	%	mY	%	mY	%	mY	%
Q3 FY 3/2025	87,518	-1.8	7,602	44.3	8,401	26.2	5,383	10.0
Q3 FY 3/2024	89,151	6.1	5,269	22.6	6,656	37.2	4,893	33.1

(Note) Comprehensive income Q3 FY 3/2025 6,302 mY (12.8%) Q3 FY 3/2024 5,587 mY (43.3%)

	Net Income per Share		Diluted Net income per Share	
	Yen	Sen	Yen	Sen
Q3 FY 3/2025	37.79		—	
Q3 FY 3/2024	31.50		—	

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share
	mY	mY	%	Yen Sen
Q3 FY 3/2025	79,528	34,865	43.8	250.63
FY 3/2024	79,620	35,968	45.2	247.64

(For Ref.) Capital: Q3 FY3/2025 34,865 mY FY 3/2024 35,968 mY

2. Dividend

(Record date)	Dividend Per Share				
	Q1	H1	Q3	End of FY	FY Total
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen
FY 3/2024	-	0.00	-	20.00	20.00
FY 3/2025	-	0.00	-		
FY 3/2025 (forecast)				20.00	20.00

(Note) Changes in dividend per share forecast of FY3/2025: No

3. Consolidated Business Forecast of FY 3/2025 (April 1, 2024 – March 31, 2025)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Net Profit per Share Outstanding
	mY	%	mY	%	mY	%	mY	%	Yen Sen
Full Year	120,000	1.0	8,500	20.4	8,500	-13.7	6,200	35.9	42.69

(Note) Changes in Business Forecast of FY 3/2025: 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 statements
 - 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
Q3 FY 3/2025	146,000,000	FY 3/2024	152,000,000

Number of treasury stock outstanding at end of year:

	Shares		Shares
Q3 FY 3/2025	6,894,486	FY 3/2024	6,756,189

Average number of shares during the fiscal year:

	Shares		Shares
Q3 FY 3/2025	142,439,843	Q3 FY 3/2024	155,363,786

*The attached consolidated financial statements are not subject to review procedures by the certified public accountant or the audit firm.

*Forward-looking statements regarding future events and performance contained in this material 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 material due to these risks and uncertainties. For the assumptions based on the consolidated performance forecasts and precautions against them, please refer to "1. Qualitative Information and Financial Statements (3) Consolidated performance forecasts and other forward-looking information" in this material.

(Accompanying data)

Consolidated Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Comprehensive Profit Statement, Consolidated Cash Flow Statement, Notes to Financial Statements, Segment Information and Other information, and Supplementary Information.

1. Qualitative Information and Financial Statements

(1) 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.

During the first three quarters of the current fiscal year ending March 31, 2025 (April 1, 2024 to December 31, 2024), the global economy underwent steady growth despite ongoing geopolitical tension caused by the situation in Russia and Ukraine as well as the Middle East. Inflation showed signs of easing, and monetary easing measures were adopted by central banks in major countries excluding Japan. In this environment, the IT industry continued to generate technological innovations and increased convenience in mobile, cloud, AI (artificial intelligence) and blockchain. Relative to the average exchange rate during the same period of the previous fiscal year, the yen was slightly weaker against the US dollar, the euro, and the renminbi, reflecting market sentiment with respect to the global economy and the monetary and trade policies of major economies.

Wacom Group announced its Medium-Term Business Direction: “Wacom Chapter 3” on May 12, 2021, and announced “Wacom Chapter 3 Update Report” and associated strategic measures on May 11, 2023. Under this plan, the final year of which is the fiscal year ending March 2025, we aim to leverage our leadership in markets associated with digital pen and ink technologies to achieve “Meaningful Growth” – not only financial growth, but also the growth that our customers experience as the result of using our products and services, growth derived from the accumulation of knowledge in society and its diverse communities, and growth through people’s self-realization. In the first three quarters of the current fiscal year, we promoted growth strategies for the future, collaborating with partner companies to further develop our business model in growing fields such as XR (Cross Reality), AI, data security, and education. We also implemented measures to improve productivity and cost structures through improved management decision-making.

