

FY 3/2025 Summary of Consolidated Financial Results

May 9, 2025

Company Name Wacom Co., Ltd.

(Code Number: 6727 TSE Prime)

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

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Scheduled Date of Ordinary Shareholders' Meeting: June 26, 2025

Scheduled Date of Delivery of Dividends: June 5, 2025

Scheduled Filing Date of Annual Securities Report: June 27, 2025

Preparation of Supplemental Explanatory Material for Financial Results: Yes

Holding of Large Meeting for Financial Results: Yes

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

(1) Business Performance (Consolidated)

(Round off to mY)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	mY	%	mY	%	mY	%	mY	%
FY 3/2025	115,681	-2.6	10,210	44.7	10,394	5.5	5,225	14.5
FY 3/2024	118,795	5.4	7,058	250.6	9,853	243.6	4,562	154.5

(Note) Comprehensive income FY 3/2025 5,268mY (-13.2%) FY 3/2024 6,073mY (184.3%)

	Net Income per Share	Diluted Net income per Share	Return on Equity (ROE)	Return on Assets (ROA)	Operating Profit Margin
	Yen	Yen Sen	%	%	%
FY 3/2025	36.97	—	15.6	13.8	8.8
FY 3/2024	29.64	—	11.9	12.7	5.9

(For Ref.) Equity in earnings of affiliates FY 3/2025 — mY FY 3/2025 — mY

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share
	mY	mY	%	Yen Sen
FY 3/2025	70,771	30,859	43.6	229.43
FY 3/2024	79,620	35,968	45.2	247.64

(For Ref.) Capital: FY3/2025 30,859 mY FY 3/2024 35,968 mY

(3) Cash Flow (Consolidated)

	Operating Cash Flow	Investing Cash Flow	Financing Cash Flow	Cash & Cash Equivalent
	mY	mY	mY	mY
FY 3/2025	8,330	-2,274	-13,170	24,364
FY 3/2024	17,476	-2,281	-6,432	31,661

2. Dividend

(Record date)	Dividend Per Share					Total Annual Dividend Payout	Payout ratio	Dividend on equity ratio
	Q1	H1	Q3	End of FY	FY Total			
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen	mY	%	%
FY 3/2024	-	0.00	-	20.00	20.00	2,905	67.5	7.9
FY 3/2025	-	0.00	-	22.00	22.00	2,959	59.5	9.2
FY 3/2026 (Forecast)	-	11.00	-	11.00	22.00		34.8	

3. Consolidated Business Forecasts of FY 3/2026 (April 1, 2025 – March 31, 2026)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Net Profit per Share Outstanding
Full Year	mY	%	mY	%	mY	%	mY	%	Yen Sen
	110,000	-4.9	11,500	12.6	11,500	10.6	8,500	62.7	63.19

(Note) For details, please refer to P.8 "Consolidated outlook" of the attached materials.

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 resulting from revisions in accounting standards : No
 - Changes other than those above : No
 - Changes resulting from accounting estimates : No
 - Changes resulting from restatements : No
- 3) Numbers of shares outstanding (Common stock)

Number of shares outstanding at end of year (Including treasury stock):

	Shares		Shares
FY 3/2025	146,000,000	FY 3/2024	152,000,000

Number of treasury stock outstanding at end of year:

	Shares		Shares
FY 3/2025	11,495,186	FY 3/2024	6,756,189

Average number of shares during the fiscal year:

	Shares		Shares
FY 3/2025	141,320,553	FY 3/2024	153,883,359

(For Reference) Overview of non-consolidated financial results

1.FY 3/2025 Non-Consolidated Financial Results (April 1, 2024– March 31, 2025)

(1) Business Performance (Non-Consolidated)

(Round off to mY)

	Sales		Operating Profit		Ordinary Profit		Net Profit	
	mY	%	mY	%	mY	%	mY	%
FY 3/2025	101,401	7.0	5,838	—	5,878	119.0	4,159	—
FY 3/2024	94,785	-9.2	-392	—	2,684	-60.1	-21	—

	Net Profit per Share	Net Profit per Diluted Share
	Yen Sen	Yen Sen
FY 3/2025	29.43	—
FY 3/2024	-0.14	—

(2) Financial position (non-consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per share
	mY	mY	%	Yen Sen
FY 3/2025	56,028	20,369	36.4	151.44
FY 3/2024	65,326	26,218	40.1	180.51

(For Ref.) Capital: FY 3/2025 20,369mY FY3/2024 26,218mY

(Main reasons for difference between results for the current fiscal year and the previous fiscal year)

The difference between the results for the current fiscal year and the previous fiscal year is due to a decrease in loss on valuation of inventories (cost of sales) and posting a settlement payment (extraordinary loss) recorded in the previous fiscal year.

