

# H1 FY 3/2025 Summary of Consolidated Financial Results

October 30, 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: Yes

## 1. H1 FY 3/2025 Consolidated Financial Results (April 1, 2024 – September 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	%
H1 FY 3/2025	57,315	3.1	5,475	122.9	4,785	-4.1	3,470	-8.8
H1 FY 3/2024	55,591	2.7	2,457	7.6	4,990	18.7	3,804	17.7

(Note) Comprehensive income H1 FY 3/2025 3,340 mY (-30.7%) H1 FY 3/2024 4,817mY (15.7%)

	Net Income per Share		Diluted Net income per Share	
	Yen	Sen	Yen	Sen
H1 FY 3/2025	24.22		—	
H1 FY 3/2024	24.37		—	

### (2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
H1 FY 3/2025	77,466	33,431	43.2	236.69	
FY 3/2024	79,620	35,968	45.2	247.64	

(For Ref.) Capital: H1 FY3/2025 33,431mY FY 3/2024 35,968mY

## 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
H1 FY 3/2025	146,000,000	FY 3/2024	152,000,000

Number of treasury stock outstanding at end of year:

	Shares		Shares
H1 FY 3/2025	4,754,786	FY 3/2024	6,756,189

Average number of shares during the fiscal year:

	Shares		Shares
H1 FY 3/2025	143,282,699	H1 FY 3/2024	156,102,868

\*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 half of the current fiscal year ending March 31, 2025 (April 1, 2024 to September 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, 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 half 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 half 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 half 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 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 experience of pen and ink’ that can serve as our next-generation growth engine. In sustainability initiatives, Wacom Group recognizes the issue of climate change as a key challenge in environmental management, and 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.

For the first half of the fiscal year ending March 31, 2025, consolidated net sales increased 3.1% to ¥57,315 million. Operating profit increased 122.9% to ¥5,475 million. Ordinary profit decreased 4.1% to ¥4,785 million, after recording ¥711 million of foreign exchange losses (the same period of the previous fiscal year: ¥2,550 million of foreign exchange gains) in non-operating profit and loss. And net profit attributable to owners of parent decreased 8.8% to ¥3,470 million.

## **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 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, accelerated demand shift led to a significant increase in sales of low-priced models, while sales of mid-priced models significantly declined, despite an expansion of the product lineup in August 2023. 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 decreased 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 half of the fiscal year ending March 31, 2025, decreased 13.2% to ¥14,824 million, and segment loss decreased by ¥910 million to ¥1,106 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, 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 half of the fiscal year ending March 31, 2025, increased 10.3% to ¥42,491 million, and segment profit increased 34.8% to ¥9,325 million.

## (2) Consolidated financial position

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

Total assets as of September 30, 2024, decreased by ¥2,153 million to ¥77,466 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥2,055 million in merchandise and finished goods and a decrease of ¥4,459 million in cash and deposits.

Total liabilities as of September 30, 2024, increased by ¥384 million to ¥44,036 million compared to the end of the previous fiscal year. The main contributing factors were increases of ¥4,077 million in accounts payable – other and ¥1,188 million in income taxes payable, and decreases of ¥640 million in provision for bonuses and ¥3,380 million in other current liabilities.

Total net assets as of September 30, 2024, decreased by ¥2,537 million to ¥33,431 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥3,470 million by net profit attributable to owners of parent and decreases of ¥2,905 million by the payment of shareholder's dividends and ¥3,000 million by purchase of treasury shares. As a result, the capital ratio decreased by 2.0 points to 43.2% compared to the end of the previous fiscal year.

### ② Cash flows

Consolidated cash and cash equivalents as of September 30, 2024 totaled ¥27,202 million, a ¥4,459 million decrease from the end of the previous fiscal year.

#### Cash flow from operating activities

Cash flow gained from operating activities for the first half of the current fiscal year ending March 31, 2025, was ¥3,218 million (compared to ¥5,952 million gained in the same period of the previous fiscal year). The main contributing factors were ¥4,651 million of profit before income taxes, ¥1,070 million of depreciation, ¥2,880 million of increase in inventories, ¥4,209 million of increase in trade payables, and ¥3,573 million of decrease in other current liabilities.

#### Cash flow from investing activities

Cash flow used for investing activities for the first half of the current fiscal year ending March 31, 2025, was ¥412 million (compared to ¥1,067 million used in the same period of the previous fiscal year). The main contributing factors were ¥330 million of purchase of property, plant and equipment, and ¥86 million of purchase of intangible assets.

