

FY 3/2022 Summary of Consolidated Financial Results

May 12, 2022

Company Name Wacom Co., Ltd.

(Code Number: 6727 TSE1)

(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. FY 3/2022 Consolidated Financial Results (April 1, 2021 – March 31, 2022)

(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 3/2022	108,790	0.2	13,024	-2.9	14,351	1.8	10,955	7.1
FY 3/2021	108,531	22.5	13,407	140.8	14,091	171.3	10,226	161.0

(Note) Comprehensive income FY 3/2022 11,872 mY (7.2%) FY 3/2021 11,077 mY (237.4%)

	Net Income per Share		Diluted Net income per Share		Return on Equity (ROE)	Return on Assets (ROA)	Operating Profit Margin
	Yen	Sen	Yen	Sen	%	%	%
FY 3/2022	67.98		—		27.0	19.9	12.0
FY 3/2021	62.95		—		31.3	23.0	12.4

(For Ref.) Equity in earnings of affiliates FY 3/2022 — mY FY 3/2021 — mY

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share	
	mY	mY	%	Yen	Sen
FY 3/2022	73,332	43,503	59.3	273.65	
FY 3/2021	71,181	37,689	52.9	232.00	

(For Ref.) Capital: FY3/2022 43,503 mY FY 3/2021 37,689 mY

(3) Cash Flow (Consolidated)

	Operating Cash Flow	Investing Cash Flow	Financing Cash Flow	Cash & Cash Equivalent
	mY	mY	mY	mY
FY 3/2022	-236	-1,372	-10,516	21,789
FY 3/2021	14,578	-1,382	-4,053	32,043

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			
FY 3/2021	Yen Sen -	Yen Sen 0.00	Yen Sen -	Yen Sen 19.00	Yen Sen 19.00	mY 3,087	% 30.2	% 9.4
FY 3/2022	-	0.00	-	20.00	20.00	3,180	29.4	7.9
FY 3/2023 (forecast)	-	0.00	-	20.00	20.00		31.2	

3.Consolidated Business Forecasts of FY 3/2023 (April 1, 2022 – March 31, 2023)

	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	128,000	17.7	13,700	5.2	13,700	-4.5	10,200	-6.9	64.16

(Note) For details, please refer to “Consolidated results forecast” 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 statement
 - Changes resulting from revisions in accounting standards : Yes
 - 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 3/2022	166,546,400	FY 3/2021	166,546,400

Number of treasury stock outstanding at end of year:

	Shares		Shares
FY 3/2022	7,570,592	FY 3/2021	4,097,161

Average number of shares during the fiscal year:

	Shares		Shares
FY 3/2022	161,147,206	FY 3/2021	162,439,186

(For Reference) Overview of Non-Consolidated Financial Results

1. FY 3/2022 Non-Consolidated Financial Results (April 1, 2021 – March 31, 2022)

(1) Business Performance (Non-Consolidated) (Round off to mY)

	Sales		Operating Profit		Ordinary Profit		Net Profit	
	mY	%	mY	%	mY	%	mY	%
FY 3/2022	99,373	4.7	13,336	25.6	14,949	-23.7	11,418	-29.5
FY 3/2021	94,945	33.4	10,617	342.8	19,603	815.5	16,192	-

	Net Profit per Share	Net Profit per Diluted Share
	Yen Sen	Yen Sen
FY 3/2022	70.86	—
FY 3/2021	99.68	—

(2) Financial Position (Non-Consolidated)

	Total Assets	Net Assets	Capital Ratio	Net Assets per share
	mY	mY	%	Yen Sen
FY 3/2022	61,348	37,109	60.5	233.42
FY 3/2021	56,730	31,748	56.0	195.43

(For Ref.) Capital: FY 3/2022 37,109 mY FY3/2021 31,748 mY

*These financial results are not subject to review procedures.

* 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 fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022), amid the global Coronavirus (COVID-19) pandemic, it became apparent that the recovery trends for different economies were diverging – which can be attributed to differences in the progress of vaccination programs and the effectiveness of policy support in individual countries. Despite rapid economic recovery in developed countries such as the United States, the outlook nevertheless remains uncertain with the risk of economic growth decelerating due to increasing inflationary pressures, shrinking financial support, a resurgence of COVID-19 cases due to the emergence of new variants, in addition to an increase in geopolitical tensions caused by the situation in Russia and Ukraine, along with soaring energy and food prices in the fourth quarter of the year. In this environment, the IT industry has witnessed mobile, cloud, big data, and social networks grow in importance due to restrictions on the movement of people around the world, technological innovations, and an associated increase in convenience. In addition, new technologies have been evolving to distribute digital artwork; this utilizes the metaverse, in which real world activities can be carried out in the virtual space of the internet, and also blockchain technology, which is closely linked to the metaverse. Relative to the average exchange rate during the same period of the previous fiscal year, the yen was slightly weaker against the US dollar and the euro, and weaker against the renminbi, reflecting market sentiment with respect to the global economy and the monetary and trade policies of major economies (The estimated impact of exchange rate fluctuations on consolidated financial results is to have boosted consolidated net sales by approximately ¥6.4 billion and consolidated operating profit by approximately ¥1.5 billion).

In this business environment, Wacom Group announced its Medium-Term Business Direction: “Wacom Chapter 3” on May 12, 2021. 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 fiscal year ended March 31, 2022, we promoted growth strategies for the future, collaborating with partner companies to further develop our business model in growing fields such as education, VR (Virtual Reality), MR (Mixed Reality), 3D printing, AI (Artificial Intelligence), and data security. We also implemented groupwide 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 fell year on year due to decreased sales of mid-to-low priced pen tablet products, despite increased sales of display products for professionals in the 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. Overall sales in the Technology Solution Business segment rose year-on-year, due to increased sales of Active-ES technology solution and EMR technology solution and others.