*These financial results 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 presentation are based on currently available information and involve risks and uncertainties. Please note that actual results could materially differ from those expressed or implied by the forward-looking statements in this presentation due to these risks and uncertainties.

(Accompanying data)

Consolidated Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Comprehensive Profit Statement, Consolidated Statement of Changes in Shareholder's Equity, 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 current fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025), 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. However, the announcement of additional tariffs by the United States increased uncertainty in the outlook. 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 moderately weaker against the US dollar, and slightly weaker against the euro and the renminbi, reflecting market sentiment with respect to the global economy and the monetary and trade policies of major countries.

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 ended March 2025, we have been working 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 fiscal year under review, 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 period under review, 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 fiscal year under review was the final year of Wacom Chapter 3, 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. We announced “Wacom Movink 13” to establish a new use case we define as Portable Creative in April 2024, and our flagship pen tablet product “Wacom Intuos Pro”, newly innovated for downsizing and accurate performance, in February 2025. 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 in November 2024, 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. In addition, we paid ¥20 million and acquired shares of JENESIS CO., LTD., which provides comprehensive IoT solutions, aiming to

build new business platforms for education 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 current fiscal year ended March 31, 2025, consolidated net sales decreased 2.6% to ¥115,681 million. Operating profit increased 44.7% to ¥10,210 million. Ordinary profit increased 5.5% to ¥10,394 million And net profit attributable to owners of parent increased 14.5% to ¥5,225 million, after recording ¥3,090 million of special severance payment (increased 432.9% compared to the same period of the previous fiscal year) resulting from business structural transformation in the Branded Business in extraordinary losses.

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 new products launched in April 2024. In non-professional models, sales declined significantly, mainly due to changes of consumer sentiment. 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 end of old models and hold-off buying impact, although we launched a new model in March 2025. In non-professional models, sales of middle-priced models significantly 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

Sales were slightly lower, but experienced solid demand from education, medical and public sectors such as public or government offices.

As a result of the above, overall sales in the Branded Business segment for the current fiscal year ended March 31, 2025, decreased 15.0% to ¥28,745 million, and segment loss was ¥2,879 million (segment loss of the same period of the previous fiscal year was ¥4,520 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 current fiscal year ended March 31, 2025, increased 2.3% to ¥86,936 million, and segment profit increased 12.2% to ¥18,495 million.

(2) Consolidated financial position

Total assets as of March 31, 2025 decreased by ¥8,848 million to ¥70,771 million compared to the end of the previous fiscal year. The main factors contributing to this were increases of ¥1,553 million in investment securities and ¥7,297 million in cash and deposits, and a decrease of ¥1,296 million in accounts receivable – trade.

Total liabilities as of March 31, 2025 decreased by ¥3,740 million to ¥39,912 million compared to the end of the previous fiscal year. The main factors contributing to this were decreases of ¥2,000 million in long-term borrowings (including current portion of long-term borrowings) and ¥751 million in others of non-current liabilities.

Total net assets as of March 31, 2025 decreased by ¥5,109 million to ¥30,859 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥5,225 million by net profit attributable to owners of parent, and decreases of ¥2,905 million by the payment of shareholder's dividends and ¥7,500 million by purchase of treasury shares. As a result, the capital ratio decreased by 1.6 points to 43.6% compared to the end of the previous fiscal year.

(3) Cash flows

Consolidated cash and cash equivalents as of March 31, 2025 totaled ¥24,364 million, a ¥7,297 million decrease from the end of the previous fiscal year.

Cash flow from operating activities

Cash flow gained from operating activities for the current fiscal year ended March 31, 2025, was ¥8,330 million (compared to ¥17,476 million gained in the same period of the previous fiscal year). The main factors contributing to cash inflow were ¥6,870 million of profit before income taxes and ¥2,114 million of depreciation.

