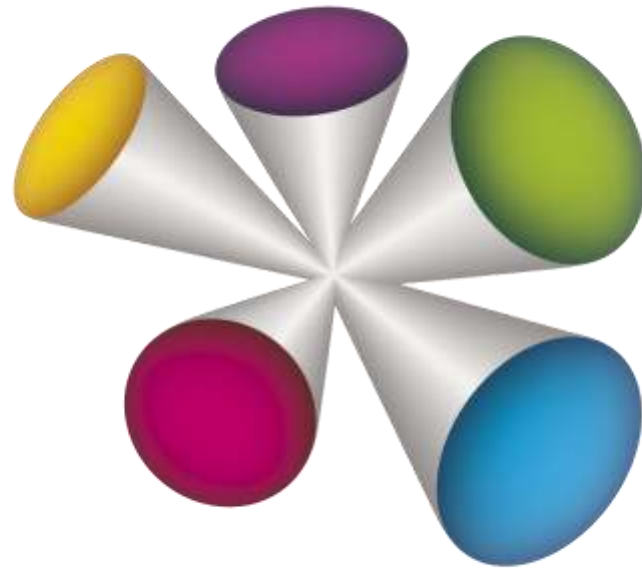


Business Report

FY28 Apr. 2010-March. 2011

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



FY28 Consolidated Result Summary

Despite continuous economic growth in emerging countries, major developed countries didn't attain a full-scale recovery, and the JPY rapidly appreciated. In addition, the great earthquake severely damaged global supply chains and the domestic economy.

Wacom's sales and profit increased over the previous year with the steady growth of tablet business during Xmas season, mass-production of multi-touch sensor components and successful cost management.

Sales:	+3.2% YoY
Operating Profit:	+5.0% YoY
Recurring Profit:	+7.6% YoY
Net Profit (aft. tax):	+0.9% YoY

Consolidated P/L

(m¥)

	FY27	FY28	YoY Change	
	'09/4-'10/3	'10/4-'11/3	Amount	Ratio
Sales	32,045	33,075	1,031	3.2%
Gross Profit	15,668	15,667	-2	-0.0%
GPM	48.9%	47.4%		
Operating Profit	3,128	3,284	156	5.0%
OPM	9.8%	9.9%		
Recurring Profit	3,156	3,396	239	7.6%
Net Profit aft. Tax	1,968	1,987	18	0.9%

- Average FX rates: FY27 JPY 93.04 /USD JPY 130.62 /EUR
FY28 JPY 85.82 /USD JPY 113.56 /EUR

**Effects of foreign exchange: Sales -2.53bn (equivalent to -7.9%)
(JPY appreciation) OP -0.94bn (equivalent to -30.1%)**

