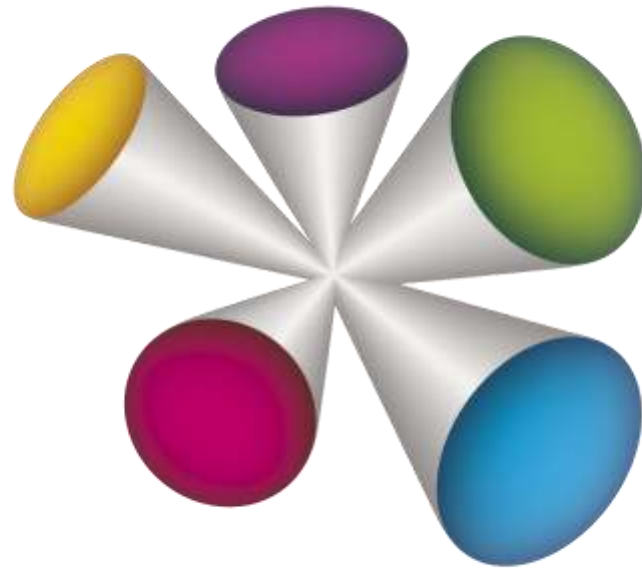


Business Report

FY26 Apr. 2008-Jun. 2008

Wacom Co., Ltd.
(TSE Sec.1 6727)



FY08-1Q Consolidated Result Summary

- Sales: +15.4%
 - ESD Business: +16.1%
 - ECS Business: -11.4%
- Operating Profit: +16.9%
 - ESD Business: +9.2%
 - ECS Business: -84.0%
- Recurring Profit: +9.2%
- Net Profit (aft. Tax): +12.5%

Contents

- FY08 1Q Consolidated Summary
- Consolidated P/L
 - By Business Segments
 - Operating Expenses
 - Business Highlights
 - ESD Sales by Region and Product Line
- Consolidated B/S
- Consolidated C/F
- Business Focus on FY08
- Consolidated business results estimates
- Dividends per Share
- New Mid-Term Plan (WP1018)

Consolidated P/L

(m¥)

	FY25 1Q	FY26 1Q	YoY Growth	
	'07/4-'07/6	'08/4-'08/6	Amount	Ratio
Sales	7,832	9,038	1,206	15.4%
Gross Profit	3,980	4,250	269	6.8%
GPM	50.8%	47.0%		
Operating Profit	904	1,056	153	16.9%
OPM	11.5%	11.7%		
Recurring Profit	909	992	83	9.2%
Net Profit aft. Tax	535	602	67	12.5%

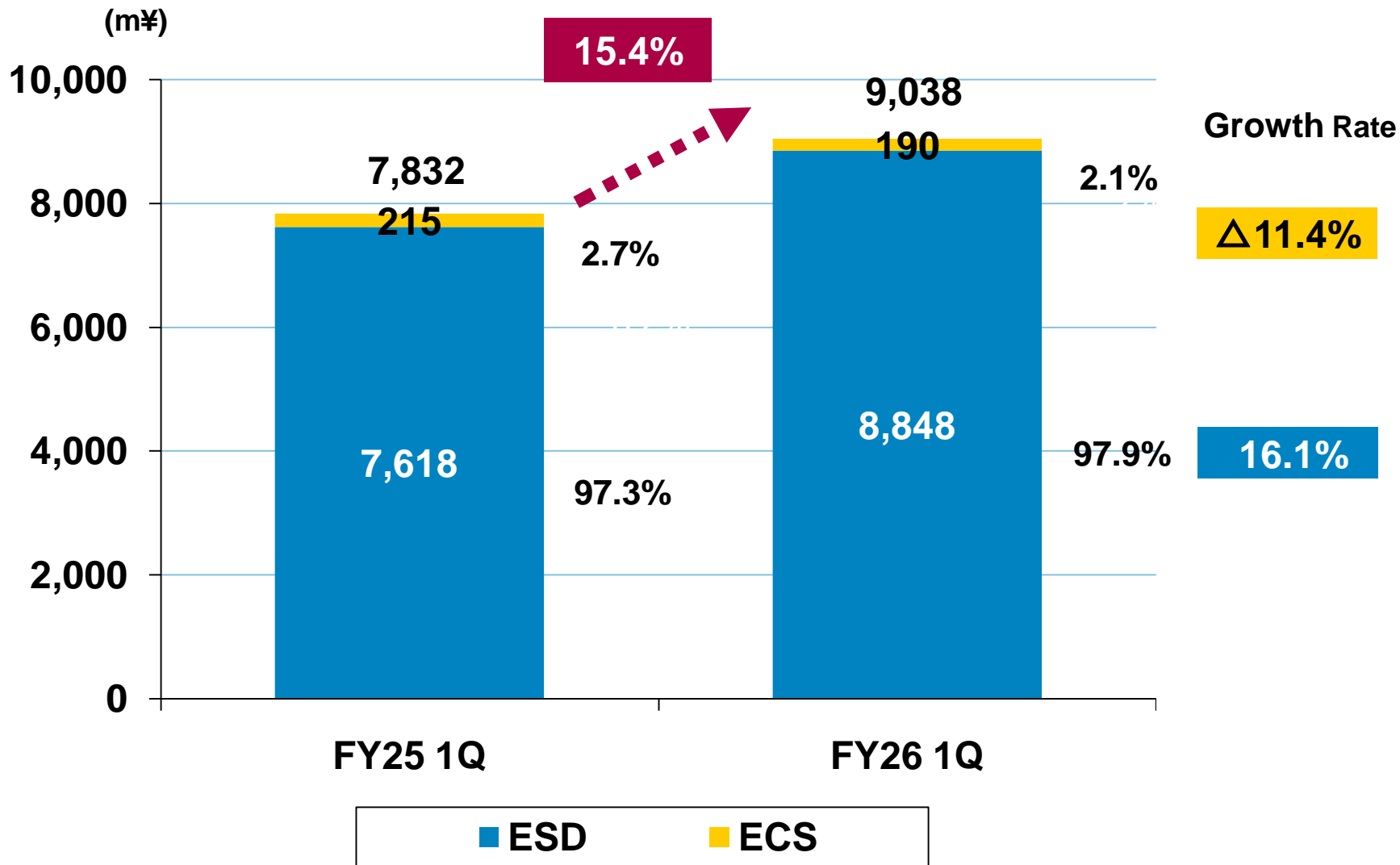
- 1Q Average FX rates: FY25 1Q JPY120.70/USD JPY162.33/EUR
FY26 1Q JPY104.13/USD JPY163.13/EUR