Cash flow from investing activities

Cash flow used for investing activities for the current fiscal year ended March 31, 2025, was ¥2,274 million (compared to ¥2,281 million used in the same period of the previous fiscal year). The main contributing factors were ¥917 million of purchase of property, plant and equipment, and ¥1,020 million of purchase of investment securities.

Cash flow from financing activities

Cash flow used for financing activities for the current fiscal year ended March 31, 2025, was ¥13,170 million (compared to ¥6,432 million used in the same period of the previous fiscal year). The main contributing factors were ¥2,000 million of repayments of long-term borrowings, ¥7,514 million of purchase of treasury shares, and ¥2,901 million of payment for shareholders' dividends.

(For Reference) Indicators related to cash flow

	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025
Capital ratio (%)	59.3	53.8	45.2	43.6
Market cap based capital ratio (%)	204.4	143.2	120.6	108.7
The debt-to-cash-flow ratio (Year)	—	—	0.9	1.5
Interest coverage ratio	—	—	243.5	64.8

Capital ratio: Capital / Total assets

Market cap. based capital ratio: Market cap. / Total assets

The debt-to-cash-flow ratio (Year): Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payment

Note: 1. All figures are calculated based on consolidated financial figures.

2. Market cap is calculated based on the number of issued shares excluding treasury stock.

3. Operating cash flow is used as cash flow.

4. Interest-bearing debt is all liabilities reflected on the consolidated balance sheets that are subject to interest payments.

5. The debt-to-cash-flow ratio and interest coverage ratio for FY3/2022 and FY3/2023 are not stated due to negative operating cash flow.

(4) Consolidated outlook

The global economic outlook remains uncertain, amid U.S. tariff policy announcements and close attention to their impact on future inflation trends and business sentiment, as well as continuing geopolitical tension caused by the conflicts in Russia and Ukraine and in the Middle East. Uncertainty is also apparent in the foreign exchange markets that impact corporate performance. The IT industry business environment is likely to be influenced by further progress in information processing, yielding improved ease-of-use while reducing costs through technological innovation in mobile, cloud, AI, blockchain and other areas. Under these circumstances, the Wacom Group will aim to lead the market for digital pen and ink technologies and strive for sustainable growth in accordance with the new Medium-Term Business Plan, Wacom Chapter 4, announced on May 9, 2025. In the fiscal year ending March 31, 2026, we will continue to develop strategies to further evolve our business model in various use case domains such as “Creation”, “Learning / teaching”, “Working / playing and beyond”, and “Well-being”. We will also continue building a solid foundation to promote further growth in corporate value while improving the quality of management decision-making required to address business challenges.

Based on our assumption of average foreign exchange rates of ¥140 per U.S. dollar for the fiscal year ending March 31, 2026, consolidated net sales are expected to decrease 4.9% to ¥110,000 million, operating profit to increase 12.6% to ¥11,500 million, ordinary profit to increase 10.6% to ¥11,500 million, net profit attributable to owners of parent to increase 62.7% to ¥8,500 million.

Forecasts by segment

In the Technology Solution Business segment, we aim to drive adoption of our de facto industry standard digital pen technologies (Active ES and EMR technologies) in the smartphone, tablet device, and notebook PC markets. We also aim to expand business opportunities in the education market and contribute to the expansion of use cases for digital pen technology through collaboration with partner companies. Sales in the Technology Solution Business segment for the fiscal year ending March 31, 2026 are expected to decrease 8.0% to ¥80,000 million, and segment profit to decrease 8.1% to ¥17,000 million.

In the Branded Business segment, we will endeavor to further the market penetration of new products launched in the previous fiscal year. In particular, we will support creative education and new creative workflows (virtualization / remote operation) by promoting transformation to solution-based value propositions. Forecasts for the year include the assumption of the currently recognized effects of business restructuring. Amid a changing market environment, we expect sales in the Branded Business segment for the fiscal year ending March 31, 2026 to increase 4.4% to ¥30,000 million, and segment profit to increase by ¥3,179 million to ¥300 million (compared to a segment loss of ¥2,879 million in the previous fiscal year).

The potential impact of U.S. tariff policy has been taken into account when determining our business performance outlook, based on certain assumptions. However, any changes in U.S. policy may alter this potential impact in new ways.