As a company-wide initiative in line with the strategic direction of our medium-term business plan, we proactively invested in the development of new core technologies and business models to enhance growth with a view towards financial efficiency. In November 2021, we held a community event, “Connected Ink 2021”, with the theme of “Creative Chaos” co-created by partners across diverse fields such as art, education, and technology, focusing on the origin of human creativity. During the event, we announced initiatives with diverse partners to make full use of the latest digital transformation and ink technology. A new outside female director was appointed to the Board of

Directors in June 2021, and efforts were made to further enhance the quality of management by stimulating substantive discussions among Board members with diverse and specialized viewpoints. Regarding our systems of production, we have transferred some of our main production lines in the Branded Business segment out of China since the fiscal year ended March 2020. In connection with these activities, CBP (U.S. Customs and Border Protection) approved changes meaning that supplementary tariffs imposed on Chinese goods by the U.S. would not be applied to a number of product models in the Branded Business segment exported to the U.S. Based on this decision, we reviewed overall tariffs, with the impact on the cost of sales falling by approximately ¥0.9 billion.

Note: For the impact of the COVID-19 pandemic on Wacom Group's business activities and the impact of the situation in Russia and Ukraine during the current fiscal year and our related initiatives to the both, please see page 6.

For the current fiscal year ended March 31, 2022, consolidated net sales increased 0.2% to ¥108,790 million. Operating profit decreased 2.9% to ¥13,024 million, due to the decrease of gross profit margin to 36.4% (1.8 points lower than the previous year) mainly resulting from the recording of inventory valuation losses. Ordinary profit increased 1.8% to ¥14,351 million, and net profit attributable to owners of parent increased 7.1% to ¥10,955 million, after recording ¥1,260 million of foreign exchange gains (98.8% higher than the previous year) in non-operating income.

Business results by segment

Business results by segment are described below. 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 pen tablet products, despite higher sales of display products for professionals. In addition, some products have been made compatible with Android OS and Chrome OS since the fiscal year ended March 31, 2021.

Display products

Sales of *Wacom Cintiq Pro* were significantly higher due to active sales initiatives. In October 2021, we announced the new *Wacom Cintiq Pro 16* designed to offer ease of use for creators. Sales of *Wacom Cintiq* were also slightly higher than the same period of the previous fiscal year. Sales of *Wacom One 13*, introduced in the fiscal year ended March 31, 2020, were lower. As a result, overall sales of display products showed a slight increase.

Pen tablet products

Sales of the *Wacom Intuos Pro* series grew, as active sales initiatives mitigated the impact of factors such as length of time since launch. Sales of *Wacom Intuos* series were significantly lower, mainly due to the length of time since product launch and consequent drop off in demand. Sales of *One by Wacom* decreased. As a result, overall sales of pen tablet products declined.

Mobile products and others

Amid the expanding market for digital pen-equipped tablets, the competitive environment has changed significantly, and sales of mobile products increased on the back of contribution from *Wacom Mobile Studio Pro*, a Windows 10-based creative tablet announced in the fiscal year ended March 31, 2020. Sales of stylus pen products were significantly lower. As a result, overall sales of mobile products and others decreased slightly.

Business Solution

Business Solution sales increased as a result of active marketing that led to significantly higher sales of LCD pen tablets.

As a result of the above, overall sales in the Branded Business segment for the current fiscal year ended March 31, 2022 decreased 7.1% to ¥52,641 million, and segment profit decreased 4.2% to ¥8,712 million.

2. Technology Solution Business

AES technology solution

Sales in the AES technology solution category increased year on year despite production and supply chain-related operational constraints. AES digital pen products continue to be well received by OEM partner manufacturers.

EMR technology solution, others

Overall sales of our EMR technology solution were slightly higher, due to increased sales to OEM partner manufacturers, despite a change in the product portfolio of an OEM partner manufacturer and supply chain-related operational constraints in the production process.

As a result of the above, overall sales in the Technology Solution Business segment for the current fiscal year ended March 31, 2022, increased 8.3% to ¥ 56,149 million, and segment profit decreased 4.0% to ¥8,888 million.

The impact of the COVID-19 pandemic on Wacom Group's business activities of the current fiscal year and our COVID-19 related initiatives are as follows:

In the Branded Business segment in the current fiscal year (April 2021 to March 22), economic activity had generally resumed in many markets and sales activities were robust. As a result, sales recovery was seen in the Creative Solution (mainly display and pen tablet products for professionals) and Business Solution categories. Sales of medium-priced pen tablet products in the Creative Solution category were negatively impacted by a drop in demand.

In the Technology Solution Business segment, constraints on manufacturing and supply chain operations had a negative impact on sales of AES technology solutions in the current fiscal year, reflecting resurgence of the COVID-19 pandemic in Southeast Asia, China's zero-COVID strategy, and global shortage of semiconductors.

In respect to company-wide initiatives to fulfill our responsibility as a corporate citizen to help prevent the spread of COVID-19, we have maintained a flexible work system (including remote working) across our global workforce to ensure the safety of all employees while seeking a new style of work system after COVID-19.