#### Cash flow from financing activities

Cash flow used for financing activities for the first half of the current fiscal year ending March 31, 2025, was ¥6,323 million (compared to ¥488 million gained in the same period of the previous fiscal year). The main contributing factors were ¥3,006 million of purchase of treasury shares and ¥2,896 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)

	H1 FY 3/2024 (as of September 30, 2023)	H1 FY 3/2025 (as of September 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	31,660,741	27,202,028
Accounts receivable - trade	12,899,977	13,213,504
Merchandise and finished goods	7,583,379	9,638,841
Work in process	367,221	367,138
Raw materials and supplies	5,139,145	5,677,414
Other	7,073,653	6,788,910
Allowance for doubtful accounts	-44,553	-40,309
Total current assets	64,679,563	62,847,526
Non-current assets		
Property, plant and equipment		
Other, net	5,715,528	5,097,073
Total property, plant and equipment	5,715,528	5,097,073
Intangible assets		
Other	1,531,240	1,460,649
Total intangible assets	1,531,240	1,460,649
Investments and other assets		
Other	7,693,326	8,061,220
Total investments and other assets	7,693,326	8,061,220
Total non-current assets	14,940,094	14,618,942
Total assets	79,619,657	77,466,468
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	11,477,634	15,554,285
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	1,209,705
Provision for bonuses	1,382,872	742,724
Provision for bonuses for directors (and other officers)	52,444	20,218
Provision for product warranties	205,311	175,127
Valuation reserve for inventory purchase commitments	2,007,172	1,994,119
Provision for business restructuring	362,867	—
Other	11,388,807	8,008,876
Total current liabilities	33,898,879	34,705,054
Non-current liabilities		
Long-term borrowings	7,000,000	7,000,000
Retirement benefit liability	1,099,324	1,087,139
Asset retirement obligations	311,497	309,364
Other	1,341,734	934,079
Total non-current liabilities	9,752,555	9,330,582
Total liabilities	43,651,434	44,035,636

(Thousands of yen)

	H1 FY 3/2024 (as of September 30, 2023)	H1 FY 3/2025 (as of September 30, 2024)
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,203,469	4,203,469
Capital surplus	4,044,882	4,048,042
Retained earnings	29,707,842	26,183,721
Treasury shares	-4,575,712	-3,461,767
Total shareholders' equity	33,380,481	30,973,465
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-8,806	382,496
Foreign currency translation adjustment	2,577,233	2,056,925
Remeasurements of defined benefit plans	19,315	17,946
Total accumulated other comprehensive income	2,587,742	2,457,367
Total net assets	35,968,223	33,430,832
Total liabilities and net assets	79,619,657	77,466,468

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

(Thousands of yen)

	H1 FY 3/2024 (April 1, 2023 to September 30, 2023)	H1 FY 3/2025 (April 1, 2024 to September 30, 2024)
Net sales	55,591,277	57,315,152
Cost of sales	38,579,868	37,213,586
Gross profit	17,011,409	20,101,566
Selling, general and administrative expenses	14,554,484	14,626,212
Operating profit	2,456,925	5,475,354
Non-operating income		
Interest income	8,219	46,112
Dividend income	—	21,762
Foreign exchange gains	2,549,590	—
Other	10,220	29,112
Total non-operating income	2,568,029	96,986
Non-operating expenses		
Interest expenses	31,999	59,960
Foreign exchange losses	—	710,976
Other	2,634	16,206
Total non-operating expenses	34,633	787,142
Ordinary profit	4,990,321	4,785,198
Extraordinary income		
Gain on sale of non-current assets	1,591	64
Insurance claim income	50,000	—
Reversal of provision for information security measures	95,456	—
Other	10,454	—
Total extraordinary income	157,501	64
Extraordinary losses		
Loss on sale of non-current assets	2,285	539
Business restructuring expenses	—	124,995
Other	5,805	9,152
Total extraordinary losses	8,090	134,686
Profit before income taxes	5,139,732	4,650,576
Income taxes	1,336,031	1,180,677
Profit	3,803,701	3,469,899
Profit attributable to owners of parent	3,803,701	3,469,899



## Consolidated Comprehensive Income Statement

(Thousands of yen)

	H1 FY 3/2024 (April 1, 2023 to September 30, 2023)	H1 FY 3/2025 (April 1, 2024 to September 30, 2024)
Profit	3,803,701	3,469,899
Other comprehensive income		
Valuation difference on available-for-sale securities	84,299	391,302
Foreign currency translation adjustment	928,808	-520,308
Remeasurements of defined benefit plans, net of tax	319	-1,369
Total other comprehensive income	1,013,426	-130,375
Comprehensive income	4,817,127	3,339,524
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,817,127	3,339,524
Comprehensive income attributable to non-controlling interests	—	—