Consol. P/L by Business Segment

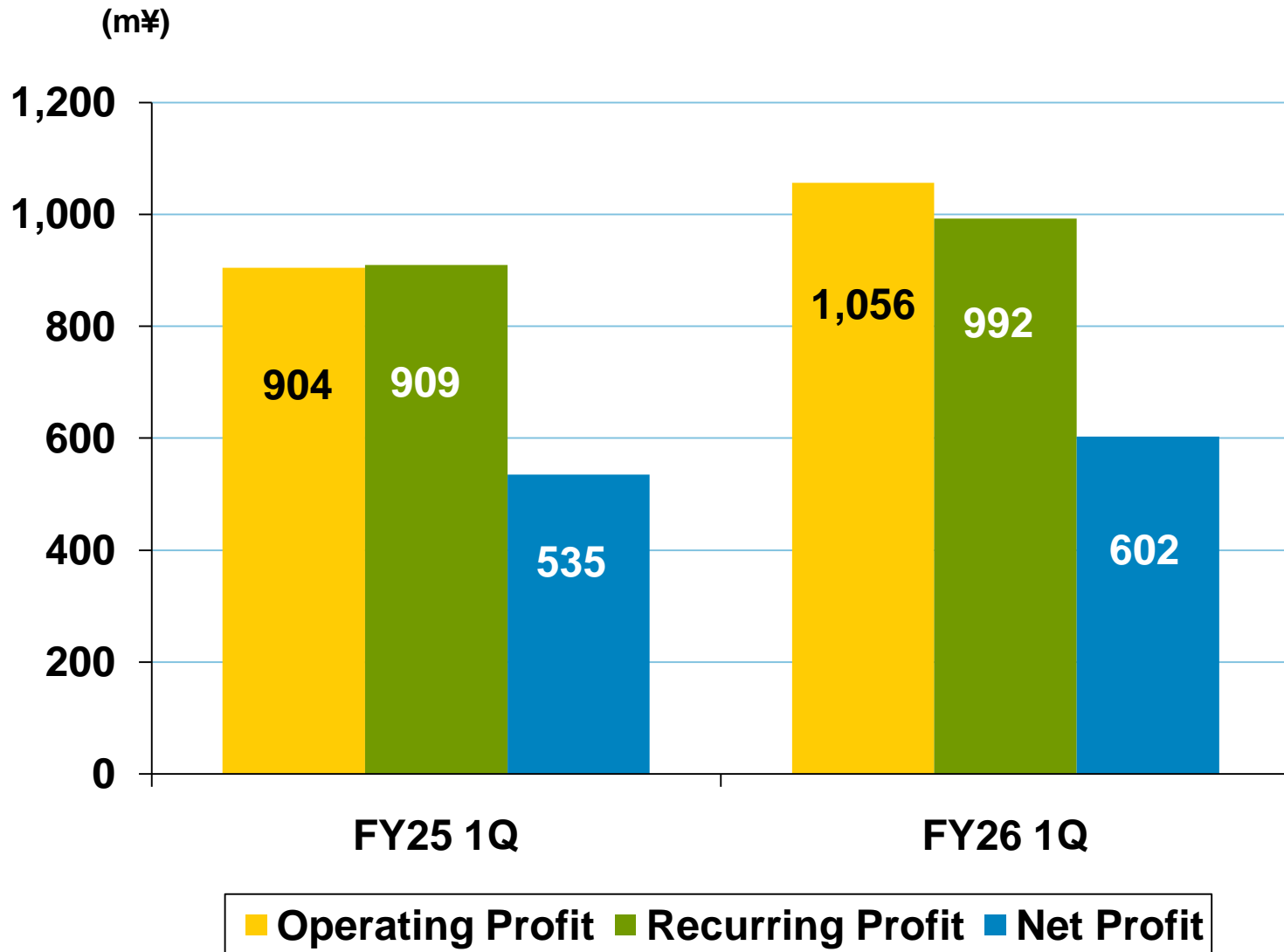
(m¥)

	FY25 1Q	FY26 1Q	YoY Growth	
	'07/4-'07/6	'08/4-'08/6	Amount	Ratio
Sales	7,832	9,038	1,206	15.4%
ESD	7,618	8,848	1,230	16.1%
ECS	215	190	- 24	- 11.4%
OP	904	1,056	153	16.9%
ESD	1,464	1,599	135	9.2%
ECS	26	4	- 22	- 84.0%
Corp. and Other	- 586	- 547	- 39	- 6.7%
OPM	11.5%	11.7%		

Consolidated Sales Comparison



Consolidated Profit Comparison



Operating Expenses Comparison

(m¥)

	FY25 1Q	FY26 1Q	YoY Growth	
	'07/4-'07/6	'08/4-'08/6	Amount	Ratio
Personnel	1,207	1,222	15	1.3%
R&D	300	324	24	8.1%
Ad. & Promo.	475	478	3	0.6%
Other	1,095	1,169	75	6.8%
Total	3,077	3,194	117	3.8%

Main Increases

- R&D expenses for new products and technology development
- Expenses related to J-SOX compliance

Business Highlight -1

ESD

In spite of the global economic slowdown and general market weakness, both tablet and component business showed steady overall growth.

Tablet Business

- **Professional graphics tablet** **- 8.9%**
 - US market slowdown due to inventory adjustment at channel partners, transition to LCD tablet, USD depreciation, etc.
 - Steady growth in EU. Slowdown in Asia-Oceania due to weak Korean market affected by US economy.
- **Consumer graphics tablet** **+ 14.6%**
 - Improved consumer awareness with new branding.
 - Strong growth in Japan with the expansion of comic users.
 - Continued growth in Asia-Oceania, steady in EU and US.
 - “Bamboo Fun” won “reddot award” (Jun.) in Europe.
 - “Bamboo Comic” medium size launched (Jun.)



Business Highlight -2

• LCD Tablet

+ 51.0%

- Reached new users with Cintiq12WX (LCD tablet with 12.1" display).
- Received design awards.

Best Digital Accessory (May), TIPA
reddot award (Jun.),



MacWorld, Creative Hardware Product of the Year, (Jun.)

- Continued growth in medical and educational market.
- "DTU-1931" (LCD tablet with 19" display) launched (Jul.)

• Component Business

+ 27.0%

- Shipment for Tablet PCs increased for new consumer models
- Announced "RRFC touch", original high performance capacitive touch sensor technology (Apr.)



Significant performance improvements
High panel transmissivity over 95%
High durability against scratches