Consol. P/L by Business Segment

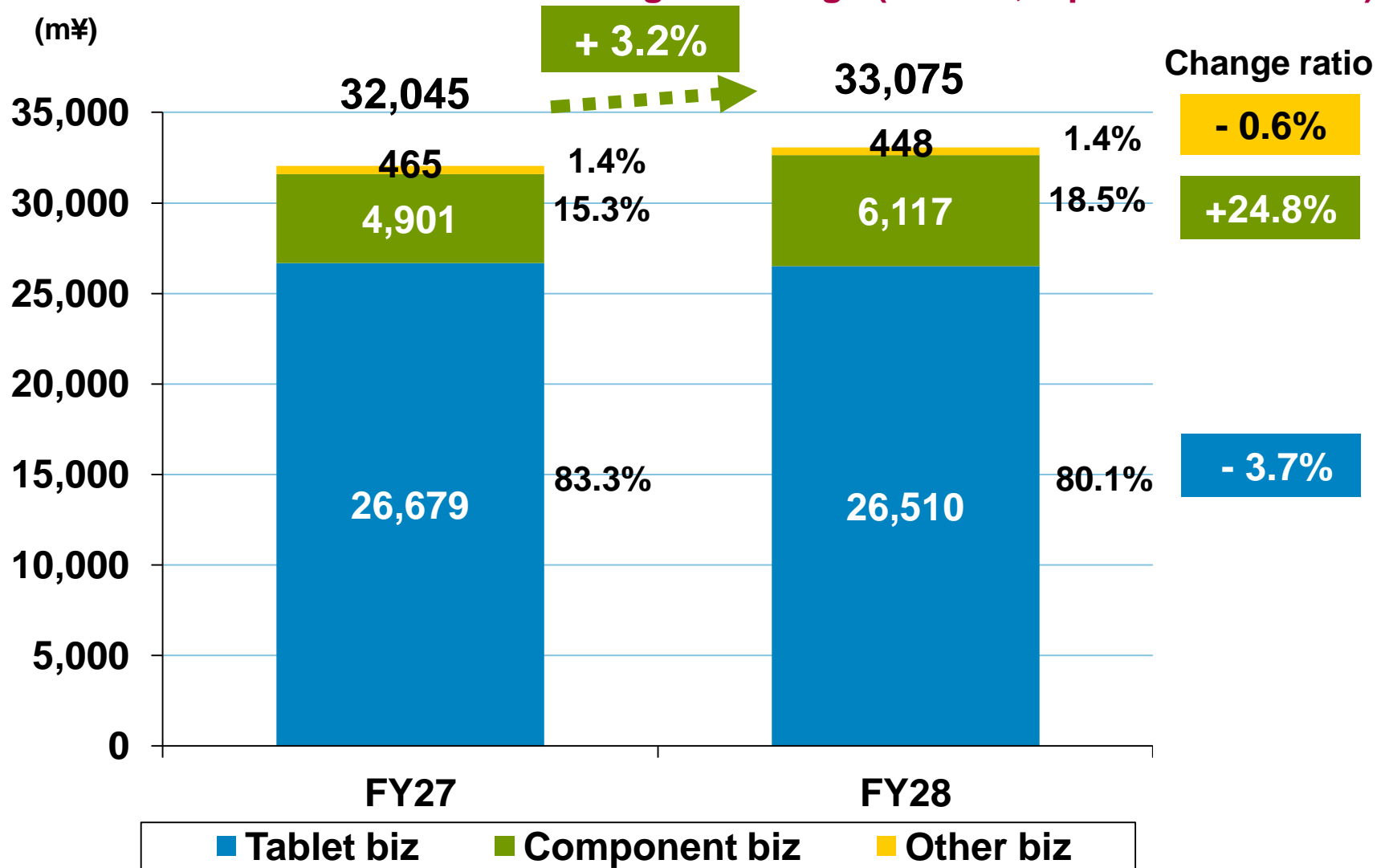
(m¥)

	FY27	FY28	YoY Change	
	'09/4-'10/3	'10/4-'11/3	Amount	Ratio
Sales	32,045	33,075	1,030	3.2%
Tablet biz	26,679	26,510	-169	-0.6%
Component biz	4,901	6,117	1,216	24.8%
Other biz	465	448	-17	-3.7%
Operating Profit	3,128	3,284	156	5.0%
Tablet biz	5,812	5,662	-150	-2.6%
Component biz	-617	-236	381	-
Other biz	-424	-150	274	-
Corp. and others	-1,643	-1,992	-349	21.2%
OPM	9.8%	9.9%		

(Note) According to management approach, reporting segments are re-divided into the tablet business, the component business, and other businesses.