The impact of the situation of Russia and Ukraine on Wacom Group's business activities of the current fiscal year and our related initiatives are as follows:

Wacom group has no business bases in Russia and Ukraine, and with sales in both countries approximately 1% of consolidated net sales for the fiscal year ended March 2022 (unchanged from the previous fiscal year), there has been no material impact.

In view of difficult financial and logistics situations, we have halted direct shipments to the region. In addition, as a gesture of support for the humanitarian crisis in Ukraine, we donated ¥30 million through the UNHCR (The Office of the United Nations High Commissioner for Refugees). We also resolved to establish a budget of ¥20 million for the fiscal year ending March 2023 for a "Stand Together Fund" to carry out efficient and proper support activities in the region.

(2) Consolidated financial position

Total assets as of March 31, 2022 increased by ¥2,151 million to ¥73,332 million compared to the end of the previous fiscal year. The main factors contributing to this were increases of ¥3,434 million in raw materials and supplies, ¥3,213 million in accounts receivable – trade, ¥2,479 million in merchandise and finished goods, and ¥2,147 million in other current assets, and a decrease of ¥10,254 million in cash and deposits.

Total liabilities as of March 31, 2022 decreased by ¥3,663 million to ¥29,829 million compared to the end of the previous fiscal year. The main factors contributing to this were increases of ¥2,231 million in notes and accounts payable-trade and ¥1,726 million in other current liabilities, and decreases of ¥4,000 million in current portion of long-term borrowings, ¥2,690 million in provision for bonuses, and ¥1,522 million in income taxes payable.

Total net assets as of March 31, 2022 increased by ¥5,814 million to ¥43,503 million compared to the end of the previous fiscal year. The main contributing factors were an increase of ¥10,955 million due to net profit attributable to owners of parent, and decreases of ¥3,087 due to the payment of shareholder's dividends and ¥2,981 due to an increase in treasury stock.

As a result, the capital ratio increased by 6.4 points to 59.3% compared to the end of the previous fiscal year.

(3) Cash Flow

Consolidated cash and cash equivalents as of March 31, 2022 totaled ¥21,789 million, a ¥10,254 million decrease from the end of the previous fiscal year (compared to a ¥10,501 million increase in the previous fiscal year).

Cash Flow from Operating Activities

Cash flow used from operating activities for the current fiscal year ended March 31, 2022, was ¥236 million (compared to ¥14,578 million gained in the previous fiscal year). The main factor contributing to cash inflow was ¥14,561 million of profit before income taxes. The main factors contributing to cash outflow were ¥6,263 million in income taxes paid, an increase of ¥5,347 million in inventories, an increase of ¥2,898 million in trade payables, and a decrease of ¥2,793 million in provision for bonuses.

Cash Flow from Investing Activities

Cash flow used for investing activities for the current fiscal year ended March 31, 2022, was ¥1,372 million (compared to ¥1,382 million used in the previous fiscal year). The main contributing factors were ¥1,331 million of purchase of property, plant and equipment, ¥197 million of purchase of intangible fixed assets, and ¥288 million of proceeds from sales of investment securities.

Cash Flow from Financing Activities

Cash flow used for financing activities for the current fiscal year ended March 31, 2022, was ¥10,516 million (compared to ¥4,053 million used in the previous fiscal year). The main contributing factors were ¥4,000 million of repayments of long-term borrowings, ¥3,079 million of payment for shareholders' dividends, and ¥3,006 million of purchase of treasury stock.

(For Reference) Indicators Related to Cash Flow

	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022
Capital ratio (%)	49.3	54.2	52.9	59.3
Market cap based capital ratio (%)	146.8	101.0	169.6	204.4
The debt-to-cash-flow ratio (Year)	12.3	0.7	0.5	–
Interest coverage ratio	27.8	290.3	389.1	–

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 are not stated due to negative operating cash flow.

(4) Consolidated results forecast

Inflation has been accelerating in many countries, leading to monetary policy tightening due to supply-demand imbalances and financial policy support to COVID-19, and the situation of Russia and Ukraine has made the outlook for the global economy extremely uncertain. The economic loss resulting from these factors is expected to cause a significant slowdown in the growth of the global economy and an acceleration of inflation. Under these circumstances, uncertainty is also apparent in foreign exchange markets, including the yen/U.S. dollar and yen/euro markets, which will significantly impact corporate performance. Regarding the business environment for the IT industry, further progress in the diversification of data sources through IoT and technological innovation in mobile, cloud, big data, social networks, and other areas is expected to positively impact information processing by yielding improvements in terms of ease-of-use while reducing costs.

Under these circumstances, the Wacom Group will continue to be a leader in the market for digital pen and ink technologies and aim for sustainable growth in accordance with the new Medium-Term Business Direction: "Wacom Chapter 3," formulated during the fiscal year ended March 31, 2022. In the fiscal year ending March 31, 2023, we will continue to develop strategies to further evolve our business model in growing markets such as IoT, education, VR/MR, 3D printing, AI, and data security. We will also continue to build a solid foundation to ensure further growth of our corporate value through group-wide measures to improve productivity and cost structure, and by improving the quality of management decision-making required to address business challenges.

Based on our assumption of average foreign exchange rates of ¥120 per U.S. dollar and ¥132 per euro for the fiscal year ending March 31, 2023, consolidated net sales are expected to increase 17.7% to ¥128,000 million, operating profit to increase 5.2% to ¥13,700 million, ordinary profit to decrease 4.5% to ¥13,700 million, net profit attributable to owners of parent to decrease 6.9% to ¥10,200 million, and return on equity to be 21.7% (the previous fiscal year: 27.0%).