Note: Forward-looking statements regarding future events and performance contained in this document 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.

(5) Basic policy on profit distribution for the fiscal years ended March 31, 2025 and ending March 31, 2026

The Company's basic policy on shareholder returns is to provide stable and sustainable dividends and flexibly exercise treasury stock acquisition, while maintaining sufficient retained earnings to enhance future business development and financial soundness.

We aim to effectively utilize retained earnings to increase corporate value over the medium to long term by sustaining investment of business resources, focusing on measures that lead to technological innovation and stronger relationships with customers. We also recognize the need to maintain a sound financial footing that enables us to respond actively to changes in the business environment.

With respect to the dividend policy for the fiscal year ended March 31, 2025, our aim has been to distribute profits by increasing dividend-per-share over the medium to long term while maintaining appropriate financial soundness. Our priority was to maintain a stable per-share dividend even with the attainment of our guideline consolidated payout ratio of approximately 30%. From the next fiscal year, ending March 31, 2026, we will implement progressive dividends in principle, with a total return ratio of at least 50% on a consolidated basis, while ensuring financial soundness. With regard to frequency of dividend payments, previously our policy has been to pay dividend from surplus once a year based on a record date of the end of the fiscal year. However, as of the fiscal year ending March 31, 2026, we will pay a dividend from surplus twice a year, comprising an interim dividend and a year-end dividend, for the purpose of enhancing medium- to long-term stock value and creating more opportunities to return profits to shareholders.

Our basic policy on treasury stock acquisition is to implement it as a capital policy to flexibly respond to changes in the business environment upon comprehensive consideration of investment opportunities, financial conditions, and stock price level.

Regarding the dividend for the current fiscal year ended March 31, 2025, the Board of Directors has decided to pay a dividend of ¥22.00 per share. The dividend forecast for the fiscal year ending March 31, 2026, is ¥22.00 per share, including an interim dividend.

Under this policy, during the fiscal year ended March 31, 2025, we acquired a total of ¥7.5 billion (10,772,900 shares) of treasury stock and cancelled 6,000,000 shares of treasury stock.

For the fiscal year ending March 31, 2026, it is resolved to cancel 11,000,000 shares of treasury stock on May 16, 2025, as stated in "Cancellation of Treasury Stock" announced on May 9, 2025.

We have not adopted a shareholder special benefit plan because we do not believe it would be fair to shareholders who do not desire profit distribution by means other than dividends or treasury stock acquisition. Accordingly, we intend to distribute profits by means of cash dividend and treasury stock acquisition.

2. Basic Policy Regarding Selection of Accounting Standards

Wacom Group will prepare its consolidated financial statements in accordance with Japanese GAAP for the time being, taking into consideration the comparability of the consolidated financial statements from period to period and among enterprises.

With regard to the application of International Financial Reporting Standards (IFRS), we will comply with it appropriately, taking into consideration various conditions in Japan and overseas.

2. Consolidated financial statements and significant notes

(1) Summary of consolidated balance sheet

	(Thousands of yen)	
	FY 3/2024 (as of March 31, 2024)	FY 3/2025 (as of March 31, 2025)
Assets		
Current assets		
Cash and deposits	31,660,741	24,364,228
Accounts receivable - trade	12,899,977	11,603,512
Merchandise and finished goods	7,583,379	7,063,156
Work in process	367,221	332,268
Raw materials and supplies	5,139,145	5,688,020
Accounts receivable - other	3,907,124	4,434,805
Other	3,166,529	3,028,292
Allowance for doubtful accounts	-44,553	-15,932
Total current assets	64,679,563	56,498,349
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,503,431	2,943,485
Accumulated depreciation	-2,654,330	-2,220,135
Buildings and structures, net	849,101	723,350
Machinery, equipment and vehicles	2,766,475	2,966,180
Accumulated depreciation	-1,590,379	-1,852,569
Machinery, equipment and vehicles, net	1,176,096	1,113,611
Land	1,063,061	1,063,061
Other	10,610,259	9,455,612
Accumulated depreciation	-7,982,989	-7,986,697
Other, net	2,627,270	1,468,915
Total property, plant and equipment	5,715,528	4,368,937
Intangible assets		
Other	1,531,240	1,331,663
Total intangible assets	1,531,240	1,331,663
Investments and other assets		
Investment securities	1,614,146	3,167,139
Deferred tax assets	5,256,365	4,630,363
Other	822,815	774,773
Total investments and other assets	7,693,326	8,572,275
Total non-current assets	14,940,094	14,272,875
Total assets	79,619,657	70,771,224

