

## Q1 FY 3/2025 Summary of Consolidated Financial Results

July 29, 2024

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. Q1 FY 3/2025 Consolidated Financial Results (April 1, 2024 – June 30, 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	%
Q1 FY 3/2025	29,175	20.9	2,525	198.1	3,643	37.1	2,684	30.4
Q1 FY 3/2024	24,140	-15.2	847	-54.1	2,657	-15.3	2,059	-15.4

(Note) Comprehensive income Q1 FY 3/2025 3,467mY (20.5%) Q1 FY 3/2024 2,877mY (-3.2%)

	Net Income per Share		Diluted Net income per Share	
	Yen	Sen	Yen	Sen
Q1 FY 3/2025	18.54		—	
Q1 FY 3/2024	13.18		—	

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

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
Q1 FY 3/2025	80,063	34,737	43.4	243.35	
FY 3/2024	79,620	35,968	45.2	247.64	

(For Ref.) Capital: Q1 FY3/2025 34,737mY FY 3/2024 35,968mY

### 2. Dividend

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

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

3. Consolidated Business Forecasts 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 Forecasts 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
Q1 FY 3/2025	146,000,000	FY 3/2024	152,000,000

Number of treasury stock outstanding at end of year:

	Shares		Shares
Q1 FY 3/2025	3,254,689	FY 3/2024	6,756,189

Average number of shares during the fiscal year:

	Shares		Shares
Q1 FY 3/2025	144,757,355	Q1 FY 3/2024	156,237,608

\*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 quarter of the current fiscal year ending March 31, 2025 (April 1, 2024 to June 30, 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, although there remained differences in monetary policies among central banks in major countries. 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 weaker against the US dollar and the euro, and slightly weaker against 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 through the accumulation of knowledge in society and its diverse communities, and growth through the self-realization of people. In the first quarter 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 (Artificial Intelligence), 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 quarter 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 quarter of the current fiscal year, overall sales in the Technology Solution Business segment increased, due to increased sales of EMR technology solutions and Active-ES technology solutions.

Our business environment is undergoing significant changes, and these changes have informed our determination to transform our business structure. Accordingly, we have designated the current fiscal year of Wacom Chapter 3 as the final year of a two-year period (FY 3/2024 and FY 3/2025) 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 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, pursuing technological development that leverages our digital pen technology and creates an ‘integrated pen experience’ that can serve as our next-generation growth engine.

For the first quarter of the fiscal year ending March 31, 2025, consolidated net sales increased 20.9% to ¥ 29,175 million. Operating profit increased 198.1% to ¥2,525million. Ordinary profit increased 37.1% to ¥ 3,643 million, after recording ¥ 1,103 million of foreign exchange gains (decreased by 39.1%) in non-operating income. And net profit attributable to owners of parent increased 30.4% to ¥2,684million.

## 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 slightly 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 April 2024. In non-professional models, sales of mid-priced models declined, mainly due to a decrease in demand, and sales of low-priced models decreased significantly amid falling demand, despite an expansion of the product lineup in August 2023. 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, higher demand led to an increase in sales of low-priced models, while sales of mid-priced models declined amid lower demand, despite an expansion of the product lineup in August 2023. As a result, overall sales of pen tablet products were slightly 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 quarter of the fiscal year ending March 31, 2025, decreased 4.8% to ¥7,444million, and segment loss increased by ¥203 million to ¥883 million.

### 2. Technology Solution Business

#### AES technology solution

Sales in the AES technology solution category increased amid the impact of changes in the market environment.

#### EMR technology solution

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

As a result of the above, overall sales in the Technology Solution Business segment for the first quarter of the fiscal year ending March 31, 2025, increased 33.2% to ¥ 21,731 million, and segment profit increased 75.6% to ¥4,837 million.

## (2) Consolidated financial position

### ① Status of assets, liabilities and net assets

Total assets as of June 30, 2024, increased by ¥443 million to ¥80,063 million compared to the end of the previous fiscal year. The main contributing factors were increases of ¥847 million in accounts receivable – trade, ¥1,982 million in merchandise and finished goods, ¥380 million in raw materials and supplies, and ¥2,318 million in other current assets, and a decrease of ¥5,010 million in cash and deposits.