Business Highlight -3

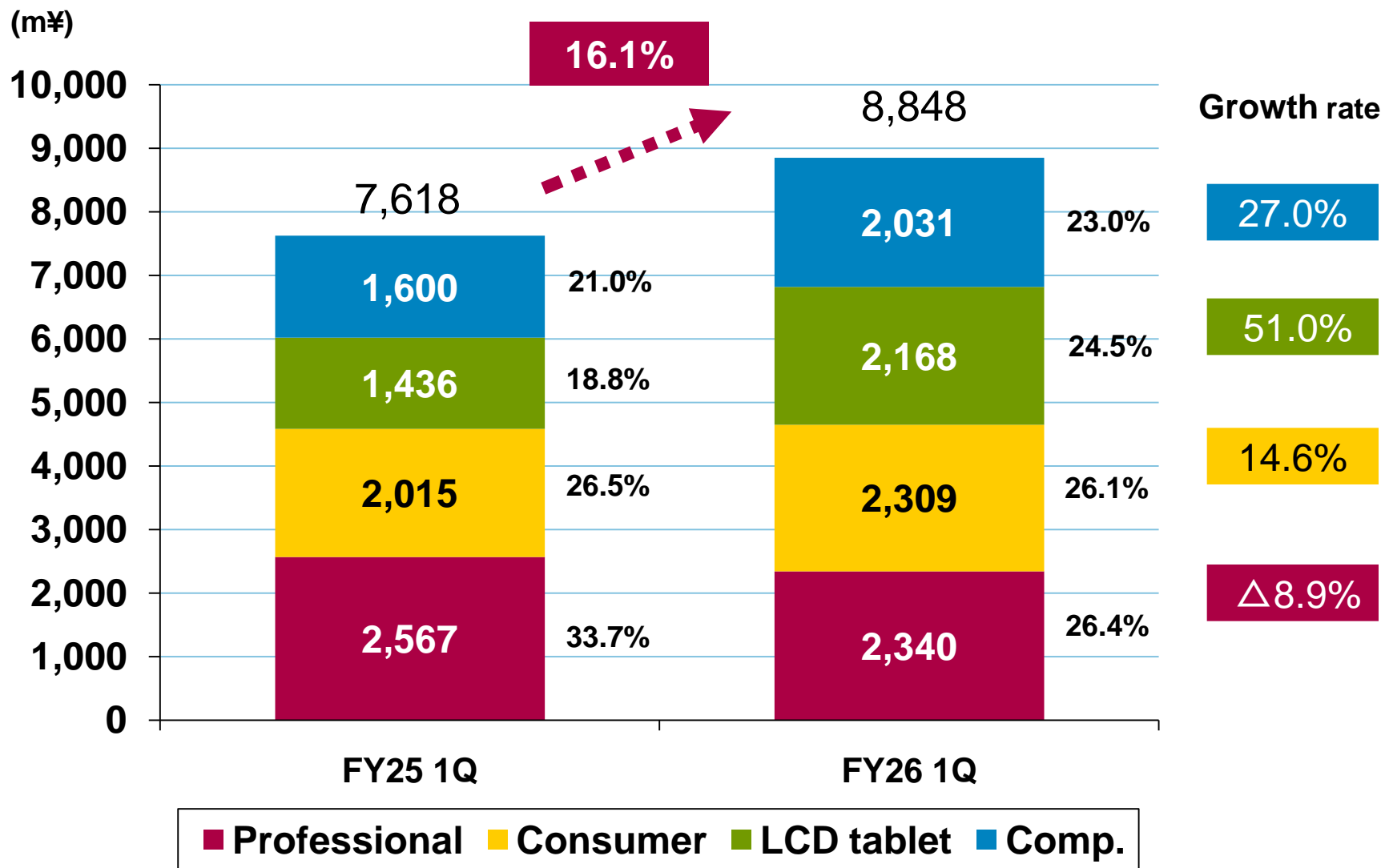
ECS

- Weakened economy outlook extended customer projects
- “ECAD/dio Ver.8.0”, Windows Vista version promotion.
- Promotion of PDM based package solutions
 - “Project Man-hour Management System”
 - “Claim Information Management System” based on PDM

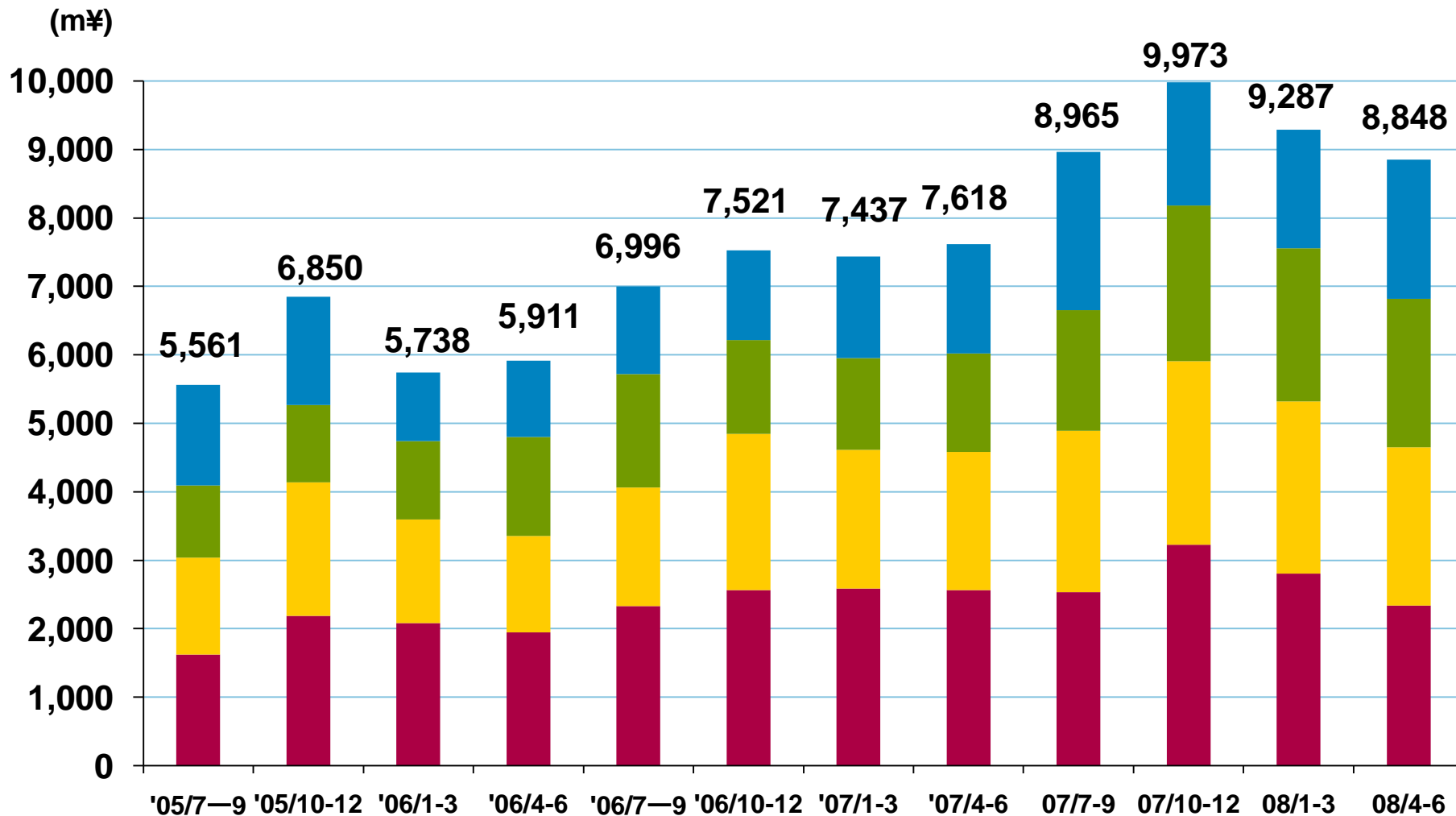
F&A (Corporate)

- Officially commenced J-SOX compliant business operation from this April 1, 2008, as J-SOX law became effective.
- Settlement of patent infringement lawsuits in China & U.S. (April,2008)

