

For reference (Translation in English)

July 29, 2010

Wacom Co., Ltd.

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(Company Code: 6727 TSE1)

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## **Re: Issuance of Stock Acquisition Rights for the Purpose of Granting Stock Options**

At a meeting held on July 29, 2010 the Board of Directors of Wacom decided 'Option Issuance Guidelines' applied to Directors, Executive Officers and employees, etc., of Wacom and its affiliates. It was resolved to recruit people accepting Stock Acquisition Rights pursuant to Article 236, 238, and 239 of the Corporation Act of Japan and the proposal of 'Issuance of Stock Acquisition Rights for the Purpose of Granting Stock Options' adopted at its Ordinary General Shareholders's meeting of Wacom, held on June 24, 2010. This was done in order to enhance enthusiasm and raise morale for improving business performance and thereby contribute to strengthening Wacom's international competitiveness.

Please refer the details below.

### 1. Name of the Options

Sixth Stock Acquisition Rights of Wacom Co., Ltd. (WCL)

### 2. Recipients of the Options and number of people and stock options assigned to them

Directors	6 people	500 units
Executive officers	3 people	70 units
Employees of the company	70 people	1,250 units
Directors of subsidiaries of the company	5 people	210 units
Employees of the subsidiaries of the company	62 people	970 units

### 3. Type and Number of the shares as the objective of the Options

The type of the shares as the objective of the Options shall be common shares of WCL and the number of share per one unit of the Options shall be one (1).

If WCL conducts a stock split or a reverse-stock split, the number of the share as the objective of one unit of the Options (hereinafter referred to as the "Grant Number of Shares") shall be adjusted according to the following formula. However, such adjustment shall be made only for the shares associated with the Options that have not been exercised as of the date of such an event. Any fraction less than one share created as a result of the adjustment shall be discarded.

$$\text{Number of shares after adjustment} = \text{number of share before adjustment} \\ \times \text{ratio of stock split or reverse-stock split}$$

In addition to the above, if any of such events occurs as a merger of WCL with another company in either case of absorption of one by the other or establishment of a new company,

a demerger of WCL in either case of establishment of another company or partial absorption of WCL by another company and whatever similar to those cases when some adjustment on the number of the issuable shares is required and inevitable, WCL may adjust the Grant Number of Shares to the reasonable extent.

#### 4. Total number of the Options

The total number of the Options shall be 3,000 units.

The above total number of the Options is a projected number, and in such cases of reduction in the number of the Options for allocation as unfulfilled applications for acceptance of the Options and so on, the total number of the Options of effective allocation shall be regarded as the total number of the Options issued.

#### 5. Amount to be paid in exchange for the Options

At the time of allocation, any payment shall not be required in exchange for acquisition of the Options.

#### 6. Asset value to be invested by the exercise of the Options

The asset value to be invested by the exercise of one unit of the Options shall be the amount obtained by multiplying the amount to be paid for each share to be issued upon the exercise of the Options (hereinafter referred to as the "Exercise Price") by the Grant Number of Shares.

The Exercise Prices is defined as follows:

The Exercise Prices shall be the amount obtained by multiplying the closing price of the common stock in the regular trading thereof on the Tokyo Stock Exchange on the allocation day (in the event that there is no closing price on the allocation day, the closing price on the day of solid trading immediately preceding the allocation day shall apply) by 1.025, provided that any amount less than one (1) yen shall be rounded up to the nearest yen.

In the event that WCL carries out a stock split or a reverse-stock split after the allocation day of the Options, the Exercise Price shall be adjusted according to the following formula and any fractional number less than one (1) yen arising from the adjustment shall be rounded up to the nearest yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \\ \times 1 / \text{ratio of stock split or reverse-stock split}$$

In addition to the above, if any of such events occurs after the allocation day as a merger of WCL with another company, a demerger of WCL, a reduction of WCL's capital and what ever similar to those cases and if adjustment of the Exercise Prices is required, the Exercise Price shall be adjusted to the reasonable extent by the resolution to be adopted at the meeting of the Board of Directors.