## (3) Summary of consolidated cash flow statement

(Thousands of yen)

	H1 FY 3/2024 (April 1, 2023 to September 30, 2023)	H1 FY 3/2025 (April 1, 2024 to September 30, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,139,732	4,650,576
Depreciation	1,218,786	1,070,019
Increase (decrease) in allowance for doubtful accounts	11,420	-3,390
Increase (decrease) in provision for bonuses	-381,171	-622,501
Increase (decrease) in provision for bonuses for directors (and other officers)	10,437	-32,226
Increase (decrease) in retirement benefit liability	31,717	-13,513
Interest and dividend income	-8,219	-67,874
Interest expenses	43,111	68,020
Foreign exchange losses (gains)	-1,845,507	650,479
Loss (gain) on sale of non-current assets	694	475
Decrease (increase) in trade receivables	-2,691,928	-423,941
Decrease (increase) in inventories	2,467,145	-2,880,201
Increase (decrease) in trade payables	2,473,713	4,209,440
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	262,951	466,092
Decrease (increase) in other current assets	-95,575	-398,534
Increase (decrease) in other current liabilities	277,980	-3,573,209
Decrease (increase) in other non-current assets	596	11,511
Increase (decrease) in other non-current liabilities	2,367	-1,699
Other, net	21,542	26,948
<b>Subtotal</b>	<b>6,939,791</b>	<b>3,136,472</b>
Interest and dividends received	22,713	65,792
Interest paid	-32,642	-86,936
Income taxes refund (paid)	-977,457	102,292
<b>Net cash provided by (used in) operating activities</b>	<b>5,952,405</b>	<b>3,217,620</b>
<b>Cash flows from investing activities</b>		
Proceeds from withdrawal of time deposits	37,517	—
Purchase of property, plant and equipment	-880,478	-329,511
Purchase of intangible assets	-222,554	-86,039
Proceeds from sale of property, plant and equipment	2,442	268
Payments of leasehold and guarantee deposits	-4,881	-6,843
Proceeds from refund of leasehold and guarantee deposits	1,116	9,634
<b>Net cash provided by (used in) investing activities</b>	<b>-1,066,838</b>	<b>-412,491</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	5,000,000	—
Purchase of treasury shares	-1,001,961	-3,005,974
Repayments of lease liabilities	-389,973	-421,724
Dividends paid	-3,119,733	-2,895,741
<b>Net cash provided by (used in) financing activities</b>	<b>488,333</b>	<b>-6,323,439</b>
Effect of exchange rate change on cash and cash equivalents	2,317,900	-940,403
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,691,800</b>	<b>-4,458,713</b>
Cash and cash equivalents at beginning of period	19,979,904	31,660,741
<b>Cash and cash equivalents at end of period</b>	<b>27,671,704</b>	<b>27,202,028</b>

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

##### (Segment Information)

H1 FY 3/2024 (April 1, 2023 – September 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	17,077,857	38,513,420	55,591,277	—	55,591,277
Sales between internal segments and internal transfer	—	—	—	—	—
<b>Total</b>	<b>17,077,857</b>	<b>38,513,420</b>	<b>55,591,277</b>	<b>—</b>	<b>55,591,277</b>
<b>Segment profit or loss (-)</b>	<b>-2,016,566</b>	<b>6,915,362</b>	<b>4,898,796</b>	<b>-2,441,871</b>	<b>2,456,925</b>

(Note) 1. ¥-2,441,871 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".

H1 FY 3/2025 (April 1, 2024 – September 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	14,823,653	42,491,499	57,315,152	—	57,315,152
Sales between internal segments and internal transfer	—	—	—	—	—
<b>Total</b>	<b>14,823,653</b>	<b>42,491,499</b>	<b>57,315,152</b>	<b>—</b>	<b>57,315,152</b>
<b>Segment profit or loss (-)</b>	<b>-1,106,280</b>	<b>9,324,845</b>	<b>8,218,565</b>	<b>-2,743,211</b>	<b>5,475,354</b>

(Note) 1. ¥-2,743,211 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 during the first half of the current fiscal year based on the resolution by the Board of Directors held on May 9, 2024, and cancelled 6,000,000 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.