ESD Sales by Product Line

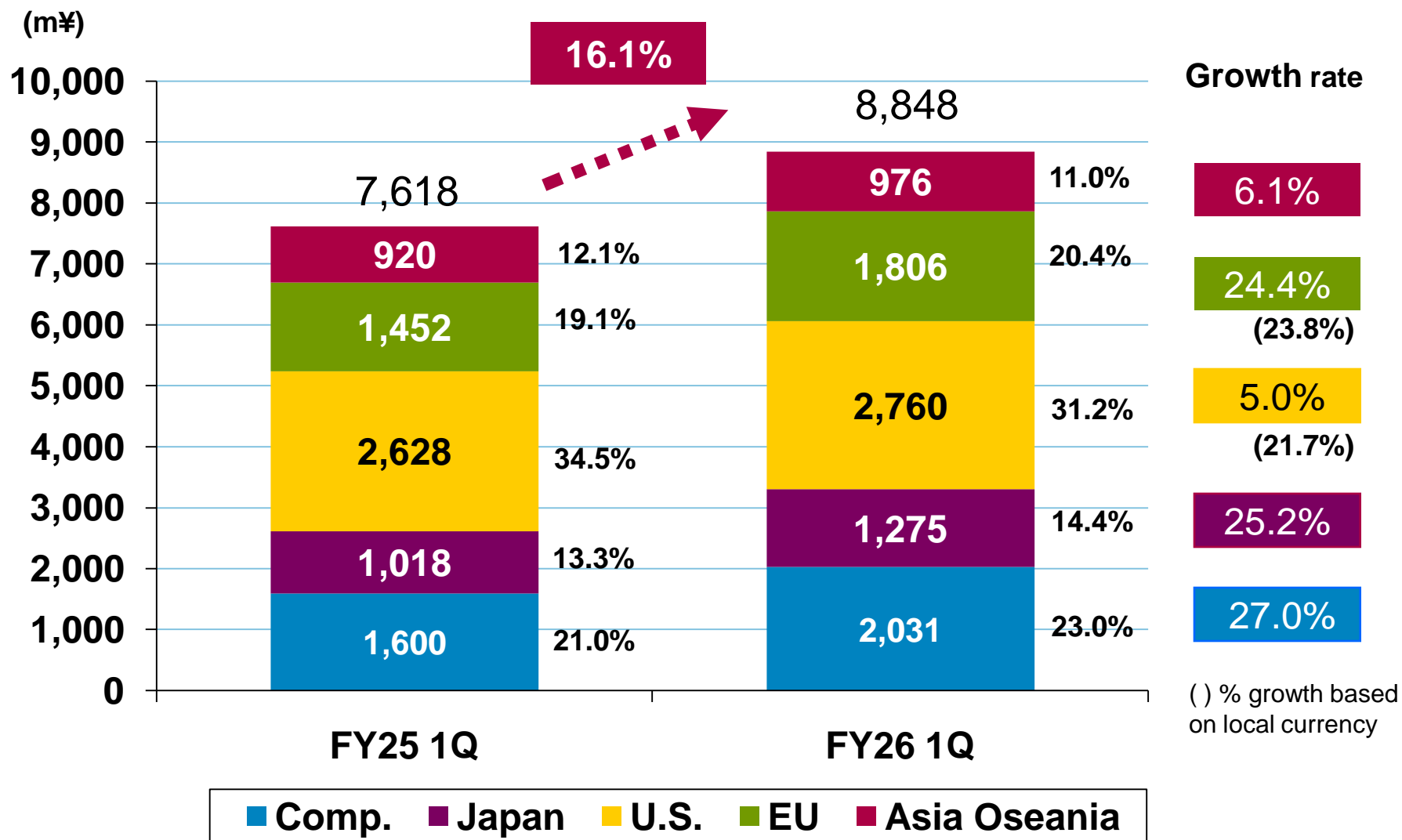


ESD Quarterly Trend by Product Line

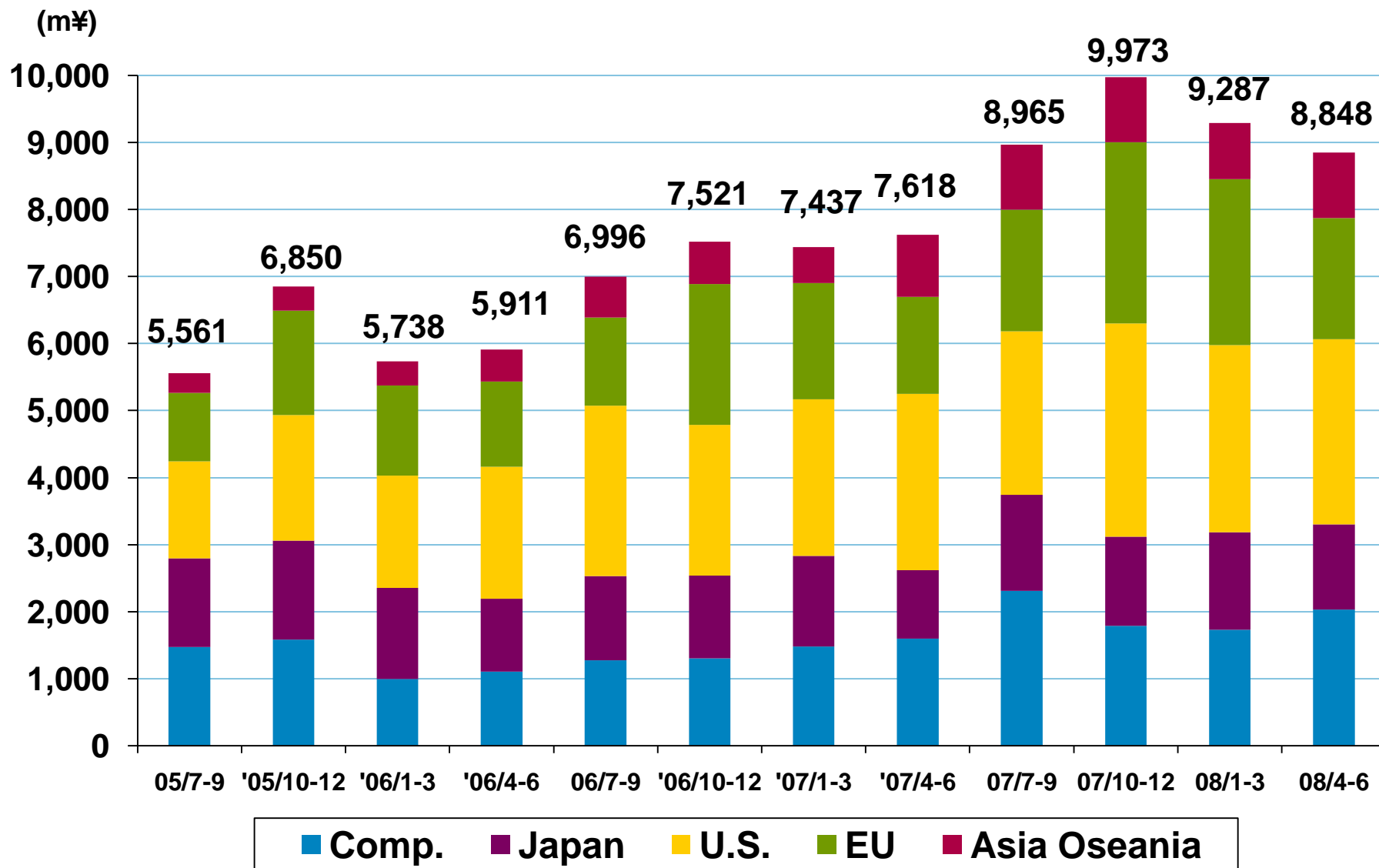


■ Professional
 ■ Consumer
 ■ LCD tablet
 ■ Comp.