Total liabilities as of June 30, 2024, increased by ¥1,675 million to ¥45,326 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥3,844 million in accounts payable – other and a decrease of ¥1,944 million in other current liabilities.

Total net assets as of June 30, 2024, decreased by ¥1,231 million to ¥34,737 million compared to the end of the previous fiscal year. The main contributing factors were increases of ¥2,684 million by net profit attributable to owners of parent and ¥800 million in foreign currency translation adjustment, and decreases of ¥2,905 million by the payment of shareholder's dividends and ¥1,794 million by purchase of treasury shares. As a result, the capital ratio decreased by 1.8 points to 43.4% compared to the end of the previous fiscal year.

### ② Cash flows

Consolidated cash and cash equivalents as of June 30, 2024 totaled ¥26,651 million, a ¥5,010 million decrease from the end of the previous fiscal year (compared to a ¥5,210 million increase in the same period of the previous fiscal year).

#### Cash flow from operating activities

Cash flow used from operating activities for the first quarter of the current fiscal year ending March 31, 2025, was ¥1,753 million (compared to ¥2,347 million gained in the same period of the previous fiscal year). The main contributing factors were ¥3,603 million of profit before income taxes, ¥957 million of decrease in provision for bonuses, ¥1,309 million of foreign exchange gains, ¥670 million of increase in trade receivables, ¥1,992 million of increase in inventories, ¥3,780 million of increase in trade payables, ¥1,748 million of increase in other current assets, and ¥2,353 million of decrease in other current liabilities.

#### Cash flow from investing activities

Cash flow used for investing activities for the first quarter of the current fiscal year ending March 31, 2025, was ¥173 million (compared to ¥539 million used in the same period of the previous fiscal year). The main contributing factors were ¥163 million of purchase of property, plant and equipment, and ¥10 million of purchase of intangible assets.

#### Cash flow from financing activities

Cash flow used for financing activities for the first quarter of the current fiscal year ending March 31, 2025, was ¥4,793 million (compared to ¥1,826 million gained in the same period of the previous fiscal year). The main contributing factors were ¥1,797 million of purchase of treasury shares and ¥2,787 million of payment for shareholders' dividends.

## (3) Consolidated performance forecasts and other forward-looking information

No changes have been made to the full year forecast 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)

	Q1 FY 3/2024 (as of June 30, 2023)	Q1 FY 3/2025 (as of June 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	31,660,741	26,651,126
Accounts receivable-trade	12,899,977	13,747,372
Merchandise and finished goods	7,583,379	9,565,748
Work in process	367,221	387,946
Raw materials and supplies	5,139,145	5,519,094
Other	7,073,653	9,391,961
Allowance for doubtful accounts	-44,553	-36,521
Current assets	64,679,563	65,226,726
Non-current assets		
Property, plant and equipment		
Other, net	5,715,528	5,581,474
Property, plant and equipment	5,715,528	5,581,474
Intangible assets		
Other	1,531,240	1,471,813
Intangible assets	1,531,240	1,471,813
Investments and other assets		
Other	7,693,326	7,782,985
Investments and other assets	7,693,326	7,782,985
Non-current assets	14,940,094	14,836,272
Assets	79,619,657	80,062,998
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	11,477,634	15,322,072
Short-term borrowings	5,000,000	5,000,000
Current portion of long-term borrowings	2,000,000	2,000,000
Income taxes payable	21,772	850,419
Provision for bonuses	1,382,872	456,845
Provision for bonuses for directors (and other officers)	52,444	60,935
Provision for product warranties	205,311	205,275
Valuation reserve for inventory purchase commitments	2,007,172	2,250,352
Provision for business restructuring	362,867	83,704
Other	11,388,807	9,444,714
Current liabilities	33,898,879	35,674,316
Non-current liabilities		
Long-term borrowings	7,000,000	7,000,000
Retirement benefit liability	1,099,324	1,092,254
Asset retirement obligations	311,497	321,629
Other	1,341,734	1,237,827
Non-current liabilities	9,752,555	9,651,710
Liabilities	43,651,434	45,326,026

(Thousands of yen)