Consolidated Sales Comparison

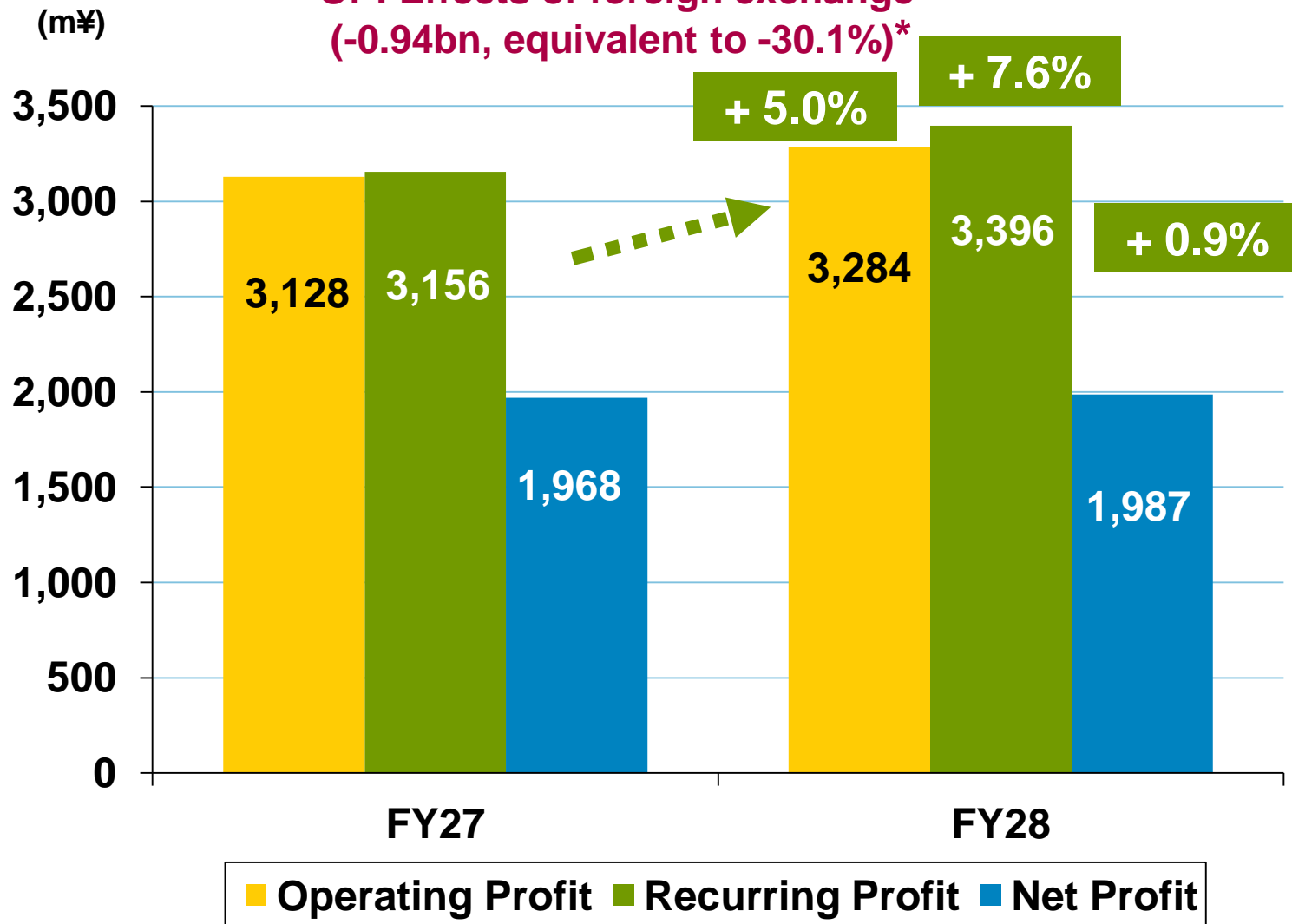
Effects of foreign exchange (-2.53bn, equivalent to -7.9%)*



*Constant currency basis 35,605

Consolidated Profit Comparison

OP: Effects of foreign exchange
(-0.94bn, equivalent to -30.1%)*



*Constant currency basis 4,224

Operating Expenses Comparison

(m¥)

	FY27	FY28	YoY Change	
	'09/4-'10/3	'10/4-'11/3	Amount	Ratio
Personnel	4,733	4,681	-52	-1.1%
R&D	1,580	1,291	-290	-18.3%
Ad. & Promo.	1,963	1,921	-42	-2.2%
Other	4,263	4,490	227	5.3%
Total	12,540	12,382	-158	-1.3%
Opex/Sales ratio	39.1%	37.4%		

Key changes

- Increase : Freight cost and depreciation of global SCM system, etc.
- Decrease : Bonus allowance and R&D expenses relative to intensive new product development in FY27, etc.