In the Branded Business segment, we worked to enhance technological innovation and improve customer service to deliver the ultimate creative experience to each customer. For the first three quarters of the current fiscal year, overall sales in the Branded Business segment declined due to decreased sales of display products and pen tablet products in the mainstay Creative Solution category.

In the Technology Solution Business segment, in addition to continuing efforts to position our digital pen technologies with Active-ES (electrostatic) and EMR (Electromagnetic Resonance) as the de facto standard, we undertook to expand the adoption of digital pen technologies for tablet and notebook PC devices and develop business opportunities in the educational market. For the first three quarters of the current fiscal year, overall sales in the Technology Solution Business segment increased, with increased sales of EMR technology solutions more than compensating for decreased sales of Active-ES technology solutions.

Our business environment has been changing significantly, and these changes have informed our determination to transform our business structure. The current fiscal year of Wacom Chapter 3, ending March 2025, is the final year of the two-year period we designated to implement this transformation. In our Branded Business, we have been reforming our business structure through product portfolio renewal and other measures, and in April 2024 we launched “Wacom Movink 13” to establish a new use case we define as Portable Creative. We are continuing efforts to enhance corporate value over the medium to long term, while investing proactively and pursuing technological development that leverages our digital pen technology and creates an ‘integrated experience of pen and ink’ that can serve as our next-generation growth engine. In November 2024, we held a community event, “Connected Ink 2024”, co-created by partners across diverse fields. During the event, we introduced a range of initiatives and reported on the status of new developments, such as a service for education that makes full use of the latest digital ink technology, and a rights protection service for creators. We also made a capital investment of ¥1 billion through a third-party allocation in Preferred Networks, Inc., which develops solutions using AI technology, aiming to deepen the existing collaboration between the two companies in education, medical care, and other business fields.

Wacom Group recognizes the issue of climate change as a key challenge in environmental management, and within our sustainability initiatives we are pursuing business development to reduce greenhouse gas emissions, taking into account the risks and opportunities that climate

change poses to the business environment. As part of these initiatives, in August 2024, we obtained a third-party assurance report on our greenhouse gas emissions data (Scope 1, 2 and 3) for the fiscal year ended March 2024, based on third-party verification in accordance with international standards, to disclose more reliable and transparent data to our stakeholders. In October 2024, we obtained SBTi (Science Based Targets initiative) certification for our greenhouse gas emission reduction targets for the SBT short-term targets.

For the first three quarters of the fiscal year ending March 31, 2025, consolidated net sales decreased 1.8% to ¥87,518 million. Operating profit increased 44.3% to ¥7,602 million. Ordinary profit increased 26.2% to ¥8,401 million, after recording ¥788 million of foreign exchange gains (decreased 45.2% compared to the same period of the previous fiscal year) in non-operating profit and loss. And net profit attributable to owners of parent increased 10.0% to ¥5,383 million, after recording ¥1,118 million of business restructuring expenses (increased by ¥1,091 million compared to the same period of the previous fiscal year) in extraordinary losses, mainly as cancellation costs for overseas office resulting from the implementation of business restructuring improvements.

Business results by segment

Note: All comparisons are with the same period of the previous fiscal year, unless otherwise noted.

1. Branded Business

Creative Solution

In the Creative Solution category, overall sales decreased due to decreased sales of display products and pen tablet products amid changes in the business environment.

Display products

Sales of professional models increased, mainly due to an increase in demand along with product lineup expansions in October 2023 and new products launched in April 2024. In non-professional models, sales declined significantly, mainly due to a decrease in demand. As a result, overall sales of display products were lower than in the same period of the previous fiscal year.