ESD Sales by Region



ESD Quarterly Trend by Region



Consolidated B/S

(m¥)

	Mar. 31, 2008	Jun. 30, 2008	Growth
Current assets	24,308	23,811	△497
Fixed assets	4,913	5,259	346
Total assets	29,221	29,070	△152
Current liabilities	9,711	9,241	△470
Fixed liabilities	948	1,002	54
Total liabilities	10,660	10,244	△416
Minority interest in consolidated subsidiaries	0	0	0
Net assets	18,562	18,826	264
Total liabilities and Net assets	29,221	29,070	△152
Equity ratio	63.5%	64.8%	1.2%
Book value per share (¥)	44,178.22	44,651.98	473.76

Consolidated B/S Highlight

- **Retained earnings: - JPY478m**
JPY10,854m(End of FY07) ⇒ JPY10,376m(End of FY08-1Q)
- **Equity ratio: +1.2 Pts**
64.9%(End of FY06) ⇒ 63.5%(End of FY07)
- **Book value per share: +JPY474**
JPY44,178 (End of FY07) ⇒ JPY44,652 (End of FY08-1Q)
- **Decrease in total asset: - JPY152m**
JPY29,211m(End of FY07) ⇒ JPY29,070m(End of FY08-1Q)
 - Cash & Cash equivalents (including securities): -JPY1,517m
JPY14,078m (End of FY07) ⇒ JPY12,561m (End of FY08-1Q)
(including: corporate tax payment for the last FY24: JPY1,115m)
 - Increase of asset due to business scale expansion:
 - Notes and A/R, Trade: +JPY561m
 - Tangible Fixed Assets (Building in progress etc.): +JPY321m

Consolidated C/F

(m¥)

	FY25 1Q	FY26 1Q	YoY Growth
	'07/4- '07/6	'08/4- '08/6	Amount
C/F from operating activities	- 162	- 669	- 507
C/F from investing activities	- 686	- 434	252
C/F from financing activities	- 517	- 687	- 170
Effect of change in exchange rate	233	274	40
Increase of cash & cash equivalent	- 1,132	- 1,517	- 385
Beginning balance of cash & cash equivalent	12,707	13,577	870
Ending balance of cash and cash equivalent	11,575	12,060	485

C/F from operating activities (m¥)

- Net profit before taxes 1,003
- Increase in notes and accounts receivable -604
- Payment for income tax -1,115

C/F from investing activities

- Acquisition of fixed asset -382
(Office expansion of the US subsidiary etc.)

C/F from financing activities

- Dividends payment -909
- Proceeds from issuance of stocks 224

FY26 Business Focus -1

- **Promote and secure thorough compliance**

Ensure full J-SOX compliance with new internal control systems for the first effective year

- **Investment to support future growth**

New technology and product development, IT infrastructure, strong global organization

- **Improvement of “Wacom” brand and product brand value**

Promotion of global brand for enhancing global leadership

ESD business

- **Professional graphics tablet**

Launch and promotion of a new product to increase new users

- **Consumer graphics tablet**

Promotion of pen tablets in “Vista & Office”, establish “Bamboo” brand

- **LCD tablet**

Expansion of graphics users market with “Cintiq12WX”

Promotion of new LCD tablets for vertical market

FY26 Business Focus -2

- Component business
 - Enhancing leadership in tablet PC market
 - Launch of capacitive touchscreen technology
 - Development of new markets for desk top PC and mobile applications
- R&D, NBD (New Business Development)
 - Development of next generation products and technology
 - Development of new product lines
 - Launch of new product lines in new marker segmenmts

ECS business

- Expansion of the market share in CAD market with ECAD/dio
- Value added integration support to ECAD customer base

SCM-F&A (Corporate)

- Internal control system in accordance with J-SOX, effective in FY26
- Improvement of global SCM, and global IT infrastructure
- Enhancement and protection of IP assets

Forecast of business results for FY08

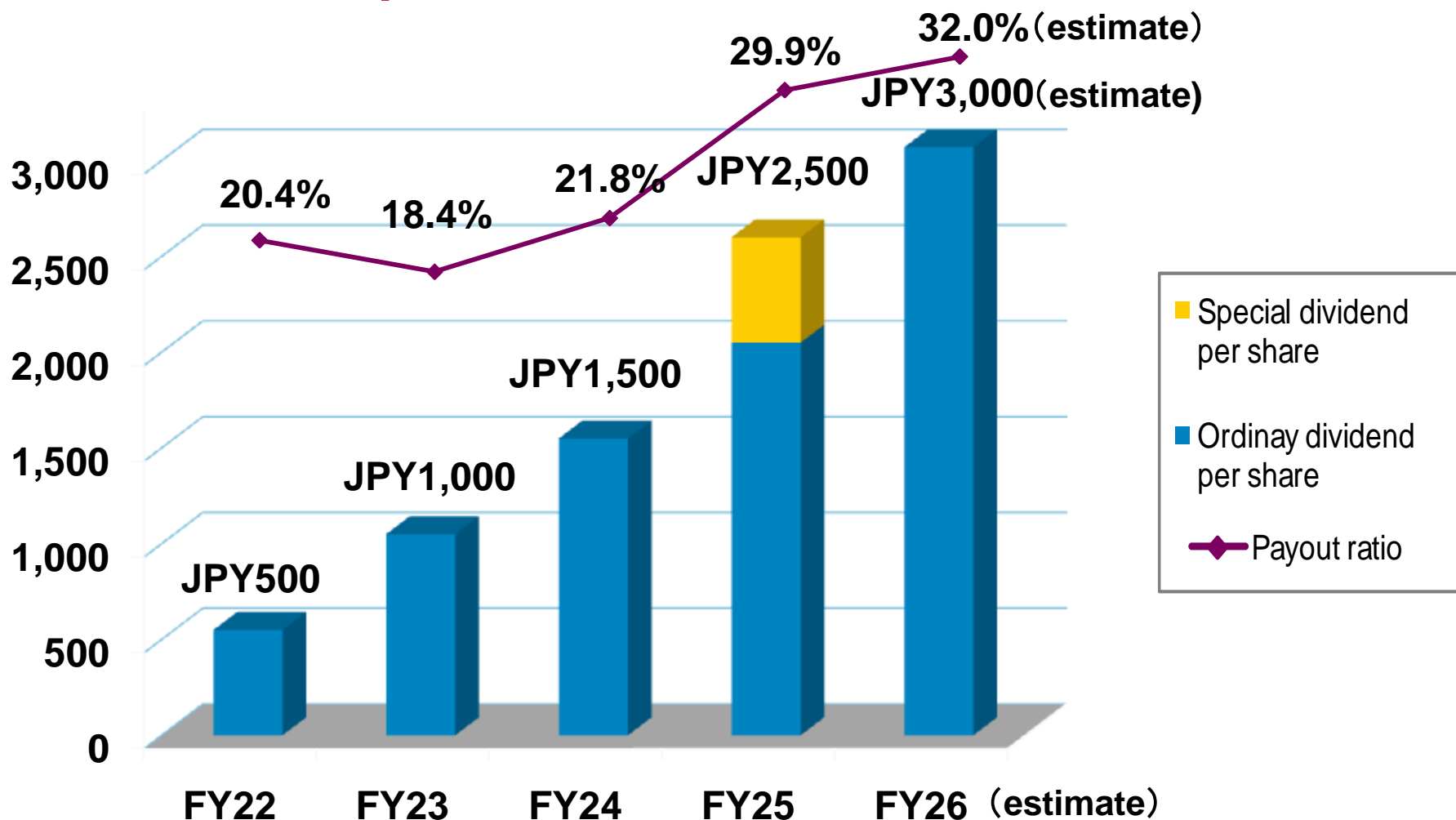
(m¥)