(Thousands of yen)

	FY 3/2024 (as of March 31, 2024)	FY 3/2025 (as of March 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	11,477,634	11,109,645
Short-term borrowings	5,000,000	5,000,000
Current portion of long-term borrowings	2,000,000	—
Accounts payable - other	4,709,767	4,510,202
Income taxes payable	21,772	551,284
Contract liabilities	792,379	615,821
Provision for bonuses	1,382,872	1,327,298
Provision for bonuses for directors (and other officers)	52,444	60,414
Provision for product warranties	205,311	170,442
Valuation reserve for inventory purchase commitments	2,007,172	1,754,296
Provision for business restructuring	362,867	73,723
Asset retirement obligations	—	11,231
Other	5,886,661	5,843,813
Total current liabilities	33,898,879	31,028,169
Non-current liabilities		
Long-term borrowings	7,000,000	7,000,000
Deferred tax liabilities	—	76
Retirement benefit liability	1,099,324	1,023,918
Asset retirement obligations	311,497	269,043
Other	1,341,734	590,543
Total non-current liabilities	9,752,555	8,883,580
Total liabilities	43,651,434	39,911,749
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	27,938,566
Treasury shares	-4,575,712	-7,961,696
Total shareholders' equity	33,380,481	28,228,381
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-8,806	361,107
Foreign currency translation adjustment	2,577,233	2,210,246
Remeasurements of defined benefit plans	19,315	59,741
Total accumulated other comprehensive income	2,587,742	2,631,094
Total net assets	35,968,223	30,859,475
Total liabilities and net assets	79,619,657	70,771,224

(2) Consolidated profit & loss statement

(Thousands of yen)

	FY 3/2024 (April 1, 2023 to March 31, 2024)	FY 3/2025 (April 1, 2024 to March 31, 2025)
Net sales	118,794,737	115,680,799
Cost of sales	82,028,030	75,535,458
Gross profit	36,766,707	40,145,341
Selling, general and administrative expenses	29,708,694	29,935,712
Operating profit	7,058,013	10,209,629
Non-operating income		
Interest income	19,990	75,023
Dividend income	21,762	43,524
Foreign exchange gains	2,857,092	125,080
Other	89,111	90,822
Total non-operating income	2,987,955	334,449
Non-operating expenses		
Interest expenses	92,904	124,366
Loss on abandonment of inventories	47,652	—
Settlement payments	20,000	25,207
Other	32,685	202
Total non-operating expenses	193,241	149,775
Ordinary profit	9,852,727	10,394,303
Extraordinary income		
Gain on sale of non-current assets	7,063	6,056
Insurance claim income	50,000	—
Reversal of provision for information security measures	95,456	—
Total extraordinary income	152,519	6,056
Extraordinary losses		
Loss on sale of non-current assets	2,370	3,625
Impairment losses	940,541	419,052
Business restructuring expenses	579,933	3,090,227
Settlement payments	2,528,558	—
Other	42,245	17,538
Total extraordinary losses	4,093,647	3,530,442
Profit before income taxes	5,911,599	6,869,917
Income taxes - current	1,248,762	1,216,992
Income taxes - refund	-17,081	-1,725
Income taxes - deferred	118,303	429,906
Total income taxes	1,349,984	1,645,173
Profit	4,561,615	5,224,744
Profit attributable to owners of parent	4,561,615	5,224,744

Consolidated Comprehensive Income Statement

(Thousands of yen)

	FY 3/2024 (April 1, 2023 to March 31, 2024)	FY 3/2025 (April 1, 2024 to March 31, 2025)
Profit	4,561,615	5,224,744
Other comprehensive income		
Valuation difference on available-for-sale securities	247,867	369,913
Foreign currency translation adjustment	1,243,209	-366,987
Remeasurements of defined benefit plans, net of tax	20,017	40,426
Total other comprehensive income	1,511,093	43,352
Comprehensive income	6,072,708	5,268,096
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,072,708	5,268,096
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statement of changes in shareholder's equity