Pen tablet products

Sales of professional models were slightly lower, mainly due to factors such as the length of time since product launch and a decline in demand. In non-professional models, sales declined due to discontinuation of some models. As a result, overall sales of pen tablet products were lower than in the same period of the previous fiscal year.

Business Solution

Business Solution sales increased slightly, amid fluid market dynamics and progress on various ongoing projects.

As a result of the above, overall sales in the Branded Business segment for the first three quarters of the fiscal year ending March 31, 2025, decreased 14.6% to ¥23,248 million, and segment loss was ¥1,645 million (segment loss of the same period of the previous fiscal year was ¥3,069 million)

2. Technology Solution Business

AES technology solution

Sales in the AES technology solution category decreased slightly, impacted by changes in the market environment.

EMR technology solution

Sales in the EMR technology solution category increased slightly, due to increased demand from an OEM partner.

As a result of the above, overall sales in the Technology Solution Business segment for the first three quarters of the fiscal year ending March 31, 2025, increased 3.8% to ¥64,270 million, and segment profit increased 10.2% to ¥13,279 million.

(2) Consolidated financial position

1. Status of assets, liabilities and net assets

Total assets as of December 31, 2024, decreased by ¥92 million to ¥79,528 million compared to the end of the previous fiscal year. The main contributing factors were increases of ¥8,643 million in accounts receivable – trade, ¥1,568 million in merchandise and finished goods, ¥1,211 million in raw materials and supplies, ¥1,370 million in other current assets, and ¥1,629 million in investments and other assets and a decrease of ¥13,441 million in cash and deposits.

Total liabilities as of December 31, 2024, increased by ¥1,012 million to ¥44,663 million compared to the end of the previous fiscal year. The main contributing factors were increases of ¥3,506 million in accounts payable – other, ¥1,000 million in short-term borrowings, and ¥1,352 million in income taxes payable and decreases of ¥1,540 million in other current liabilities, ¥2,000 million in long-term borrowings (including current portion of long-term borrowings), and ¥650 million in other non-current liabilities.

Total net assets as of December 31, 2024, decreased by ¥1,104 million to ¥34,865 million compared to the end of the previous fiscal year. The main contributing factors were increases of ¥5,383 million by net profit attributable to owners of parent, ¥619 million increase of valuation difference on available-for-sale securities, and ¥302 million increase of foreign currency translation adjustment and decreases of ¥2,905 million by the payment of shareholder's dividends and ¥4,528 million by purchase of treasury shares. As a result, the capital ratio decreased by 1.4 points to 43.8% compared to the end of the previous fiscal year.

2. Cash flows

Consolidated cash and cash equivalents as of December 31, 2024 totaled ¥18,220 million, a ¥13,441 million decrease from the end of the previous fiscal year.

Cash flows from operating activities

Cash flows used from operating activities for the first three quarters of the current fiscal year ending March 31, 2025, were ¥3,177 million (compared to ¥7,961 million gained in the same period of the previous fiscal year). The main contributing factors were ¥7,265 million of profit before income taxes, ¥1,617 million of depreciation, ¥8,567 million of increase in trade receivables, ¥2,590 million of increase in inventories, ¥3,471 million of increase in trade payables, and ¥1,653 million of decrease in other current liabilities.

Cash flows from investing activities

Cash flows used for investing activities for the first three quarters of the current fiscal year ending March 31, 2025, were ¥1,987 million (compared to ¥1,619 million used in the same period of the previous fiscal year). The main contributing factors were ¥638 million of purchase of property, plant and equipment, and ¥1,000 million of purchase of investment securities.

Cash flows from financing activities

Cash flows used for financing activities for the first three quarters of the current fiscal year ending March 31, 2025, were ¥9,065 million (compared to ¥2,064 million used in the same period of the previous fiscal year). The main contributing factors were ¥4,535 million of purchase of treasury shares and ¥2,899 million of payment for shareholders' dividends.