	FY25 1H		FY26 1H		YoY
	2007/4-9		2008/4-9		Growth rate
Sales	17,018		19,000		11.6%
OP	1,887	11.1%	2,150	11.3%	13.9%
RP	1,937	11.4%	2,130	11.2%	10.0%
NP	1,171	6.9%	1,350	7.1	15.2%

(m¥)

	FY25		FY26		YoY
	2007/4-2008/3		2008/4-2009/3		Growth rate
Sales	36,739		44,500		21.1%
OP	5,539	15.1%	6,500	14.6%	17.3%
RP	5,581	15.2%	6,450	14.5%	15.6%
NP	3,501	9.5%	3,950	8.9%	12.8%

Dividends per Share



Common Shares Split

Nov. 2003 Split 5-for 1 basis Nov. 2005 Split 4-for 1 basis
 Dividends before 22nd term reflects the above share splits

Assumptions to the consolidated business results forecast

- Average FX rate
 - USD:JPY 100 / USD
 - EUR:JPY 155 / EUR
- A prospect of business except FX rate
 - Limited recession in global economy
 - Limited impact of raw material cost increase in components
 - Stable transition in FX rate
 - Christmas sales are steady in professional and consumer tablets
 - Components sales are favorable through FY09

New Mid-Term Plan

Future strategy

New Mid-Term Plan

Growth strategies

Products & regions



Future Strategy

A young girl with long brown hair, wearing a blue knitted dress over a white shirt and blue sneakers, is lying on her back on a sidewalk. She has her hands behind her head and is smiling. The sidewalk is covered in colorful chalk drawings, including a large rainbow, a sun, a tree, and various abstract shapes. The background is a dark, textured surface, possibly asphalt or concrete, with a vertical line running down the center.

From technology to people

From pen to user interface solutions

From professionals to consumers

Anywhere in the world, for everybody in the world

Open up. Sense more.



wacom

Open up. Sense more.

Open Up

To what could be.

To new perspectives and experiences.

To experience the same world through different minds.

Sense More

Of life and people around you.

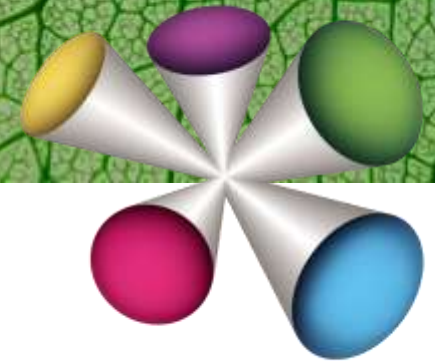
Of the world in all its richness, making life better.

Richer. More exciting.

Mid-Term Plan : WP1018

Basic Strategy

Focus on Natural and Intuitive User Interface Solutions
and Establish “De-facto Standard” in Digital Paper Era



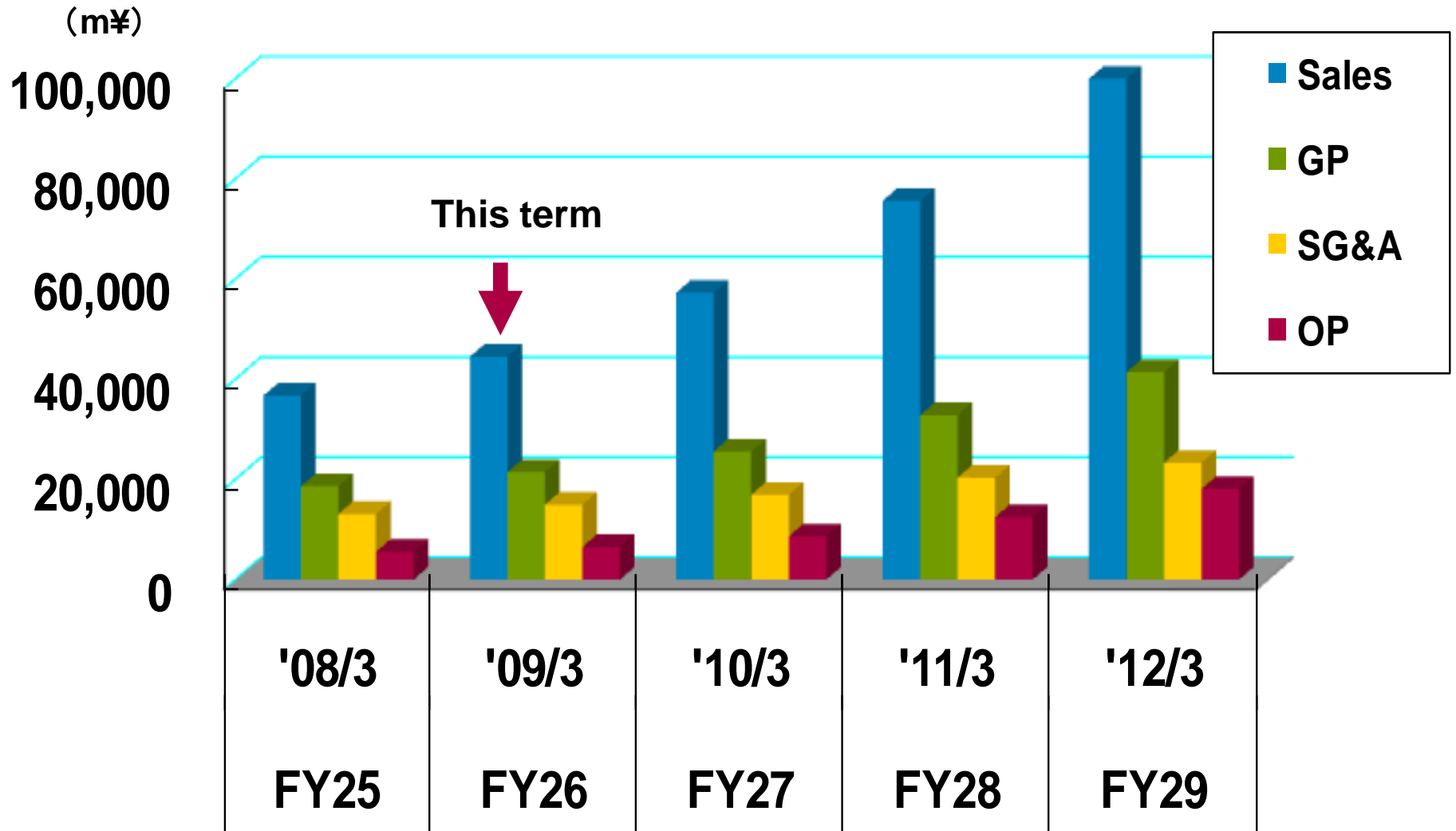
WP1018: Financial Goals

- By FY29 (ends March 2012)
- Consolidated sales : 100 billion Japanese yen
- Consolidated operating income ratio : 18% or higher

Assumption for WP1018

- Global proliferation of digital design process
- Continued growth of digital content demand
- Steady transition to Windows Vista
- Acceleration of platform integration among PC, mobile phone and digital home appliances
- Global recession risk managed and emerging market expansion continues
- Limited impact of raw material cost increase in components
- Global exchange rate stay relatively stable
 - 1\$=¥100、1EUR=¥155