FY 3/2024 (April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,203,469	4,044,882	32,341,161	-1,176,497	39,413,015
Changes during period					
Dividends of surplus			-3,124,752		-3,124,752
Profit attributable to owners of parent			4,561,615		4,561,615
Purchase of treasury shares				-7,499,952	-7,499,952
Disposal of treasury shares		-3,159		33,714	30,555
Cancellation of treasury shares		-4,067,023		4,067,023	—
Transfer from retained earnings to capital surplus		4,070,182	-4,070,182		—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	-2,633,319	-3,399,215	-6,032,534
Balance at end of period	4,203,469	4,044,882	29,707,842	-4,575,712	33,380,481

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	-256,673	1,334,024	-702	1,076,649	40,489,664
Changes during period					
Dividends of surplus					-3,124,752
Profit attributable to owners of parent					4,561,615
Purchase of treasury shares					-7,499,952
Disposal of treasury shares					30,555
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity	247,867	1,243,209	20,017	1,511,093	1,511,093
Total changes during period	247,867	1,243,209	20,017	1,511,093	-4,521,441
Balance at end of period	-8,806	2,577,233	19,315	2,587,742	35,968,223

FY 3/2025 (April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,203,469	4,044,882	29,707,842	-4,575,712	33,380,481
Changes during period					
Dividends of surplus			-2,904,876		-2,904,876
Profit attributable to owners of parent			5,224,744		5,224,744
Purchase of treasury shares				-7,499,904	-7,499,904
Disposal of treasury shares		3,160		24,776	27,936
Cancellation of treasury shares		-4,089,144		4,089,144	—
Transfer from retained earnings to capital surplus		4,089,144	-4,089,144		—
Net changes in items other than shareholders' equity					
Total changes during period	—	3,160	-1,769,276	-3,385,984	-5,152,100
Balance at end of period	4,203,469	4,048,042	27,938,566	-7,961,696	28,228,381

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	-8,806	2,577,233	19,315	2,587,742	35,968,223
Changes during period					
Dividends of surplus					-2,904,876
Profit attributable to owners of parent					5,224,744
Purchase of treasury shares					-7,499,904
Disposal of treasury shares					27,936
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity	369,913	-366,987	40,426	43,352	43,352
Total changes during period	369,913	-366,987	40,426	43,352	-5,108,748
Balance at end of period	361,107	2,210,246	59,741	2,631,094	30,859,475

(4) Summary of consolidated cash flow statement

	(Thousands of yen)	
	FY 3/2024 (April 1, 2023 to March 31, 2024)	FY 3/2025 (April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	5,911,599	6,869,917
Depreciation	2,566,997	2,114,019
Impairment losses	940,541	419,052
Increase (decrease) in allowance for doubtful accounts	13,044	-28,448
Increase (decrease) in provision for bonuses	101,978	-41,153
Increase (decrease) in provision for bonuses for directors (and other officers)	34,041	7,969
Increase (decrease) in retirement benefit liability	48,506	-15,584
Interest and dividend income	-41,752	-118,547
Interest expenses	113,776	136,048
Foreign exchange losses (gains)	-2,291,041	-91,548
Loss (gain) on sale of non-current assets	-4,693	-2,431
Decrease (increase) in trade receivables	-505,736	1,260,184
Decrease (increase) in inventories	10,102,841	-68,076
Increase (decrease) in trade payables	-106,713	-390,014
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	-321,904	-307,627
Decrease (increase) in other current assets	-264,978	-288,063
Increase (decrease) in other current liabilities	3,119,340	-929,287
Decrease (increase) in other non-current assets	-29,252	14,067
Increase (decrease) in other non-current liabilities	19,125	24,632
Other, net	85,794	875,351
Subtotal	19,491,513	9,440,461
Interest and dividends received	56,205	118,541
Interest paid	-71,769	-128,471
Income taxes refund (paid)	-1,999,655	-521,865
Other, net	—	-578,663
Net cash provided by (used in) operating activities	17,476,294	8,330,003
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	38,321	—
Purchase of property, plant and equipment	-1,857,927	-917,468
Purchase of intangible assets	-463,000	-115,547
Purchase of investment securities	—	-1,019,824
Proceeds from sale of property, plant and equipment	8,623	7,786
Payments of leasehold and guarantee deposits	-9,038	-9,274
Proceeds from refund of leasehold and guarantee deposits	2,751	38,290
Payments for asset retirement obligations	-937	-258,058
Net cash provided by (used in) investing activities	-2,281,207	-2,274,095
Cash flows from financing activities		
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	-7,514,952	-7,513,510
Repayments of lease liabilities	-794,944	-755,395
Dividends paid	-3,121,686	-2,900,769
Net cash provided by (used in) financing activities	-6,431,582	-13,169,674
Effect of exchange rate change on cash and cash equivalents	2,917,332	-182,747
Net increase (decrease) in cash and cash equivalents	11,680,837	-7,296,513
Cash and cash equivalents at beginning of period	19,979,904	31,660,741
Cash and cash equivalents at end of period	31,660,741	24,364,228