Business Highlight -1

Tablet Business

- 0.6%

Professional tablets

- 3.0%

- EMEA sales of Intuos4 recorded 2 digit growth (local currency base), while US market was sluggish. total sales decreased due to the JPY appreciation.
- Rapid growth of the Chinese graphics market led Asia-Oceania sales to the same level as Japan's market.



Consumer tablets

+ 0.0%

- Sales volume showed steady growth owing to enhanced web marketing, despite the JPY appreciation.
- Showed favorable sales in US and steady sales in EU, recorded significant sales increase in Asia-Oceania including 50% growth in China (local currency base).
- “Bamboo Dock & Apps” started free download service, to expand the awareness of pen and touch benefits.
- Received numerous awards including Bamboo apps. Plus X award, Red Dot award, Adobe Max, etc.



Business Highlight -2

Cintiq 21UX
interactive pen display



LCD Tablet

+ 1.9%

- Cintiq21UX receives high reputation in global graphics market, the supply of high-definition LCD panels improved, but still behind on the strong demand.
- Showed favorable OEM demand for US education in 1H, sales recovery for medical in Japan as well as winning a big project in China in 2H.
- Increase of new signature tablet projects. Acquired software business of digital signature from Florentis UK in February to promote solutions.



STU-520

Component Business

+24.8%

- Significant sales increase with the mass production of multi-touch sensor systems for Windows PCs offered by HP, Lenovo, Fujitsu, Toshiba, Panasonic, etc. (Project win : over 20 models in FY28)
- Increased pen components for tablet-type device projects.
- Started to promote IC controller for unlimited multi-touch detection.

Reference: sales ratio of component varieties

Varieties	Pen Only	Touch Only	Pen & Touch
FY28 Total	4	1	5

Wacom feel IT technologies

feel™

Component Customer Projects

Customer PC models for Windows 7

Android based Tablets
Linux based eBooks



TOSHIBA



TouchSmart tm2 ThinkPad X201 Satellite M505 libretto W100



FUJITSU

Panasonic
ideas for life

Motion
Computing

ASUS

enTourage

FMV-MT/E50

Let's note CF-C1

J3500

Eee Slate

Business Highlight -3

Other businesses

- 3.7%

CAD software (ECAD dio) + 14.4%



- Launched the main product “ECAD dio 2011” in September, and has received high reputation.
- Enhanced wire harness design capability for industrial machinery and the robotics market.

Professional DJ system (Nextbeat) -141.2%

- Received a high reputation from top DJ artists, but sales remained slow.
- Booked 134 mil ¥ loss due to the business liquidation.

F&A (Corporate)

- Established Wacom India, Pvt. Ltd, in New Delhi in October.
- New global SCM system worked successfully, expanded the link to partners.
- New ERP under development. (cut over in FY29 1H)
- Japan-Germany APA agreement reached for transfer pricing.
- Received the 16th “Disclosure Award” from TSE.

Business Highlight -4

Influence and Action on the Great East Japan Earthquake

Updated its status as TSE disclosure as follows:

- All employees are reported to be safe.
- Partial damage to the administration and factory headquarters buildings. (Saitama Pref.) No damage in the Tokyo branch or other domestic offices.
- Most of the production facilities are overseas, domestic factory resumed its normal operations. There are no difficulties in parts supply except for the high definition LCD for professional products. The influence on production activities will be suppressed to a minimum by having close relationships with suppliers and partners near the affected area.
- Enough electric power will be secured for the facilities (except air-conditioners) by using private electric generators and with flexible work hours. Production activities will continue normally during any blackouts.