Consolidated P/L Forecast



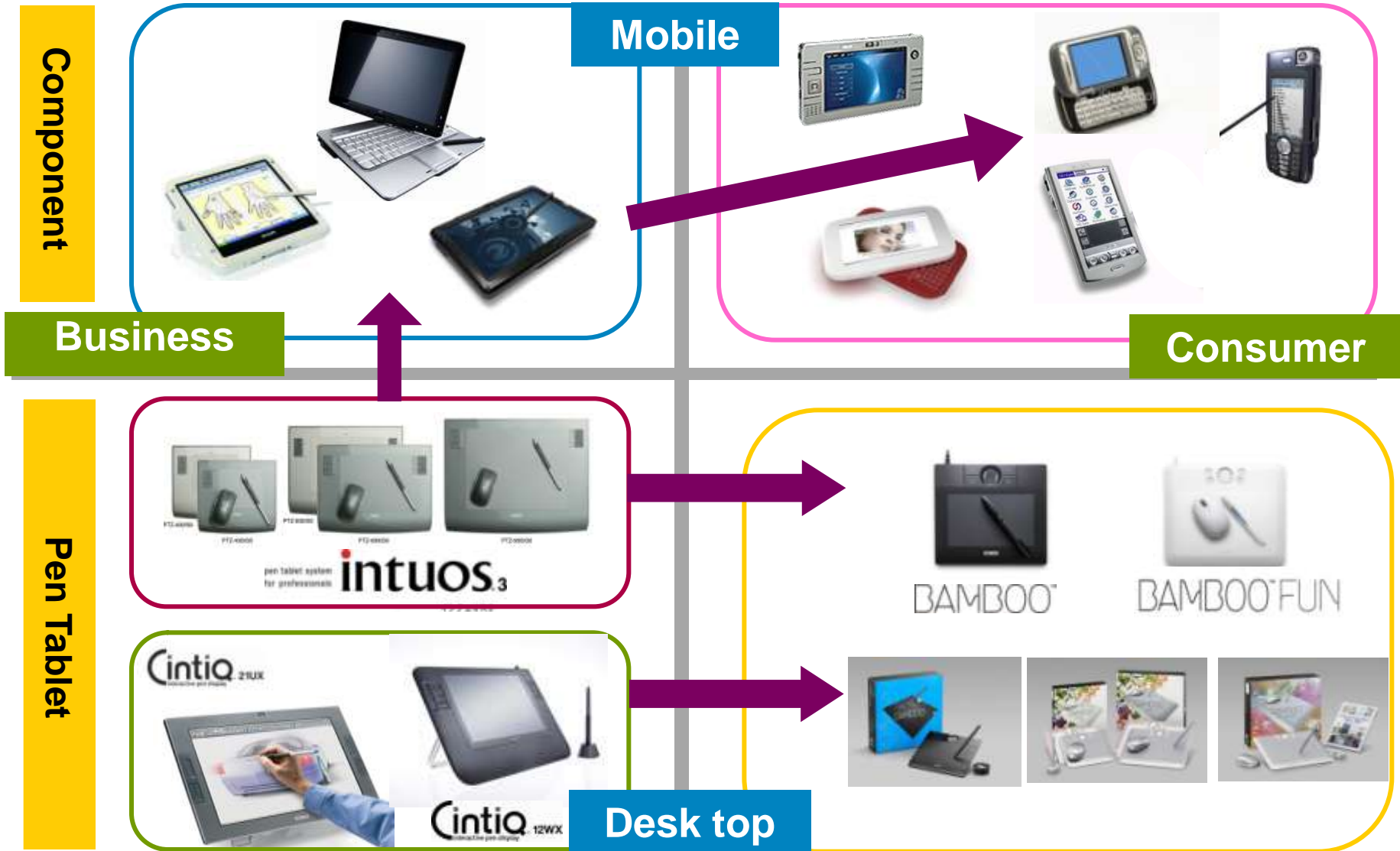
Growth Strategies

- Global leadership enhancement and growth
 - Product Line expansion for leadership enhancement
 - Invest in emerging market and new segment development
 - Guide professional users to LCD tablets
- Expand component business
 - Develop UI standard in TPC, expand to Desktop
 - Expand to mobile phone, game, and info appliances.
 - Provide integrated UI solution with “pen + touch + display”
- Global branding and brand value enhancement
 - Globally integrated brand communication
 - Customer driven product management for higher CS
- New technology and new business development
 - New UI technology development, joint R&D and M&A
 - New business and new product line development

Growth Strategies

- Enhance SCM function and improve process integration
 - Global SCM optimization through EMS partnerships
 - Black box production of key component
 - Establish global leadership in Quality, Cost and Delivery
- Global QA enhancement and global integration
 - Global process integration for improvement of CS
 - Organization and resources enhancement
- Global management integration
 - Global process improvement and IT support
 - Improve process accuracy for global compliance
- Expansion of global partnership
 - OS, application, display, system solutions
 - Penabled Partnership Program (PPP)

Product Portfolio of ESD



Product line strategies

- Advanced design tools for design professionals
- Natural and intuitive UI products for consumers
- Intuitive UI solutions for vertical applications
- Low-cost high performance UI solutions for all platforms



Technology Standard

- pen
- touch
- display
- optics...