Forecasts by segment

In the Branded Business segment, part of the core Creative Business area, we aim to achieve further market penetration by next-generation products in all categories –Display, Pen Tablet, and Mobile – by enhancing product competitiveness from the viewpoint of customer value. We will actively expand our sales activities in the interest of building more robust relationships with customer communities, and we will promote the development of 3D design functions for VR/AR design. In the Business Solution segment, we will promote the development of products and services that offer project partner companies optimized digital ink workflow and enhanced safety through the use of digital signatures. As a result, we expect sales in the Branded Business segment for the fiscal year ending March 31, 2023 to increase 19.7% to ¥63,000 million, and segment profit to increase 3.3% to ¥9,000 million.

In the Technology Solution Business segment, we aim to drive adoption of our de facto industry standard cross-OS digital pen technologies (EMR and Active ES 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 the digital stationery market through collaboration with partner companies. As a result, sales in the Technology Solution Business segment for the fiscal year ending March 31, 2023 are expected to increase 15.8% to ¥65,000 million, and segment profit to increase 11.4% to ¥9,900 million.

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 presentation due to these risks and uncertainties.

(5) Basic policy of profit distribution for the fiscal year ended March 31, 2022 and for the fiscal year ending March 31, 2023

The Company's basic policy for shareholder return aims to provide stable and sustainable dividends and flexibly exercise treasury stock acquisition, while maintaining sufficient retained earnings to enhance future business development and financial quality.

We will effectively utilize retained earnings to increase corporate value over the medium- to long-term by sustained investment of business resources, focusing on measures that lead to stronger relationships with customers and technological innovation. We also recognize that we need to continue focusing on our financial soundness to respond actively to changes in the business environment.

With respect to dividend policy, we will strive to distribute profits by increasing dividend per share over the medium- to long-term, while maintaining adequate financial soundness by targeting a consolidated dividend payout ratio of approximately 30%. Regarding the number of dividend payments, and with due consideration to clerical costs, our basic policy will be to make one annual cash dividend payment with the fiscal year end date as record date.

Regarding the dividend for the current fiscal year ended March 31, 2022, the Board of Directors has decided to pay a dividend of ¥20.00 per share (payout ratio: 29.4%). The dividend forecast for the fiscal year ending March 31, 2023, is ¥20.00 per share (payout ratio: 31.2%).

Our basic policy on treasury stock acquisition is to implement it as a capital policy to flexibly respond to changes in the business environment while considering investment opportunities and financial conditions. We 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, as stated in the "Notice of a Policy Regarding Treasury Stock Acquisition" announced on May 12, 2021. Under this policy, we acquired a total of ¥3 billion (total of 3,515,500 shares) of treasury stock in the fiscal year ended March 31, 2022. In addition, it is resolved to acquire up to ¥2 billion (up to 4,000,000 shares) in the fiscal year ending March 31, 2023, and to cancel 2,000,000 shares scheduled on May 26, 2022, as stated in "Acquisition and Cancellation of Treasury Stock" announced on May 12, 2022.

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 dividend or treasury stock acquisition; this being the case, we will continue to distribute profits by means of cash dividend and treasury stock acquisition.

2. Basic Policy Regarding Selection of Accounting Standards

In preparation for the application of IFRS in the future, we are preparing internal manuals and guidelines and considering the timing of application.

3. Consolidated Financial Statements and Significant Notes

(1) Summary of Consolidated Balance Sheet

(Thousands of yen)

	FY 3/2021 (as of Mar. 31, 2021)	FY 3/2022 (as of Mar. 31, 2022)
Assets		
Current assets		
Cash and deposits	32,042,603	21,788,861
Accounts receivable – trade	10,807,775	14,020,339
Merchandise and finished goods	12,217,001	14,695,630
Work in process	192,564	542,522
Raw materials and supplies	2,095,489	5,529,876
Other	3,649,870	5,796,377
Allowance for doubtful accounts	-31,991	-47,062
Total current assets	60,973,311	62,326,543
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,196,922	3,332,269
Accumulated depreciation	-2,134,345	-2,297,617
Buildings and structures, net	1,062,577	1,034,652
Machinery, equipment and vehicles	1,789,281	2,287,220
Accumulated depreciation	-852,914	-1,094,096
Machinery, equipment and vehicles, net	936,367	1,193,124
Land	1,063,061	1,063,061
Other	8,360,649	8,858,849
Accumulated depreciation	-6,485,850	-6,746,823
Other, net	1,874,799	2,112,026
Total property, plant and equipment	4,936,804	5,402,863
Intangible assets		
Other	1,531,827	1,449,714
Total intangible assets	1,531,827	1,449,714
Investments and other assets		
Investment securities	178,418	233,800
Deferred tax assets	2,709,884	3,107,652
Other	909,411	811,902
Allowance for doubtful accounts	-58,321	—
Total investments and other assets	3,739,392	4,153,354
Total non-current assets	10,208,023	11,005,931
Total assets	71,181,334	73,332,474

(Thousands of yen)