Influence on FY28 results

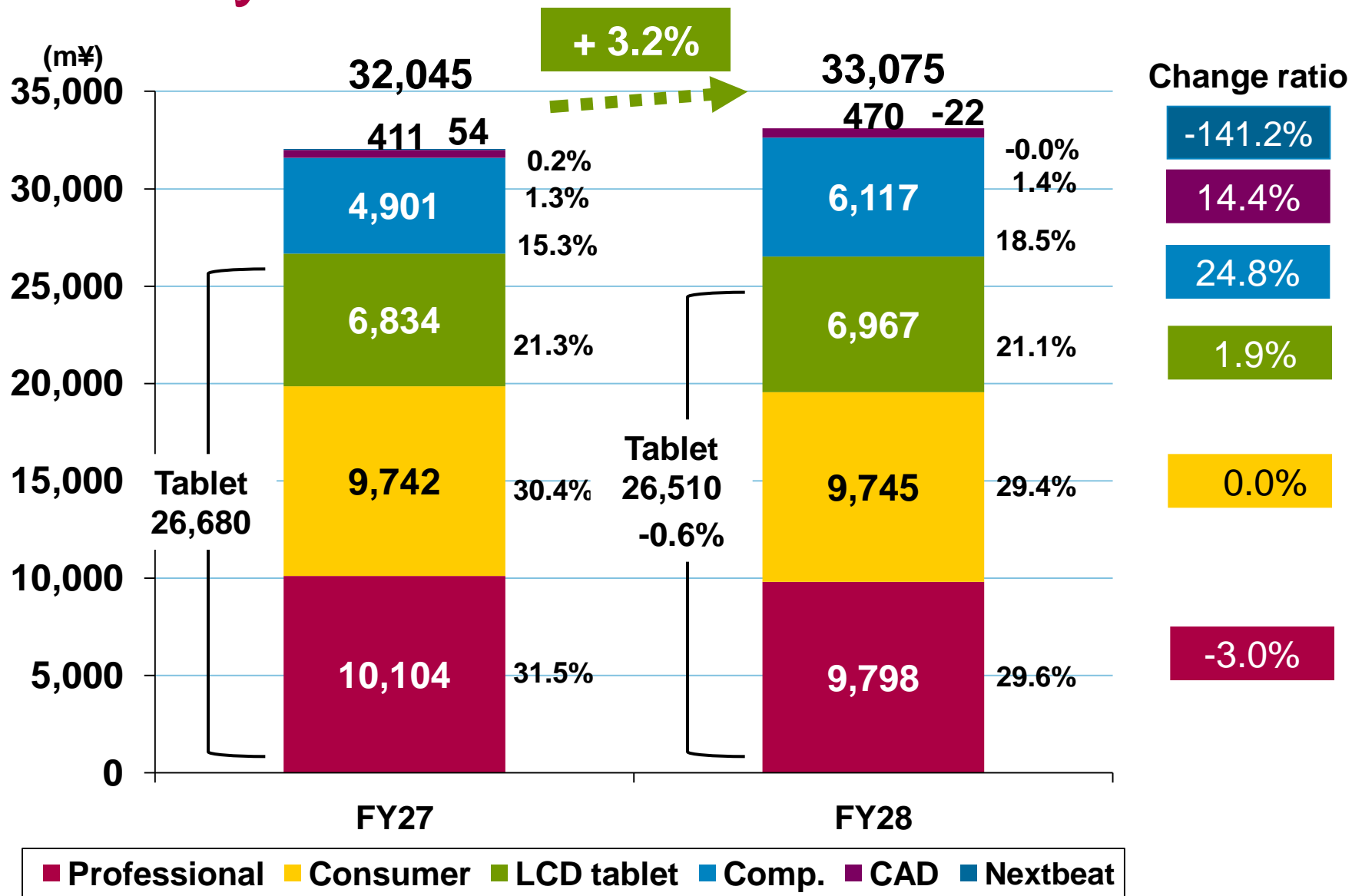
- Booked 197 mil ¥ as provision for disaster loss in FY10.
(Restoration of the interior demolition, plumbing and fixtures)
- Total donation of 150 mil ¥ (Consolidate base)