(5) Notes for consolidated financial statements

(Note for going concern assumption)

Not Applicable

(Segment Information and Other information)

The Company consists of “Branded Business” and “Technology Solution Business” as reportable segments.

The accounting methods for the reportable segments are basically consistent with those used in the consolidated financial statements.

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

(Thousands of yen)

	Reportable Segments			Amount of Adjustment (Note)1	Amount of Consolidated Financial Statements (Note)2
	Branded Business	Technology Solution Business	Sub Total		
Sales					
Sales towards external customers	33,814,208	84,980,529	118,794,737	—	118,794,737
Sales between internal segments and internal transfer	—	—	—	—	—
Total	33,814,208	84,980,529	118,794,737	—	118,794,737
Segment profit or loss (-)	-4,520,456	16,480,782	11,960,326	-4,902,313	7,058,013
Segment total assets	13,347,206	21,060,201	34,407,407	45,212,250	79,619,657
Other items					
Depreciation	511,337	882,909	1,394,246	1,172,751	2,566,997
Impairment loss	940,541	—	940,541	—	940,541
Increase in property, plant and equipment and intangible assets	580,192	1,282,752	1,862,944	1,012,873	2,875,817

(Note) 1. The above “Amount of Adjustment” in “Segment Profit” 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”.

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

(Thousands of yen)

	Reportable Segments			Amount of Adjustment (Note)1	Amount of Consolidated Financial Statements (Note)2
	Branded Business	Technology Solution Business	Sub Total		
Sales					
Sales towards external customers	28,744,774	86,936,025	115,680,799	—	115,680,799
Sales between internal segments and internal transfer	—	—	—	—	—
Total	28,744,774	86,936,025	115,680,799	—	115,680,799
Segment profit or loss (-)	-2,879,178	18,495,277	15,616,099	-5,406,470	10,209,629
Segment total assets	11,404,122	22,371,395	33,775,517	36,995,707	70,771,224
Other items					
Depreciation	61,099	937,394	998,493	1,115,526	2,114,019
Impairment loss	419,052	—	419,052	—	419,052
Increase in property, plant and equipment and intangible assets	470,250	770,263	1,240,513	286,908	1,527,421

(Note) 1. The above “Amount of Adjustment” in “Segment Profit” 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”.

(Per share data)

	FY 3/2024 (Apr.1,2023 to Mar.31,2024)	FY 3/2025 (Apr.1,2024 to Mar.31,2025)
	Yen Sen	Yen Sen
Net assets per share	247.64	229.43
Net income per share	29.64	36.97

(Note) 1. Diluted net income per share is not stated since there are no dilutive shares.

2. The basis for the calculation of net assets per share is as follows,

	FY 3/2024 (as of March 31, 2024)	FY 3/2025 (as of March 31, 2025)
Total net assets (thousands of yen)	35,968,223	30,859,475
Amount deducted from Total net assets (thousands of yen)	-	-
Net assets attributable to common stock at the fiscal year-end (thousands of yen)	35,968,223	30,859,475
Number of common stock at the fiscal year-end under for the calculation of Net assets per share	145,243,811	134,504,814

3. The basis for the calculation of net income per share is as follows,

	FY 3/2024 (Apr.1,2023 to Mar.31,2024)	FY 3/2025 (Apr.1,2024 to Mar.31,2025)
Profit attributable of owners of parent (thousands of yen)	4,561,615	5,224,744
Amount net attributable to common shareholders (thousands of yen)	-	-
Profit attributable to owners of parent related to common stock (thousands of yen)	4,561,615	5,224,744
Average number of shares outstanding of common stock during the fiscal year (thousands of yen)	153,883,359	141,320,553

(Significant subsequent events)

(Cancellation of treasury stock)

The Company resolved at a meeting of its Board of Directors held on May 9, 2025, to cancel the Company's treasury stock pursuant to Article 178 of Japanese Companies Act.