	FY 3/2021 (as of Mar. 31, 2021)	FY 3/2022 (as of Mar. 31, 2022)
Liabilities		
Current liabilities		
Accounts payable – trade	10,880,110	13,111,375
Current portion of long-term borrowings	4,000,000	—
Income taxes payable	3,984,039	2,462,412
Contract liabilities	—	439,109
Provision for bonuses	4,140,060	1,450,344
Provision for bonuses for directors (and other officers)	110,926	54,060
Provision for product warranties	443,863	410,438
Asset retirement obligations	—	5,007
Other	6,047,010	7,773,007
Total current liabilities	29,606,008	25,705,752
Non-current liabilities		
Long-term borrowings	2,000,000	2,000,000
Retirement benefit liability	933,859	1,022,531
Asset retirement obligations	262,557	294,590
Other	690,093	806,549
Total non-current liabilities	3,886,509	4,123,670
Total liabilities	33,492,517	29,829,422
Net assets		
Shareholders' equity		
Share capital	4,203,469	4,203,469
Capital surplus	6,103,758	6,113,437
Retained earnings	29,430,675	37,299,126
Treasury shares	-1,864,850	-4,845,646
Total shareholders' equity	37,873,052	42,770,386
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	114	—
Foreign currency translation adjustment	-183,303	752,614
Remeasurements of defined benefit plans	-1,046	-19,948
Total accumulated other comprehensive income	-184,235	732,666
Total net assets	37,688,817	43,503,052
Total liabilities and net assets	71,181,334	73,332,474

(2) Consolidated Profit & Loss Statement

(Thousands of yen)

	FY 3/2021 (Apr.1,2020 to Mar.31,2021)	FY 3/2022 (Apr.1,2021 to Mar.31,2022)
Net sales	108,531,067	108,789,859
Cost of sales	67,123,673	69,179,842
Gross profit	41,407,394	39,610,017
Selling, general and administrative expenses	28,000,154	26,586,146
Operating profit	13,407,240	13,023,871
Non-operating income		
Interest income	57,853	30,070
Foreign exchange gains	633,703	1,259,855
Other	83,545	155,721
Total non-operating income	775,101	1,445,646
Non-operating expenses		
Interest expenses	40,029	29,893
Settlement payments	42,648	13,000
Theft loss	8,418	64,847
Other	443	10,773
Total non-operating expenses	91,538	118,513
Ordinary profit	14,090,803	14,351,004
Extraordinary income		
Gain on sale of non-current assets	1,826	1,896
Gain on sale of investment securities	—	231,405
Total extraordinary income	1,826	233,301
Extraordinary losses		
Loss on sale of non-current assets	1,633	6,377
Loss on retirement of non-current assets	8,030	17,250
Loss on valuation of investment securities	50,171	—
Total extraordinary losses	59,834	23,627
Profit before income taxes	14,032,795	14,560,678
Income taxes - current	5,096,465	3,932,046
Income taxes - refund	—	-5,342
Income taxes - deferred	-1,289,339	-321,013
Total income taxes	3,807,126	3,605,691
Profit	10,225,669	10,954,987
Profit attributable to owners of parent	10,225,669	10,954,987

Consolidated Comprehensive Income Statement

(Thousands of yen)

	FY 3/2021 (Apr.1,2020 to Mar.31,2021)	FY 3/2022 (Apr.1,2021 to Mar.31,2022)
Profit	10,225,669	10,954,987
Other comprehensive income		
Valuation difference on available-for-sale securities	5,263	-114
Foreign currency translation adjustment	858,895	935,917
Remeasurements of defined benefit plans, net of tax	-12,592	-18,902
Total other comprehensive income	851,566	916,901
Comprehensive income	11,077,235	11,871,888
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,077,235	11,871,888
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Shareholder's Equity

FY3/2021 (April 1, 2020 to March 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,203,469	6,100,962	20,341,982	-1,875,838	28,770,575
Changes during period					
Dividends of surplus			-1,136,976		-1,136,976
Profit attributable to owners of parent			10,225,669		10,225,669
Disposal of treasury shares		2,796		10,988	13,784
Net changes in items other than shareholders' equity					
Total changes during period	—	2,796	9,088,693	10,988	9,102,477
Balance at end of period	4,203,469	6,103,758	29,430,675	-1,864,850	37,873,052

	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	-5,149	-1,042,198	11,546	-1,035,801	27,734,774
Changes during period					
Dividends of surplus					-1,136,976
Profit attributable to owners of parent					10,225,669
Disposal of treasury shares					13,784
Net changes in items other than shareholders' equity	5,263	858,895	-12,592	851,566	851,566
Total changes during period	5,263	858,895	-12,592	851,566	9,954,043
Balance at end of period	114	-183,303	-1,046	-184,235	37,688,817

FY3/2022 (April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,203,469	6,103,758	29,430,675	-1,864,850	37,873,052
Changes during period					
Dividends of surplus			-3,086,536		-3,086,536
Profit attributable to owners of parent			10,954,987		10,954,987
Purchase of treasury shares				-2,999,963	-2,999,963
Disposal of treasury shares		9,679		19,167	28,846
Net changes in items other than shareholders' equity					
Total changes during period	—	9,679	7,868,451	-2,980,796	4,897,334
Balance at end of period	4,203,469	6,113,437	37,299,126	-4,845,646	42,770,386

	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	114	-183,303	-1,046	-184,235	37,688,817
Changes during period					
Dividends of surplus					-3,086,536
Profit attributable to owners of parent					10,954,987
Purchase of treasury shares					-2,999,963
Disposal of treasury shares					28,846
Net changes in items other than shareholders' equity	-114	935,917	-18,902	916,901	916,901
Total changes during period	-114	935,917	-18,902	916,901	5,814,235
Balance at end of period	—	752,614	-19,948	732,666	43,503,052

(4) Summary of Consolidated Cash Flow Statement

(Thousands of yen)