Business Highlight -4

The headquarters damaged by the Great East Japan earthquake

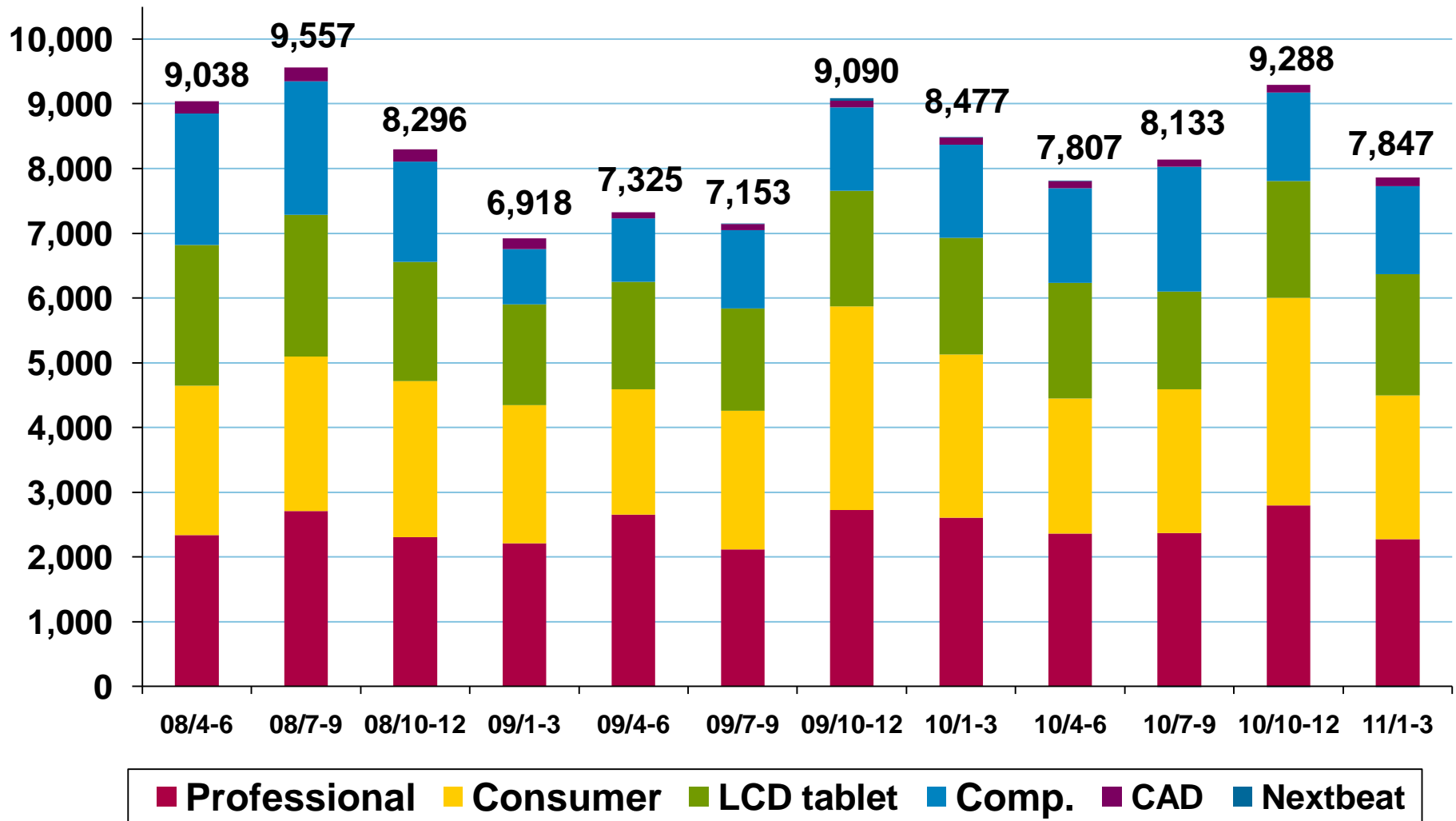