(3) Consolidated performance forecast and other forward-looking information

No changes have been made to the full year forecasts of consolidated financial results for the fiscal year ending March 31, 2025, which were announced on May 9, 2024.

2. Consolidated financial statements and significant notes

(1) Summary of consolidated balance sheet

(Thousands of yen)

	Q3 FY 3/2024 (as of December 31, 2023)	Q3 FY 3/2025 (as of December 31, 2024)
Assets		
Current assets		
Cash and deposits	31,660,741	18,219,857
Accounts receivable - trade	12,899,977	21,543,017
Merchandise and finished goods	7,583,379	9,150,905
Work in process	367,221	344,182
Raw materials and supplies	5,139,145	6,350,149
Other	7,073,653	8,444,141
Allowance for doubtful accounts	-44,553	-55,964
Total current assets	64,679,563	63,996,287
Non-current assets		
Property, plant and equipment		
Other, net	5,715,528	4,820,296
Total property, plant and equipment	5,715,528	4,820,296
Intangible assets		
Other	1,531,240	1,389,660
Total intangible assets	1,531,240	1,389,660
Investments and other assets		
Other	7,693,326	9,321,867
Total investments and other assets	7,693,326	9,321,867
Total non-current assets	14,940,094	15,531,823
Total assets	79,619,657	79,528,110
Liabilities		
Current liabilities		
Accounts payable - trade	11,477,634	14,983,201
Short-term borrowings	5,000,000	6,000,000
Current portion of long-term borrowings	2,000,000	—
Income taxes payable	21,772	1,373,350
Provision for bonuses	1,382,872	966,790
Provision for bonuses for directors (and other officers)	52,444	25,544
Provision for product warranties	205,311	175,085
Valuation reserve for inventory purchase commitments	2,007,172	2,209,975
Provision for business restructuring	362,867	—
Other	11,388,807	9,849,001
Total current liabilities	33,898,879	35,582,946
Non-current liabilities		
Long-term borrowings	7,000,000	7,000,000
Retirement benefit liability	1,099,324	1,105,885
Asset retirement obligations	311,497	282,859
Other	1,341,734	691,804
Total non-current liabilities	9,752,555	9,080,548
Total liabilities	43,651,434	44,663,494

(Thousands of yen)

	Q3 FY 3/2024 (as of December 31, 2023)	Q3 FY 3/2025 (as of December 31, 2024)
Net assets		
Shareholders' equity		
Share capital	4,203,469	4,203,469
Capital surplus	4,044,882	4,048,042
Retained earnings	29,707,842	28,096,360
Treasury shares	-4,575,712	-4,990,250
Total shareholders' equity	33,380,481	31,357,621
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-8,806	610,230
Foreign currency translation adjustment	2,577,233	2,879,503
Remeasurements of defined benefit plans	19,315	17,262
Total accumulated other comprehensive income	2,587,742	3,506,995
Total net assets	35,968,223	34,864,616
Total liabilities and net assets	79,619,657	79,528,110

(2) Consolidated profit & loss statement

(Thousands of yen)

	Q3 FY 3/2024 (April 1, 2023 to December 31, 2023)	Q3 FY 3/2025 (April 1, 2024 to December 31, 2024)
Net sales	89,151,482	87,517,900
Cost of sales	61,315,599	57,693,365
Gross profit	27,835,883	29,824,535
Selling, general and administrative expenses	22,566,794	22,222,093
Operating profit	5,269,089	7,602,442
Non-operating income		
Interest income	12,758	58,397
Dividend income	—	21,762
Foreign exchange gains	1,438,496	787,866
Other	58,540	45,149
Total non-operating income	1,509,794	913,174
Non-operating expenses		
Interest expenses	65,854	93,896
Loss on abandonment of inventories	47,111	—
Other	9,987	20,726
Total non-operating expenses	122,952	114,622
Ordinary profit	6,655,931	8,400,994
Extraordinary income		
Gain on sale of non-current assets	4,097	116
Insurance claim income	50,000	—
Reversal of provision for information security measures	95,456	—
Total extraordinary income	149,553	116
Extraordinary losses		
Loss on sale of non-current assets	2,303	1,826
Business restructuring expenses	26,504	1,117,666
Other	5,849	16,361
Total extraordinary losses	34,656	1,135,853
Profit before income taxes	6,770,828	7,265,257
Income taxes	1,877,447	1,882,720
Profit	4,893,381	5,382,537
Profit attributable to owners of parent	4,893,381	5,382,537