	FY 3/2021 (Apr.1,2020 to Mar.31,2021)	FY 3/2022 (Apr.1,2021 to Mar.31,2022)
Cash flows from operating activities		
Profit before income taxes	14,032,795	14,560,678
Depreciation	2,288,342	1,866,949
Share-based payment expenses	10,025	24,738
Increase (decrease) in allowance for	4,374	-44,844
Increase (decrease) in provision for	2,931,923	-2,793,355
Increase (decrease) in provision for	74,869	-56,866
Increase (decrease) in retirement benefit	17,223	61,028
Interest and dividend income	-57,853	-30,070
Interest expenses	40,029	29,893
Foreign exchange losses (gains)	-164,857	-1,214,047
Loss (gain) on sale of property, plant	-141	4,481
Loss (gain) on sale of intangible assets	-52	—
Loss on retirement of property, plant and	3,449	15,647
Loss on retirement of intangible assets	4,581	1,603
Loss (gain) on sale of investment	—	-231,405
Loss (gain) on valuation of investment	50,171	—
Decrease (increase) in trade receivables	-2,332,657	-2,898,176
Decrease (increase) in inventories	-5,177,812	-5,347,475
Increase (decrease) in trade payables	3,933,683	1,629,564
Increase (decrease) in accrued	-290,780	-481,948
Other, net	734,737	919,819
Subtotal	16,102,049	6,016,214
Interest and dividends received	58,193	39,248
Interest paid	-37,468	-27,708
Income taxes paid	-1,544,570	-6,263,280
Net cash provided by (used in) operating	14,578,204	-235,526
Cash flows from investing activities		
Payments into time deposits	-3,138,000	—
Proceeds from withdrawal of time	3,138,000	—
Purchase of property, plant and	-1,052,891	-1,331,469
Purchase of intangible assets	-179,418	-196,834
Purchase of investment securities	-118,800	-112,000
Proceeds from sale of property, plant	1,995	2,556
Proceeds from sale of intangible assets	312	—
Proceeds from sale of investment	—	287,860
Payments of leasehold and guarantee	-38,545	-28,107
Proceeds from refund of leasehold and	5,387	5,515
Net cash provided by (used in) investing	-1,381,960	-1,372,479
Cash flows from financing activities		
Repayments of short-term borrowings	-500,000	—
Repayments of long-term borrowings	-2,000,000	-4,000,000
Purchase of treasury shares	—	-3,005,964
Repayments of lease liabilities	-416,376	-430,714
Dividends paid	-1,136,716	-3,079,406
Net cash provided by (used in) financing	-4,053,092	-10,516,084
Effect of exchange rate change on cash	1,357,984	1,870,347
Net increase (decrease) in cash and cash	10,501,136	-10,253,742
Cash and cash equivalents at beginning of	21,541,467	32,042,603
Cash and cash equivalents at end of period	32,042,603	21,788,861

(5) Notes for quarterly consolidated financial statements
(Note for going concern assumption)
Not Applicable

(Changes in accounting policies)
(Adoptions of the accounting standard regarding revenue recognition)

The Company adopted “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) from the beginning of the first quarter of the current fiscal year, and decided to recognize its revenue by the amount expected to be received in exchange for service, at the timing when it transfers a promised good or service to the customer. Hence, regarding charged supply transactions with repurchase obligation, the Company recognizes inventories for the year-end inventories of supplies remaining at charged supply destinations as financial transactions, and also recognizes liabilities related to charged supply transactions.

In addition, regarding some rebates, the Company changed and adopted a new method to recognize as liabilities related to rebates, from the previous method to deduce from accounts receivable - trade.

Adoption of the accounting standard regarding revenue recognition follows transitional provisions defined in the proviso of paragraph 84 of “Accounting Standard for Revenue Recognition”, and the Company adopted new accounting standard from the balance at the beginning of the first quarter of the current fiscal year, and adjusted the amount of retained earnings at the beginning of the current period, calculating cumulative impact when the new standard is applied retroactively before the beginning of the first quarter of the current fiscal year. However, the new standard wasn’t applied retroactively to the contracts which of almost all revenue was recognized according to the hitherto treatments, applying the method defined in the paragraph 86 of “Accounting Standard for Revenue Recognition”.

In addition, some of “advanced received”, “deferred revenue”, and “accrued expenses” included in “other” of “current liabilities” in the consolidated balance sheet for the previous fiscal year, are included in “contractual liabilities” in the current fiscal year. The Company made no reclassification for the previous fiscal year by a new method, in accordance with transitional provisions defined in the paragraph 89-2 of “Accounting Standard for Revenue Recognition”.

As a result, in the consolidated balance sheet of the current fiscal year, “accounts receivable – trade” of “current assets” increased by ¥259 million, “work in process” increased by ¥87 million, “raw materials and supplies” increased by ¥1,644 million, “other” of “current liabilities” increased by ¥1,990 million, without any impact on profit and loss and per share data for the current fiscal year.

(Adoption of the accounting standard for fair value measurement)

The Company adopted “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) from the beginning of the first quarter of the current fiscal year, and decided to adopt a new company’s policies defined in “Accounting Standard for Fair Value Measurement” in accordance with transitional provisions defined in the paragraph 19 of “Accounting Standard for Fair Value Measurement” and the paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019). This adoption has no impact on the quarterly consolidated financial statements.