In addition, the Company disposed 33,903 shares of treasury stock used for restricted stock compensation 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 ¥3,524 million and treasury shares decreased by ¥1,114 million during the first half of the current fiscal year. As of September 30, 2024, retained earnings were ¥26,184 million and treasury shares were ¥3,462 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 October 30, 2024, 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 during the period from May 13, 2021, to March 31, 2025, up to a total acquisition cost of ¥10 billion, 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 4,000,000 shares

Equivalent of 2.83% of outstanding shares (excluding treasury stock)

(3) Total acquisition cost: Up to 2.0 billion Japanese yen

(4) Acquisition period: From October 31, 2024 to January 20, 2025

(5) Acquisition Method: Open market acquisition of shares on the Tokyo Stock Exchange

**H1 FY 3/2025 Summary of Consolidated Financial Results**  
**from April 1, 2024 to September 30, 2024**

**(1) Business Performance**

	FY 3/2024	FY 3/2025	YOY Change	
	H1 Results	H1 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Net Sales	55,591	57,315	1,724	3.1%
Operating Profit	2,457	5,475	3,018	122.9%
(Profit Margin)	4.4%	9.6%		
Ordinary Profit	4,990	4,785	-205	-4.1%
(Profit Margin)	9.0%	8.3%		
Net Profit	3,804	3,470	-334	-8.8%
(Profit Margin)	6.8%	6.1%		
P/L FX Rate (Avg. in the Term)	JPY	JPY	JPY	
(US Dollar)	141.31	152.30	10.99	7.8%
(Euro)	153.51	165.46	11.95	7.8%

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	
	H1 Results	H1 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Branded Business				
Sales	17,078	14,824	-2,254	-13.2%
Segment Profit	-2,017	-1,106	911	--
(Profit Margin)	-11.8%	-7.5%		
Technology Solution Business				
Sales	38,513	42,491	3,978	10.3%
Segment Profit	6,915	9,325	2,410	34.8%
(Profit Margin)	18.0%	21.9%		

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

**(3) Sales by Product Line**

	FY 3/2024	FY 3/2025	YOY Change	
	H1 Results	H1 Results	Amount	Ratio
(by Subsidiaries)	mil JPY	mil JPY	mil JPY	
Branded Business	<b>17,078</b>	<b>14,824</b>	<b>-2,254</b>	<b>-13.2%</b>
Creative Solution	14,898	12,664	-2,234	-15.0%
Displays	9,310	7,718	-1,592	-17.1%
(Japan)	1,811	1,571	-240	-13.3%
(U.S.)	3,432	2,877	-555	-16.2%
(Germany)	2,141	1,397	-744	-34.8%
(Asia-Oceania)	1,926	1,873	-53	-2.7%
Pen tablets	5,588	4,946	-642	-11.5%
(Japan)	485	448	-37	-7.7%
(U.S.)	1,925	1,491	-434	-22.5%
(Germany)	1,415	1,296	-119	-8.4%
(Asia-Oceania)	1,763	1,711	-52	-3.0%
Business Solution	2,180	2,160	-20	-0.9%
(Japan)	398	440	42	10.7%
(U.S.)	595	351	-244	-41.1%
(Germany)	957	1,176	219	23.0%
(Asia-Oceania)	230	193	-37	-16.0%
Technology Solution Business	<b>38,513</b>	<b>42,491</b>	<b>3,978</b>	<b>10.3%</b>
AES technology	12,564	12,511	-53	-0.4%
EMR technology	25,949	29,980	4,031	15.5%
Total	<b>55,591</b>	<b>57,315</b>	<b>1,724</b>	<b>3.1%</b>

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

**(4) Sales by Regional Subsidiary**

	FY 3/2024	FY 3/2025	YOY Change	
	H1 Results	H1 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Japan	41,208	44,951	3,743	9.1%
(Japan excluding Tech. Solution biz.)	2,695	2,460	-235	-8.7%
U.S.	5,952	4,719	-1,233	-20.7%
Germany	4,512	3,869	-643	-14.3%
Asia-Oceania	3,919	3,777	-142	-3.6%
Total	55,591	57,315	1,724	3.1%

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	
	H1 Results	H1 Results	Amount	Ratio
	mil JPY	mil JPY	mil JPY	
Capital Expenditure	1,033	388	-645	-62.5%
Depreciation	848	709	-139	-16.4%
R&D Expenditure	3,641	3,792	151	4.1%

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.

Note) Each FX rate in FY 3/2025 full year forecast shows the assumption from October, 2024 onward.

#### (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.