	Q1 FY 3/2024 (as of June 30, 2023)	Q1 FY 3/2025 (as of June 30, 2024)
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,203,469	4,203,469
Capital surplus	4,044,882	4,044,882
Retained earnings	29,707,842	25,397,799
Treasury shares	-4,575,712	-2,280,270
Shareholders' equity	33,380,481	31,365,880
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-8,806	-25,164
Foreign currency translation adjustment	2,577,233	3,377,625
Remeasurements of defined benefit plans	19,315	18,631
Valuation and translation adjustments	2,587,742	3,371,092
Net assets	35,968,223	34,736,972
Liabilities and net assets	79,619,657	80,062,998

## (2) Consolidated profit &amp; loss statement

(Thousands of yen)

	Q1 FY 3/2024 (April 1, 2023 to June 30, 2023)	Q1 FY 3/2025 (April 1, 2024 to June 30, 2024)
Net sales	24,139,770	29,174,709
Cost of sales	16,244,216	19,105,946
Gross profit (loss)	7,895,554	10,068,763
Selling, general and administrative expenses	7,048,347	7,543,548
Operating profit (loss)	847,207	2,525,215
Non-operating income		
Interest income	4,183	39,862
Foreign exchange gains	1,809,826	1,102,675
Other	8,659	9,043
Non-operating income	1,822,668	1,151,580
Non-operating expenses		
Interest expenses	12,779	29,734
Other	100	3,706
Non-operating expenses	12,879	33,440
Ordinary profit (loss)	2,656,996	3,643,355
Extraordinary income		
Gain on sale of non-current assets	74	65
Insurance claim income	50,000	—
Reversal of provision for information security measures	95,479	—
Other	9,038	—
Extraordinary income	154,591	65
Extraordinary losses		
Loss on sale of non-current assets	—	549
Loss on retirement of non-current assets	5,404	—
Business restructuring expenses	—	39,552
Extraordinary losses	5,404	40,101
Profit (loss) before income taxes	2,806,183	3,603,319
Income taxes	747,220	919,342
Profit (loss)	2,058,963	2,683,977
Profit (loss) attributable to owners of parent	2,058,963	2,683,977



## Consolidated Comprehensive Income Statement

(Thousands of yen)

	Q1 FY 3/2024 (April 1, 2023 to June 30, 2023)	Q1 FY 3/2025 (April 1, 2024 to June 30, 2024)
Profit (loss)	2,058,963	2,683,977
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	84,299	-16,358
Foreign currency translation adjustment, net of tax	733,731	800,392
Remeasurements of defined benefit plans, net of tax	160	-684
Other comprehensive income	818,190	783,350
Comprehensive income	2,877,153	3,467,327
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,877,153	3,467,327
Comprehensive income attributable to non-controlling interests	—	—

## (3) Summary of consolidated cash flow statement

(Thousands of yen)

	Q1 FY 3/2024 (April 1, 2023 to June 30, 2023)	Q1 FY 3/2025 (April 1, 2024 to June 30, 2024)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	2,806,183	3,603,319
Depreciation	594,129	542,081
Share-based payment expenses	8,181	8,333
Increase (decrease) in allowance for doubtful accounts	-455	-9,080
Increase (decrease) in provision for bonuses	-698,575	-957,035
Increase (decrease) in provision for bonuses for directors (and other officers)	12,075	8,491
Increase (decrease) in retirement benefit liability	19,396	-8,661
Interest and dividend income	-4,183	-39,862
Interest expenses	18,427	34,136
Foreign exchange losses (gains)	-1,213,104	-1,308,793
Loss (gain) on sale of property, plant and equipment	-74	484
Loss on retirement of property, plant and equipment	5,404	—
Decrease (increase) in trade receivables	783,800	-669,981
Decrease (increase) in inventories	-1,685,319	-1,992,382
Increase (decrease) in trade payables	1,530,708	3,780,180
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	592,955	-471,723
Decrease (increase) in other current assets	122,586	-1,747,805
Increase (decrease) in other current liabilities	50,908	-2,353,397
Other, net	-2,459	6,790
<b>Subtotal</b>	<b>2,940,583</b>	<b>-1,574,905</b>
Interest and dividends received	18,698	39,814
Interest paid	-15,328	-65,797
Income taxes paid	-596,817	-151,804
<b>Net cash provided by (used in) operating activities</b>	<b>2,347,136</b>	<b>-1,752,692</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-379,591	-163,010
Purchase of intangible assets	-159,917	-9,624
Proceeds from sale of property, plant and equipment	335	273
Payments of leasehold and guarantee deposits	-717	-3,855
Proceeds from refund of leasehold and guarantee deposits	1,106	3,390
<b>Net cash provided by (used in) investing activities</b>	<b>-538,784</b>	<b>-172,826</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	5,000,000	—
Purchase of treasury shares	—	-1,797,289
Repayments of lease liabilities	-189,053	-209,030
Dividends paid	-2,985,070	-2,786,623
<b>Net cash provided by (used in) financing activities</b>	<b>1,825,877</b>	<b>-4,792,942</b>
Effect of exchange rate change on cash and cash equivalents	1,575,164	1,708,845
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,209,393</b>	<b>-5,009,615</b>
<b>Cash and cash equivalents</b>	<b>19,979,904</b>	<b>31,660,741</b>
<b>Cash and cash equivalents</b>	<b>25,189,297</b>	<b>26,651,126</b>