Consolidated Comprehensive Income Statement

(Thousands of yen)

	Q3 FY 3/2024 (April 1, 2023 to December 31, 2023)	Q3 FY 3/2025 (April 1, 2024 to December 31, 2024)
Profit	4,893,381	5,382,537
Other comprehensive income		
Valuation difference on available-for-sale securities	50,328	619,036
Foreign currency translation adjustment	642,864	302,270
Remeasurements of defined benefit plans, net of tax	479	-2,053
Total other comprehensive income	693,671	919,253
Comprehensive income	5,587,052	6,301,790
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,587,052	6,301,790
Comprehensive income attributable to non-controlling interests	—	—

(3) Summary of consolidated cash flow statement

(Thousands of yen)

	Q3 FY 3/2024 (April 1, 2023 to December 31, 2023)	Q3 FY 3/2025 (April 1, 2024 to December 31, 2024)
Cash flows from operating activities		
Profit before income taxes	6,770,828	7,265,257
Depreciation	1,865,926	1,617,130
Increase (decrease) in allowance for doubtful accounts	25,427	10,722
Increase (decrease) in provision for bonuses	70,109	-433,309
Increase (decrease) in provision for bonuses for directors (and other officers)	27,181	-26,900
Increase (decrease) in retirement benefit liability	44,768	3,440
Interest and dividend income	-12,758	-80,159
Interest expenses	82,013	105,266
Foreign exchange losses (gains)	-967,168	-655,306
Loss (gain) on sale of non-current assets	-1,794	1,710
Decrease (increase) in trade receivables	-5,749,472	-8,566,757
Decrease (increase) in inventories	5,287,119	-2,590,280
Increase (decrease) in trade payables	4,396,971	3,470,601
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	-84,778	21,059
Decrease (increase) in other current assets	-2,507,291	-1,418,105
Increase (decrease) in other current liabilities	906,726	-1,653,170
Decrease (increase) in other non-current assets	-12,647	14,593
Increase (decrease) in other non-current liabilities	3,587	-328
Other, net	34,620	803,612
Subtotal	10,179,367	-2,110,924
Interest and dividends received	27,207	79,692
Interest paid	-51,551	-109,860
Income taxes refund (paid)	-2,194,290	-456,042
Other, net	—	-580,142
Net cash provided by (used in) operating activities	7,960,733	-3,177,276
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	37,928	—
Purchase of property, plant and equipment	-1,339,180	-637,936
Purchase of intangible assets	-320,157	-98,602
Purchase of investment securities	—	-1,000,024
Proceeds from sale of property, plant and equipment	5,643	824
Payments of leasehold and guarantee deposits	-6,374	-7,105
Proceeds from refund of leasehold and guarantee deposits	2,671	10,492
Payments for asset retirement obligations	—	-254,637
Net cash provided by (used in) investing activities	-1,619,469	-1,986,988
Cash flows from financing activities		
Proceeds from short-term borrowings	—	1,000,000
Repayments of short-term borrowings	-2,000,000	—
Proceeds from long-term borrowings	7,000,000	—
Repayments of long-term borrowings	—	-2,000,000
Purchase of treasury shares	-3,357,517	-4,534,608
Repayments of lease liabilities	-585,463	-630,719
Dividends paid	-3,120,520	-2,899,303
Net cash provided by (used in) financing activities	-2,063,500	-9,064,630
Effect of exchange rate change on cash and cash equivalents	1,286,751	788,010
Net increase (decrease) in cash and cash equivalents	5,564,515	-13,440,884
Cash and cash equivalents at beginning of period	19,979,904	31,660,741
Cash and cash equivalents at end of period	25,544,419	18,219,857