#### 7. Period for the exercise of the Option

From August 12, 2012 to August 11, 2015

#### 8. Conditions of the exercise of the Options

- (1) The options must be exercised in whole units only.
- (2) The recipients of the Options are required to be and limited to those who will continue to be active directors, executive officers or employees of WCL or its subsidiary that was employing them at the time of the allocation of the Options until the end of the Ordinary General Meeting of Shareholders for the latest fiscal year within two years after the end of the 27<sup>th</sup> Ordinary General Meeting of Shareholders of WCL.
- (3) Any recipients whom the Options have been allocated to shall lose their Options when they lose the positions of directors, executive officers or employees of WCL or its subsidiary at all.
- (4) Succession of the Options is not allowed.
- (5) Once the recipients of the Options renounce the Options, they may never exercise the Options renounced previously.

#### 9. Case of Expropriation and Conditions

In the event when the agreement of merger which stipulates absorption of WCL by another company get approved by the General Meeting of Shareholders or when the stock exchange agreement or the stock transfer resolution which makes WCL a complete subsidiary of another company get adopted by the General Meeting of Shareholders, WCL may expropriate the Options from the recipients free of charge.

#### 10. Restrictions on the transfer of the Options

Any acquisition of the Option through transfer requires the approval of the Board of Directors.

#### 11. Subjects related to the Paid-in Capital and Capital Reserve to be increased by the issuance of shares at the time of the exercise of the Options

- (1) The amount of the Paid-in Capital to be increased by the issuance of shares at the time of the exercise of the Options shall be a half of the maximum amount of increase of the Paid-in Capital and so on to be calculated in accordance with the item 1 of Article 17 of the Corporate Account Statements Rules, provided that any amount less than one (1) yen shall be rounded up to the nearest yen.
- (2) The amount of the Capital Reserve to be increased by the issuance of shares at the time of the exercise of the Options shall be the amount to be obtained by deducting the actually increased amount of the Paid-in Capital by the above item (1) from the increased amount of the Paid-in Capital and so on calculated in accordance with the item 1 of Article 17 of the Corporate Account Statements Rule.

#### 12. Handling of Fractions less than one share at the time of the exercise of the Options

If the shares to be issued at the exercise of the Options includes fractions less than one (1) share, such fractions shall be discarded.

13. Allocation day of the Options

August 11, 2010

14. Procedures for the exercise request of the Options and payment

- (1) For the purpose of exercising the stock options, the necessary items shall be filled in the request for the exercise of the Options in the form designated by WCL and, after being signed and stamped, shall be submitted to the place of receipt of the request for the exercise of the Options defined in the item 15 below.
- (2) Besides the submission of the request for the exercise of the Options according to the above item (1), the total amount obtained by multiplying the asset value to be invested by the exercise of each unit of the Options by the unit number of the Options for the exercise shall be paid in cash to the account of the place of administration for payment designated by WCL, which is mentioned in the item 16 below, by the day and time designated by WCL.

15. Place to receive the request for the exercise of the Options

General Affairs Department of WCL (or the department in charge of handling the Options at respective times)

16. Place of administration for payment at the time of the exercise of the Options

Shinjuku-Sintoshin Branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (or the bank of successor of the designated bank or the branch of successor of the designated branch at respective times)

17. Time when the exercise of Options becomes effective and so on

- (1) The recipients who have exercised the Options shall become shareholders who own the common shares of WCL, the objectives of the Options, in accordance with the provisions of the laws and regulations applicable to this transaction.
- (2) As soon as the procedures for the exercise of the Options have been completed, WCL shall take necessary action to register or record the shares which the recipients of the Options shall gain as the result of their exercise of the Options at the accounts of their names which they have previously established at the financial instruments broker and the like designated by WCL.

18. Substitutions or other treatments regarding the provisions of this Guidelines

In case when substitutions or any other treatments regarding the provisions of this Guidelines are required, WCL may revise this Guidelines by means WCL consider appropriate on how to treat such cases in accordance with the stipulations of the Corporation Law and the aims of the Options. Such revisions made by WCL shall constitute part of this Guidelines.

19. Public disclosure of the Guidelines

WCL shall keep a certified copy of the Option Issuance Guidelines at its head office and shall offer it for reviewing by the recipients of the Options during its office hours.

20. Others

All the other matters and settlements related to the Options shall be left to the representative director of WCL.

(Reference)

1. The date of decision of its proposal to the Ordinary General Shareholders' meeting of Wacom  
: April 30, 2010
2. The date of its adoption at the Ordinary General Shareholders' meeting of Wacom  
: June 24, 2010

Concluded