1. Reason for acquisition and cancellation of own shares

The Company decided to cancel its treasury stock, in order to improve shareholder returns through optimization of the total number of shares outstanding.

2. Details of cancellation

(1) Type of shares to be acquired: Common stock of the Company

(2) Total number of shares to be cancelled: 11,000,000 shares

Equivalent of 7.53% of outstanding shares

(3) Scheduled date of cancellation: May 16, 2025

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

(1) Business Performance

	<u>FY 3/2024</u>	<u>FY 3/2025</u>	<u>YOY Change</u>	
	Results	Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Net Sales	118,795	115,681	-3,114	-2.6%
Operating Profit	7,058	10,210	3,152	44.7%
(Profit Margin)	5.9%	8.8%		
Ordinary Profit	9,853	10,394	541	5.5%
(Profit Margin)	8.3%	9.0%		
Net Profit	4,562	5,225	663	14.5%
(Profit Margin)	3.8%	4.5%		
P/L FX Rate (Avg. in the Term)	JPY	JPY	JPY	
(US Dollar)	144.40	152.48	8.08	5.6%
(Euro)	156.80	163.62	6.82	4.3%

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>	
	Results	Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Branded Business				
Sales	33,814	28,745	-5,069	-15.0%
Segment Profit	-4,520	-2,879	1,641	--
(Profit Margin)	-13.4%	-10.0%		
Technology Solution Business				
Sales	84,981	86,936	1,955	2.3%
Segment Profit	16,481	18,495	2,014	12.2%
(Profit Margin)	19.4%	21.3%		

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)	Results	Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Branded Business	33,814	28,745	-5,069	-15.0%
Creative Solution	29,170	24,195	-4,975	-17.1%
Displays	17,496	14,648	-2,848	-16.3%
(Japan)	3,592	3,293	-299	-8.3%
(U.S.)	6,136	5,179	-957	-15.6%
(Germany)	4,231	2,768	-1,463	-34.6%
(Asia-Oceania)	3,537	3,408	-129	-3.6%
Pen tablets	11,674	9,547	-2,127	-18.2%
(Japan)	978	934	-44	-4.5%
(U.S.)	3,742	2,869	-873	-23.3%
(Germany)	3,629	2,552	-1,077	-29.7%
(Asia-Oceania)	3,325	3,192	-133	-4.0%
Business Solution	4,644	4,550	-94	-2.0%
(Japan)	836	953	117	14.0%
(U.S.)	915	721	-194	-21.2%
(Germany)	2,437	2,433	-4	-0.2%
(Asia-Oceania)	456	443	-13	-2.7%
Technology Solution Business	84,981	86,936	1,955	2.3%
AES technology	26,263	24,771	-1,492	-5.7%
EMR technology	58,718	62,165	3,447	5.9%
Total	118,795	115,681	-3,114	-2.6%

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>	
	Results	Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Japan	90,386	92,115	1,729	1.9%
(Japan excluding Tech. Solution biz.)	5,405	5,179	-226	-4.2%
U.S.	10,794	8,769	-2,025	-18.8%
Germany	10,297	7,753	-2,544	-24.7%
Asia-Oceania	7,318	7,044	-274	-3.7%
Total	118,795	115,681	-3,114	-2.6%

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>	
	Results	Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Capital Expenditure	2,184	1,408	-776	-35.5%
Depreciation	1,805	1,516	-289	-16.0%
R&D Expenditure	7,676	8,686	1,010	13.2%

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.

(Note) Regarding the financial forecasts for FY 3/2026, refer to "1. Qualitative Information and Financial Statements, (4) Consolidated outlook" in this material or supplemental explanatory material for financial results in "Investor Relations" on our website.