(4) Notes for consolidated financial statements

(Adoption of specific accounting policies for financial statements)

Concerning tax expenses, the Company reasonably estimated effective tax rate for profit before income taxes for the current fiscal year, which includes the current first three quarters, by applying tax-effect accounting. Then it calculated tax expenses for the current first three quarters by multiplying the amount of profit before income taxes for the current first three quarters by the estimated effective tax rate for the current fiscal year.

(Segment Information)

Q3 FY 3/2024 (April 1, 2023 – December 31, 2023)

(Thousands of yen)

	Reportable Segments			Adjustment (Note)1	Amount of Consolidated P/L (Note)2
	Branded Business	Technology Solution Business	Sub Total		
Sales					
Sales towards external customers	27,235,950	61,915,532	89,151,482	—	89,151,482
Sales between internal segments and internal transfer	—	—	—	—	—
Total	27,235,950	61,915,532	89,151,482	—	89,151,482
Segment profit or loss (-)	-3,069,179	12,051,277	8,982,098	-3,713,009	5,269,089

(Note) 1. ¥-3,713,009 thousands of the above "Adjustment" in "Segment profit or loss" is mainly the cost of its administrative divisions which are not included in the reportable segments.

2. "Segment profit or loss" is adjusted for "Operating profit".

Q3 FY 3/2025 (April 1, 2024 – December 31, 2024)

(Thousands of yen)

	Reportable Segments			Adjustment (Note)1	Amount of Consolidated P/L (Note)2
	Branded Business	Technology Solution Business	Sub Total		
Sales					
Sales towards external customers	23,248,193	64,269,707	87,517,900	—	87,517,900
Sales between internal segments and internal transfer	—	—	—	—	—
Total	23,248,193	64,269,707	87,517,900	—	87,517,900
Segment profit or loss (-)	-1,645,464	13,278,531	11,633,067	-4,030,625	7,602,442

(Note) 1. ¥-4,030,625 thousands of the above "Adjustment" in "Segment profit or loss" is mainly the cost of its administrative divisions which are not included in the reportable segments.

2. "Segment profit or loss" is adjusted for "Operating profit".

(Notes on significant changes in amount of shareholders' equity)

The Company implemented treasury stock acquisition of 4,032,500 shares based on the resolution at a meeting of its Board of Directors held on May 9, 2024 and 2,139,700 shares based on the resolution at a meeting of its Board of Directors held on October 30, 2024 during the first three quarters of the current fiscal year.

In addition, the Company cancelled 6,000,000 shares on May 16, 2024, based on the resolution at a meeting of its Board of Directors held on May 9, 2024. As the balance of other capital surplus in capital surplus became a negative value by the cancellation of treasury stock on May 16, 2024, the Company set other capital surplus to zero and the said negative value was reduced from retained earnings.

In addition, the Company disposed 33,903 shares of treasury stock used for restricted stock compensation during the first three quarters of the current fiscal year based on the resolution at a meeting of its Board of Directors held on July 11, 2024.

As a result of the above-mentioned accounting processes, retained earnings decreased by ¥1,611 million and treasury shares increased by ¥415 million during the first three quarters of the current fiscal year. As of December 31, 2024, retained earnings were ¥28,096 million and treasury shares were ¥4,990 million.

(Note for going concern assumption)

Not Applicable

(Significant subsequent events)

(Acquisition of treasury stock)

The Company resolved at a meeting of its Board of Directors held on January 31, 2025, to acquire the Company's treasury stock pursuant to Article 156 of Japanese Companies Act, of which application is defined by both paragraph 1, Article 459 of the Companies Act and provisions of the Company's Articles of Incorporation.