(4) Notes for quarterly consolidated financial statements

(Adoption of specific accounting policies for quarterly 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 quarter, by applying tax-effect accounting. Then it calculated tax expenses for the current first quarter by multiplying the amount of profit before income taxes for the current first quarter by the estimated effective tax rate for the current fiscal year.

(Segment Information)

Q1 FY 3/2024 (April 1, 2023 – June 30, 2023)

(Thousands of yen)

	Reportable Segments			Adjustment (Note)1	Amount of Consolidated P/L (Note)2
	Branded Business	Technology Solution Business	Sub Total		
<b>Sales</b>					
Sales towards external customers	7,821,510	16,318,260	24,139,770	—	24,139,770
Sales between internal segments and internal transfer	—	—	—	—	—
<b>Total</b>	<b>7,821,510</b>	<b>16,318,260</b>	<b>24,139,770</b>	<b>—</b>	<b>24,139,770</b>
<b>Segment profit or loss (-)</b>	<b>-680,333</b>	<b>2,755,356</b>	<b>2,075,023</b>	<b>-12,278,166</b>	<b>847,207</b>

(Note) 1. The above “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”.

Q1 FY 3/2025 (April 1, 2024 – June 30, 2024)

(Thousands of yen)

	Reportable Segments			Adjustment (Note)1	Amount of Consolidated P/L (Note)2
	Branded Business	Technology Solution Business	Sub Total		
<b>Sales</b>					
Sales towards external customers	7,443,906	21,730,803	29,174,709	—	29,174,709
Sales between internal segments and internal transfer	—	—	—	—	—
<b>Total</b>	<b>7,443,906</b>	<b>21,730,803</b>	<b>29,174,709</b>	<b>—</b>	<b>29,174,709</b>
<b>Segment profit or loss (-)</b>	<b>-883,268</b>	<b>4,837,459</b>	<b>3,954,191</b>	<b>-1,428,976</b>	<b>2,525,215</b>

(Note) 1. The above “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”.

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

The Company implemented treasury stock acquisition of 2,498,500 shares during the first quarter of the current fiscal year based on the resolution by the Board of Directors held on May 9, 2024, and cancelled 6,000,00 shares on May 16, 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.

As a result of the above-mentioned accounting process, retained earnings decreased by ¥4,310 million and treasury shares decreased by ¥2,295 million during the first quarter of the current fiscal year. As of June 30, 2024, retained earnings were ¥25,398 million and treasury shares were ¥2,280 million.

(Note for going concern assumption)

Not Applicable

(Significant subsequent events)

(Borrowing of significant funds)

The Company resolved at a meeting of its Board of Directors on June 11, 2024, to implement borrowings from correspondent financial institutions as follows.

Lender	Saitama Resona Bank, Limited	MUFG Bank, Ltd.
Use of funds	Short-term working capital	Short-term working capital
Borrowing amount	2 billion yen	3 billion yen
Interest rate	Base rate + spread	Base rate + spread
Execution date	July 31, 2024	August 30, 2024
Repayment date	October 31, 2024	November 29, 2024
Assets pledged as collateral or loan guarantees	None	None