(Segment Information and Other information)

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

FY 3/2021(April 1, 2020 – March 31, 2021)

(Thousands of yen)

	Reportable Segments			Adjustment (Note)1	Amount of Consolidated P/L (Note)2
	Branded Business	Technology Solution Business	Sub Total		
Sales					
Sales towards external customers	56,678,100	51,852,967	108,531,067	—	108,531,067
Sales between internal segments and internal transfer	—	—	—	—	—
Total	56,678,100	51,852,967	108,531,067	—	108,531,067
Segment profit or loss (-)	9,095,758	9,260,421	18,356,179	-4,948,939	13,407,240
Segment total assets	15,648,086	14,619,288	30,267,374	40,913,960	71,181,334
Other items					
Depreciation	422,205	741,756	1,163,961	1,124,381	2,288,342
Increase in property, plant and equipment and intangible assets	138,439	891,443	1,029,882	857,656	1,887,538

(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”.

FY 3/2022(April 1, 2021 – March 31, 2022)

(Thousands of yen)

	Reportable Segments			Adjustment (Note)1	Amount of Consolidated P/L (Note)2
	Branded Business	Technology Solution Business	Sub Total		
Sales					
Sales towards external customers	52,640,939	56,148,920	108,789,859	—	108,789,859
Sales between internal segments and internal transfer	—	—	—	—	—
Total	52,640,939	56,148,920	108,789,859	—	108,789,859
Segment profit or loss (-)	8,712,098	8,888,420	17,600,518	-4,576,647	13,023,871
Segment total assets	18,863,366	22,080,662	40,944,028	32,388,446	73,332,474
Other items					
Depreciation	242,761	782,849	1,025,610	841,339	1,866,949
Increase in property, plant and equipment and intangible assets	284,183	1,111,229	1,395,412	792,194	2,187,606

(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”.

(Per Share Data)

	FY 3/2021 (Apr.1,2020 to Mar.31,2021)	FY 3/2022 (Apr.1,2021 to Mar.31,2022)
	Yen Sen	Yen Sen
Net assets per share	232.00	273.65
Net income per share	62.95	67.98

(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 3/2021 (as of Mar. 31, 2021)	FY 3/2022 (as of Mar. 31, 2022)
Total net assets (thousands of yen)	37,688,817	43,503,052
Amount deducted from Total net assets (thousands of yen)	-	-
Net assets attributable to common stock at the fiscal year-end (thousands of yen)	37,688,817	43,503,052
Number of common stock at the fiscal year-end under for the calculation of Net assets per share	162,449,239	158,975,808

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

	FY 3/2021 (Apr.1,2020 to Mar.31,2021)	FY 3/2022 (Apr.1,2021 to Mar.31,2022)
Profit attributable of owners of parent (thousands of yen)	10,225,669	10,954,987
Amount net attributable to common shareholders (thousands of yen)	-	-
Profit attributable to owners of parent related to common stock (thousands of yen)	10,225,669	10,954,987
Average number of shares outstanding of common stock during the fiscal year (thousands of yen)	162,439,186	161,147,206

(Significant subsequent events)

(Acquisition and cancellation of treasury stock)

The Company resolved at a meeting of its Board of Directors held on July 30, 2021, 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, and to cancel the Company's treasury stock pursuant to Article 178 of Japanese Companies Act.

1.Reason for acquisition and cancellation of own shares

Based on our Medium-Term Business Direction "Wacom Chapter 3", the Company recognizes shareholder return as one 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 JPY 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.

The Company decided to acquire and cancel its treasury stock, upon comprehensive consideration of the current investment opportunities, financial conditions 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 2.52% of outstanding shares (excluding treasury stock)
- (3) Total acquisition cost: Up to 2.0 billion Japanese yen
- (4) Acquisition period: From May 13, 2022, to March 31, 2023
- (5) Acquisition Method: Open market acquisition of shares on the Tokyo Stock Exchange

3.Details of cancellation

- (1) Type of shares to be canceled: Common stock of the Company
- (2) Total number of shares to be canceled: 2,000,000 shares
Equivalent of 1.20% of outstanding shares prior to the cancellation
- (3) Scheduled date of cancellation: May 26, 2022

FY 3/2022 Summary of Consolidated Financial Results
from April 1, 2021 to March 31, 2022

(1) Business Performance

	FY 3/2021		FY 3/2022		YOY Change		FY 3/2022		Change	
	Results	Results	Amount	Ratio	Previous Forecast	Amount	Ratio	Previous Forecast	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY		mil JPY	mil JPY	
Net Sales	108,531	108,790	259	0.2%	103,000	5,790	5.6%			
Operating Profit	13,407	13,024	-383	-2.9%	12,500	524	4.2%			
(Profit Margin)	12.4%	12.0%			12.1%					
Ordinary Profit	14,091	14,351	260	1.8%	13,000	1,351	10.4%			
(Profit Margin)	13.0%	13.2%			12.6%					
Net Profit	10,226	10,955	729	7.1%	9,700	1,255	12.9%			
(Profit Margin)	9.4%	10.1%			9.4%					
P/L FX Rate (Avg. in the Term)	JPY	JPY	JPY		JPY	JPY		JPY	JPY	
(US Dollar)	106.17	112.86	6.69	6.3%	111.00	1.86	1.7%			
(Euro)	123.73	131.01	7.28	5.9%	128.00	3.01	2.4%			

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

Note) Previous Forecast of FY 3/2022 shows the announcement in "Summary of Consolidated Financial Results" as of January 31, 2022.