1.Reason for acquisition and cancellation of own shares

Based on its Medium-Term Business Direction "Wacom Chapter 3", the Company recognizes shareholder return as one of the most important management issues. The Company formulated a policy for shareholder return that proposes to implement treasury stock acquisition up to a total acquisition cost of ¥10 billion during the period to March 31, 2025, resolved at a meeting of its Board of Directors held on May 12, 2021, and announced as "Notice of Policy Regarding Treasury Stock Acquisition" on the same day. In addition, it also resolved at a meeting of its Board of Directors held on January 31, 2023 and announced "Notice of Policy Regarding Additional Treasury Stock Acquisition", in which it formulated a policy regarding additional treasury stock acquisition up to a total acquisition cost of ¥10 billion during the period to March 31, 2025. As a result, the total acquisition cost in the above policy during the period of its Medium-Term Business Direction "Wacom Chapter 3" is up to ¥20 billion.

The Company acquires its treasury stock upon comprehensive consideration of the current investment opportunities, financial efficiency and stock price level, based on the above policy.

2.Details of acquisition

- (1) Type of shares to be acquired: Common stock of the Company
- (2) Total number of shares to be acquired: Up to 5,000,000 shares
- (3) Total acquisition cost: Up to 2.5 billion Japanese yen
- (4) Acquisition period: From February 1, 2025 to March 31, 2025
- (5) Acquisition Method: Open market acquisition of shares on the Tokyo Stock Exchange

Q3 FY 3/2025 Summary of Consolidated Financial Results
from April 1, 2024 to December 31, 2024

(1) Business Performance

	<u>FY 3/2024</u>	<u>FY 3/2025</u>	<u>YOY Change</u>	
	YTD Q3 Results	YTD Q3 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Net Sales	89,151	87,518	-1,633	-1.8%
Operating Profit	5,269	7,602	2,333	44.3%
(Profit Margin)	5.9%	8.7%		
Ordinary Profit	6,656	8,401	1,745	26.2%
(Profit Margin)	7.5%	9.6%		
Net Profit	4,893	5,383	490	10.0%
(Profit Margin)	5.5%	6.2%		
P/L FX Rate (Avg. in the Term)	JPY	JPY	JPY	
(US Dollar)	142.76	152.87	10.11	7.1%
(Euro)	155.19	164.91	9.72	6.3%

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

(2) Business Performance by Business Segment

	<u>FY 3/2024</u>	<u>FY 3/2025</u>	<u>YOY Change</u>	
	YTD Q3 Results	YTD Q3 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Branded Business				
Sales	27,236	23,248	-3,988	-14.6%
Segment Profit	-3,069	-1,645	1,424	--
(Profit Margin)	-11.3%	-7.1%		
Technology Solution Business				
Sales	61,915	64,270	2,355	3.8%
Segment Profit	12,051	13,279	1,228	10.2%
(Profit Margin)	19.5%	20.7%		

Note) Segment profit doesn't include the amount of "Adjustment" such as expenses of corporate section.

(3) Sales by Product Line

	<u>FY 3/2024</u>	<u>FY 3/2025</u>	<u>YOY Change</u>	
(by Subsidiaries)	YTD Q3 Results	YTD Q3 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Branded Business	27,236	23,248	-3,988	-14.6%
Creative Solution	23,769	19,712	-4,057	-17.1%
Displays	14,626	11,696	-2,930	-20.0%
(Japan)	2,847	2,514	-333	-11.7%
(U.S.)	5,296	4,227	-1,069	-20.2%
(Germany)	3,639	2,255	-1,384	-38.0%
(Asia-Oceania)	2,844	2,700	-144	-5.1%
Pen tablets	9,143	8,016	-1,127	-12.3%
(Japan)	713	670	-43	-6.1%
(U.S.)	3,003	2,467	-536	-17.8%
(Germany)	2,725	2,317	-408	-15.0%
(Asia-Oceania)	2,702	2,562	-140	-5.2%
Business Solution	3,467	3,536	69	2.0%
(Japan)	588	692	104	17.8%
(U.S.)	771	468	-303	-39.3%
(Germany)	1,743	2,038	295	16.9%
(Asia-Oceania)	365	338	-27	-7.4%
Technology Solution Business	61,915	64,270	2,355	3.8%
AES technology	19,949	18,230	-1,719	-8.6%
EMR technology	41,966	46,040	4,074	9.7%
Total	89,151	87,518	-1,633	-1.8%