**Q1 FY 3/2025 Summary of Consolidated Financial Results**  
**from April 1, 2024 to June 30, 2024**

**(1) Business Performance**

	FY 3/2024	FY 3/2025	YOY Change	
	Q1 Results	Q1 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Net Sales	24,140	29,175	5,035	20.9%
Operating Profit	847	2,525	1,678	198.1%
(Profit Margin)	3.5%	8.7%		
Ordinary Profit	2,657	3,643	986	37.1%
(Profit Margin)	11.0%	12.5%		
Net Profit	2,059	2,684	625	30.4%
(Profit Margin)	8.5%	9.2%		
P/L FX Rate (Avg. in the Term)	JPY	JPY	JPY	
(US Dollar)	138.11	156.53	18.42	13.3%
(Euro)	150.35	168.37	18.02	12.0%

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

**(2) Business Performance by Business Segment**

	FY 3/2024	FY 3/2025	YOY Change	
	Q1 Results	Q1 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Branded Business				
Sales	7,822	7,444	-378	-4.8%
Segment Profit	-680	-883	-203	--
(Profit Margin)	-8.7%	-11.9%		
Technology Solution Business				
Sales	16,318	21,731	5,413	33.2%
Segment Profit	2,755	4,837	2,082	75.6%
(Profit Margin)	16.9%	22.3%		

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

**(3) Sales by Product Line**

(by Subsidiaries)	FY 3/2024	FY 3/2025	YOY Change	
	Q1 Results	Q1 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Branded Business	<b>7,822</b>	<b>7,444</b>	<b>-378</b>	<b>-4.8%</b>
Creative Solution	6,824	6,238	-586	-8.6%
Displays	4,320	3,821	-499	-11.5%
(Japan)	970	711	-259	-26.7%
(U.S.)	1,410	1,533	123	8.7%
(Germany)	1,062	685	-377	-35.5%
(Asia-Oceania)	878	892	14	1.6%
Pen tablets	2,504	2,417	-87	-3.5%
(Japan)	270	246	-24	-8.8%
(U.S.)	895	688	-207	-23.1%
(Germany)	440	630	190	43.2%
(Asia-Oceania)	899	853	-46	-5.2%
Business Solution	998	1,206	208	20.9%
(Japan)	172	186	14	8.1%
(U.S.)	316	225	-91	-28.6%
(Germany)	409	725	316	77.5%
(Asia-Oceania)	101	70	-31	-31.0%
Technology Solution Business	<b>16,318</b>	<b>21,731</b>	<b>5,413</b>	<b>33.2%</b>
AES technology	5,623	6,595	972	17.3%
EMR technology	10,695	15,136	4,441	41.5%
Total	<b>24,140</b>	<b>29,175</b>	<b>5,035</b>	<b>20.9%</b>

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

**(4) Sales by Regional Subsidiary**

	FY 3/2024	FY 3/2025	YOY Change	
	Q1 Results	Q1 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Japan	17,730	22,874	5,144	29.0%
(Japan excluding Tech. Solution biz.)	1,412	1,143	-269	-19.0%
U.S.	2,621	2,447	-174	-6.7%
Germany	1,911	2,040	129	6.8%
Asia-Oceania	1,878	1,814	-64	-3.4%
Total	24,140	29,175	5,035	20.9%

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

	FY 3/2024	FY 3/2025	YOY Change	
	Q1 Results	Q1 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Capital Expenditure	533	182	-351	-65.8%
Depreciation	413	358	-55	-13.3%
R&D Expenditure	1,732	1,923	191	11.0%

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

	FY 3/2024	FY 3/2025	YOY Change	
	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%
<i>(Profit Margin)</i>	5.9%	7.1%		
Ordinary Profit	9,853	8,500	-1,353	-13.7%
<i>(Profit Margin)</i>	8.3%	7.1%		
Net Profit	4,562	6,200	1,638	35.9%
<i>(Profit Margin)</i>	3.8%	5.2%		
P/L FX Rate (Avg. in the Term)	JPY	JPY	JPY	
<i>(US Daller)</i>	144.40	145.00	0.60	0.4%
<i>(Euro)</i>	156.80	155.00	-1.80	-1.1%

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

#### (2) Forecast by Business Segment

	FY 3/2024	FY 3/2025	YOY Change	
	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	--
<i>(Profit Margin)</i>	-13.4%	-5.7%		
Technology Solution Business				
Sales	84,981	85,000	19	0.0%
Segment Profit	16,481	16,000	-481	-2.9%
<i>(Profit Margin)</i>	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

	FY 3/2024	FY 3/2025	YOY Change	
	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.