(2) Business Performance by Business Segment

	FY 3/2021		FY 3/2022		YOY Change		FY 3/2022		Change	
	Results	Results	Amount	Ratio	Previous Forecast	Amount	Ratio	Previous Forecast	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY		mil JPY	mil JPY	
Branded Business										
Sales	56,678	52,641	-4,037	-7.1%	52,500	141	0.3%			
Segment Profit	9,096	8,712	-384	-4.2%	9,000	-288	-3.2%			
(Profit Margin)	16.0%	16.6%			17.1%					
Technology Solution Business										
Sales	51,853	56,149	4,296	8.3%	50,500	5,649	11.2%			
Segment Profit	9,260	8,888	-372	-4.0%	8,200	688	8.4%			
(Profit Margin)	17.9%	15.8%			16.2%					

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

(3) Sales by Product Line

(by Subsidiaries)	FY 3/2021		FY 3/2022		YOY Change	
	Results	Results	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	
Branded Business	56,678	52,641	-4,037	-7.1%		
Creative Solution	52,937	48,245	-4,692	-8.9%		
Displays	23,393	23,548	155	0.7%		
(Japan)	4,678	4,012	-666	-14.2%		
(U.S.)	7,322	8,838	1,516	20.7%		
(Germany)	6,120	5,210	-910	-14.9%		
(Asia-Oceania)	5,273	5,488	215	4.1%		
Pen tablets	27,581	22,901	-4,680	-17.0%		
(Japan)	1,778	1,446	-332	-18.7%		
(U.S.)	7,703	6,775	-928	-12.0%		
(Germany)	8,833	5,392	-3,441	-39.0%		
(Asia-Oceania)	9,267	9,288	21	0.2%		
Mobiles, others	1,963	1,796	-167	-8.5%		
(Japan)	418	464	46	11.0%		
(U.S.)	852	787	-65	-7.7%		
(Germany)	434	309	-125	-28.7%		
(Asia-Oceania)	259	236	-23	-9.0%		
Business Solution	3,741	4,396	655	17.5%		
(Japan)	1,030	882	-148	-14.3%		
(U.S.)	762	1,084	322	42.2%		
(Germany)	1,532	2,096	564	36.8%		
(Asia-Oceania)	417	334	-83	-20.0%		
Technology Solution Business	51,853	56,149	4,296	8.3%		
AES technology	18,727	22,142	3,415	18.2%		
EMR technology, others	33,126	34,007	881	2.7%		
Total	108,531	108,790	259	0.2%		

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

(4) Sales by Regional Subsidiary

	FY 3/2021		FY 3/2022		YOY Change	
	Results	Results	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	
Japan	59,756	62,954	3,198	5.3%		
(Japan excluding Tech. Solution biz.)	7,903	6,805	-1,098	-13.9%		
U.S.	16,639	17,483	844	5.1%		
Germany	16,919	13,008	-3,911	-23.1%		
Asia-Oceania	15,217	15,345	128	0.8%		
Total	108,531	108,790	259	0.2%		

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 3/2021		FY 3/2022		YOY Change		FY 3/2023		Change	
	Results	Results	Amount	Ratio	Previous Forecast	Amount	Ratio	Amount	Ratio	
	mil JPY	mil JPY	mil JPY		mil JPY	mil JPY		mil JPY	mil JPY	
Capital Expenditure	1,232	1,652	420	34.1%	2,200	-548	-24.9%			
Depreciation	1,872	1,426	-446	-23.8%	1,500	-74	-4.9%			
R&D Expenditure	4,663	5,477	814	17.5%	6,000	-523	-8.7%			

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.

(6) ROIC, ROE

	FY 3/2021		FY 3/2022		YOY Change	
	Results	Results	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY			
ROIC	39.4%	29.7%				-9.7pts
Net Operating Profit After Tax	9,302	9,036	-266	-2.9%		
Net Working Capital	14,973	20,869	5,896	39.4%		
Business Assets	8,609	9,567	958	11.1%		
ROE	31.3%	27.0%				-4.3pts

Note) ROIC = Net operating profit after tax / Average of (Net working capital + Business assets) at the beginning and end of the term

Note) Business assets: Tangible fixed assets + Intangible fixed assets + Other assets (of which are defined as business use)

FY 3/2023 Summary of Financial Forecast (Consolidated) from April 1, 2022 to March 31, 2023

(1) Forecast of Business Performance

	FY 3/2022		FY 3/2023		YOY Change	
	Results	Forecast	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	
Net Sales	108,790	128,000	19,210	17.7%		
Operating Profit	13,024	13,700	676	5.2%		
(Profit Margin)	12.0%	10.7%				
Ordinary Profit	14,351	13,700	-651	-4.5%		
(Profit Margin)	13.2%	10.7%				
Net Profit	10,955	10,200	-755	-6.9%		
(Profit Margin)	10.1%	8.0%				
P/L FX Rate (Avg. in the Term)	JPY	JPY	JPY			
(US Daller)	112.86	120.00	7.14	6.3%		
(Euro)	131.01	132.00	0.99	0.8%		

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

(2) Forecast by Business Segment

	FY 3/2022		FY 3/2023		YOY Change	
	Results	Forecast	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	
Branded Business						
Sales	52,641	63,000	10,359	19.7%		
Segment Profit	8,712	9,000	288	3.3%		
(Profit Margin)	16.6%	14.3%				
Technology Solution Business						
Sales	56,149	65,000	8,851	15.8%		
Segment Profit	8,888	9,900	1,012	11.4%		
(Profit Margin)	15.8%	15.2%				

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 3/2022		FY 3/2023		YOY Change	
	Results	Forecast	Amount	Ratio	Amount	Ratio
	mil JPY	mil JPY	mil JPY		mil JPY	
Capital Expenditure	1,652	3,500	1,848	111.9%		
Depreciation	1,426	1,700	274	19.2%		
R&D Expenditure	5,477	6,700	1,223	22.3%		

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.