Note) Sales of Technology Solution Business are categorized into Japan.

(4) Sales by Regional Subsidiary

	<u>FY 3/2024</u>	<u>FY 3/2025</u>	<u>YOY Change</u>	
	YTD Q3 Results	YTD Q3 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Japan	66,063	68,145	2,082	3.2%
(Japan excluding Tech. Solution biz.)	4,148	3,875	-273	-6.6%
U.S.	9,071	7,162	-1,909	-21.0%
Germany	8,107	6,611	-1,496	-18.5%
Asia-Oceania	5,910	5,600	-310	-5.3%
Total	89,151	87,518	-1,633	-1.8%

Note) Sales of Technology Solution Business are categorized into Japan.

Note) Sales in Germany include 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

	<u>FY 3/2024</u>	<u>FY 3/2025</u>	<u>YOY Change</u>	
	YTD Q3 Results	YTD Q3 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Capital Expenditure	1,809	919	-890	-49.2%
Depreciation	1,302	1,072	-230	-17.7%
R&D Expenditure	5,632	6,013	381	6.8%

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

Note) As for lease assets, these capital expenditures and depreciation are not included in the above figures.

FY 3/2025 Summary of Financial Forecast (Consolidated) from April 1, 2024 to March 31, 2025

(1) Forecast of Business Performance

	<u>FY 3/2024</u>	<u>FY 3/2025</u>	<u>YOY Change</u>	
	Results	Forecast	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Net Sales	118,795	120,000	1,205	1.0%
Operating Profit	7,058	8,500	1,442	20.4%
(Profit Margin)	5.9%	7.1%		
Ordinary Profit	9,853	8,500	-1,353	-13.7%
(Profit Margin)	8.3%	7.1%		
Net Profit	4,562	6,200	1,638	35.9%
(Profit Margin)	3.8%	5.2%		
P/L FX Rate (Avg. in the Term)	JPY	JPY	JPY	
(US Daller)	144.40	145.00	0.60	0.4%
(Euro)	156.80	155.00	-1.80	-1.1%

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

Note) Each FX rate in FY 3/2025 full year forecast shows the assumption from January, 2025 onward.

(2) Forecast by Business Segment

	<u>FY 3/2024</u>	<u>FY 3/2025</u>	<u>YOY Change</u>	
	Results	Forecast	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Branded Business				
Sales	33,814	35,000	1,186	3.5%
Segment Profit	-4,520	-2,000	2,520	--
(Profit Margin)	-13.4%	-5.7%		
Technology Solution Business				
Sales	84,981	85,000	19	0.0%
Segment Profit	16,481	16,000	-481	-2.9%
(Profit Margin)	19.4%	18.8%		

Note) Segment profit doesn't include the amount of "Adjustment" such as expenses of corporate section.

Note) Sales Forecasts by Product Line and Regional Subsidiary are not disclosed.

(3) Forecast of Capital Expenditure, Depreciation, and R&D Expenditure

	<u>FY 3/2024</u>	<u>FY 3/2025</u>	<u>YOY Change</u>	
	Results	Forecast	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Capital Expenditure	2,184	2,000	-184	-8.4%
Depreciation	1,805	1,500	-305	-16.9%
R&D Expenditure	7,676	8,000	324	4.2%

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

Note) As for lease assets, these capital expenditures and depreciation are not included in the above figures.