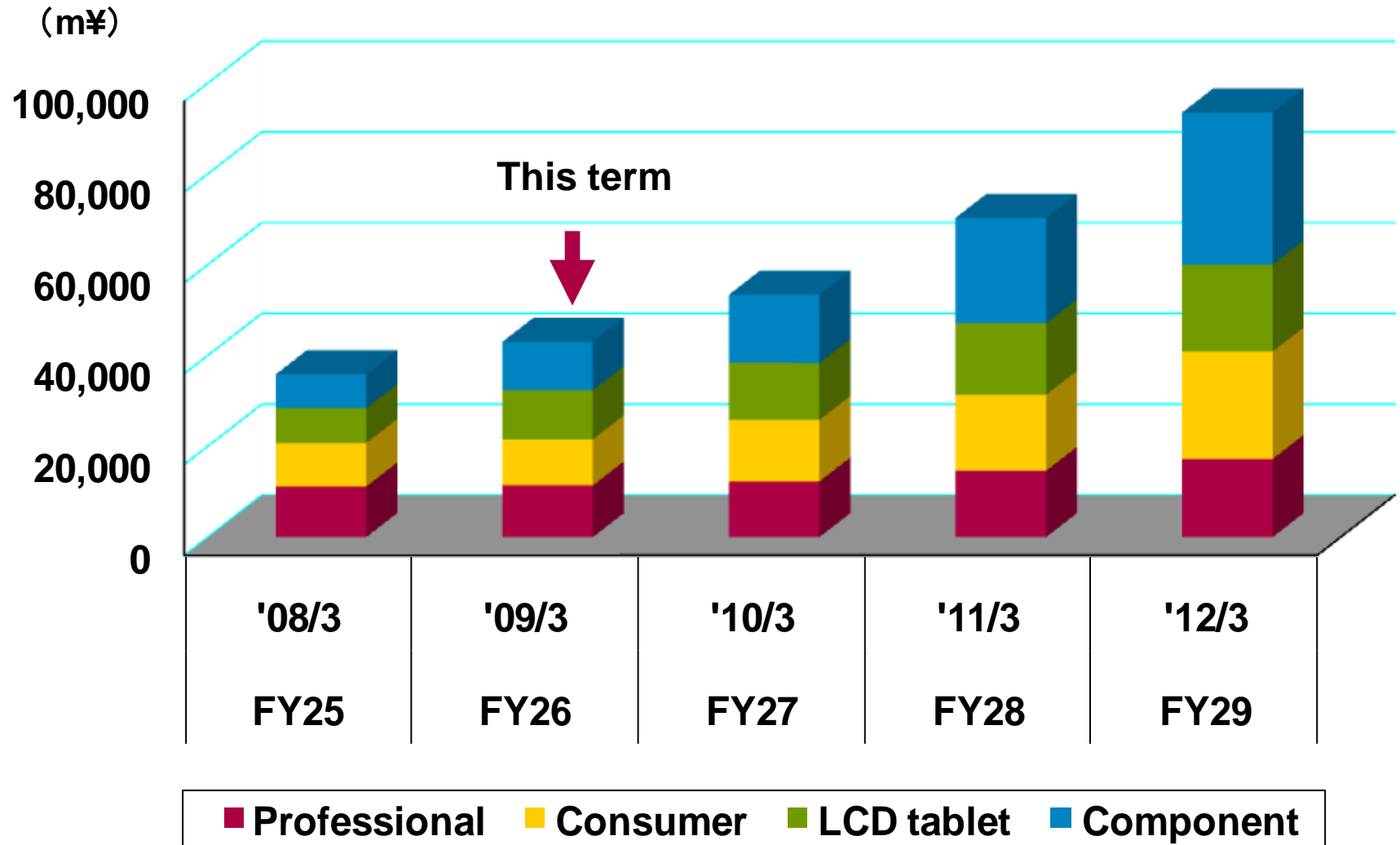


**De-Facto standard
in Digital Paper Era**

- Integrated UI Solution



Sales Forecast by Product Line (ESD)

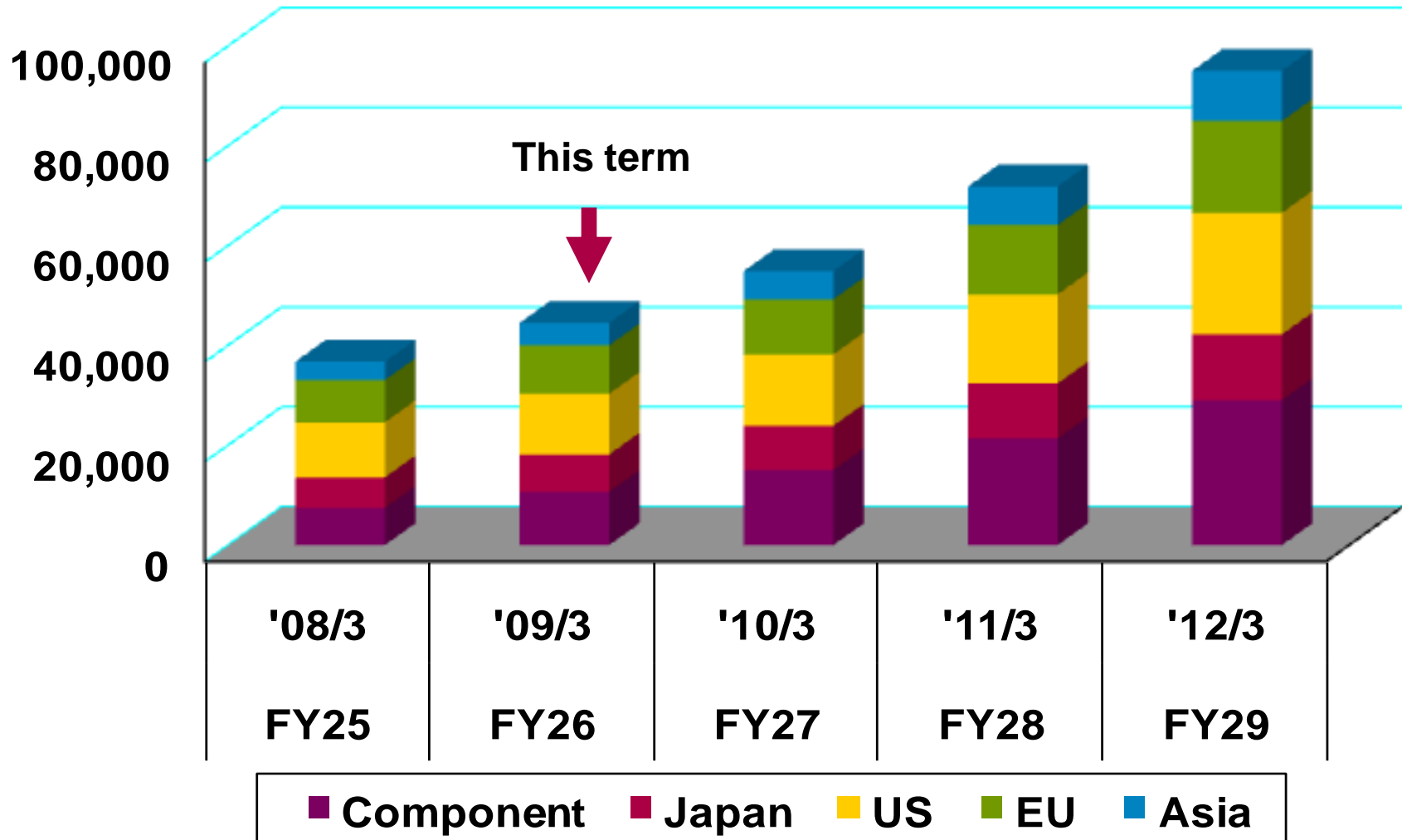


Global strategy

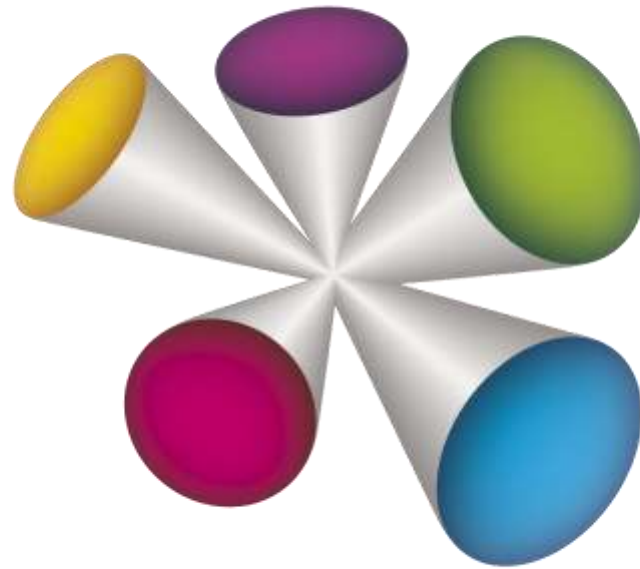
- Business growth in primary/leading markets
 - Proliferation of digital design process
 - Accelerating demands for digital contents
- Expansion in emerging regions
 - Accelerate the growth in China and Asia Pacific regions
 - Investment in business infrastructure in India, Russia, and South America
- Global SCM optimization
 - Enhance SCM management organization in China
 - Integrate EMS process and improve communication
 - Risk management of SCM with “China+1”
- Global R&D enhancement
 - Enhance global R&D organization for global talents

Sales Forecast by Region (ESD)

(m¥)



Thank you.



Disclaimer

Forward-looking statements regarding future events and performance contained in this presentation are based on currently available information and involve risks and uncertainties, including macroeconomic conditions, trends of the industry in which the company is engaged, and progress in new technologies. 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.

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