Sales by Product Line

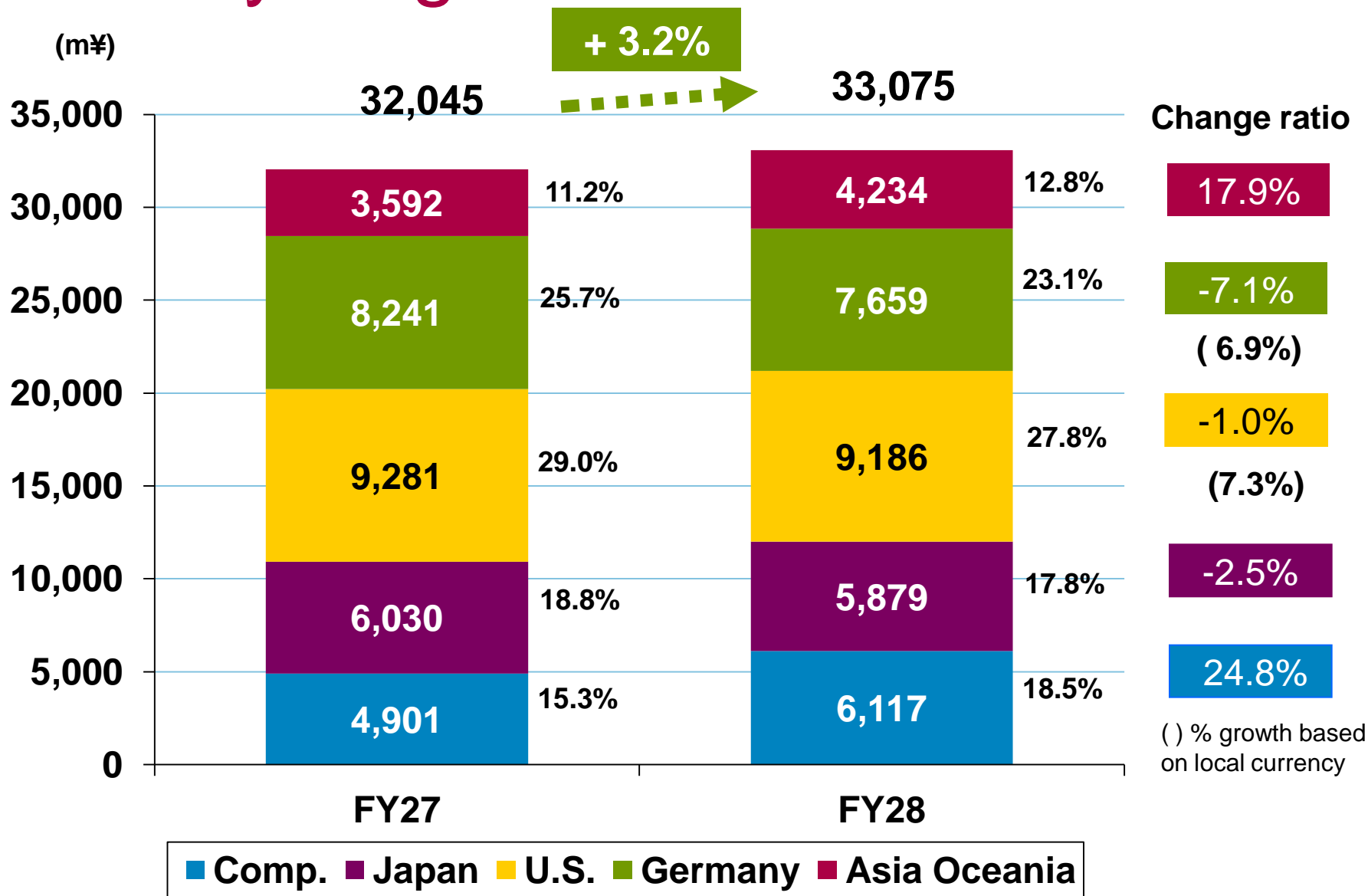


Quarterly Trend by Product Line

(m¥)



Sales by Region



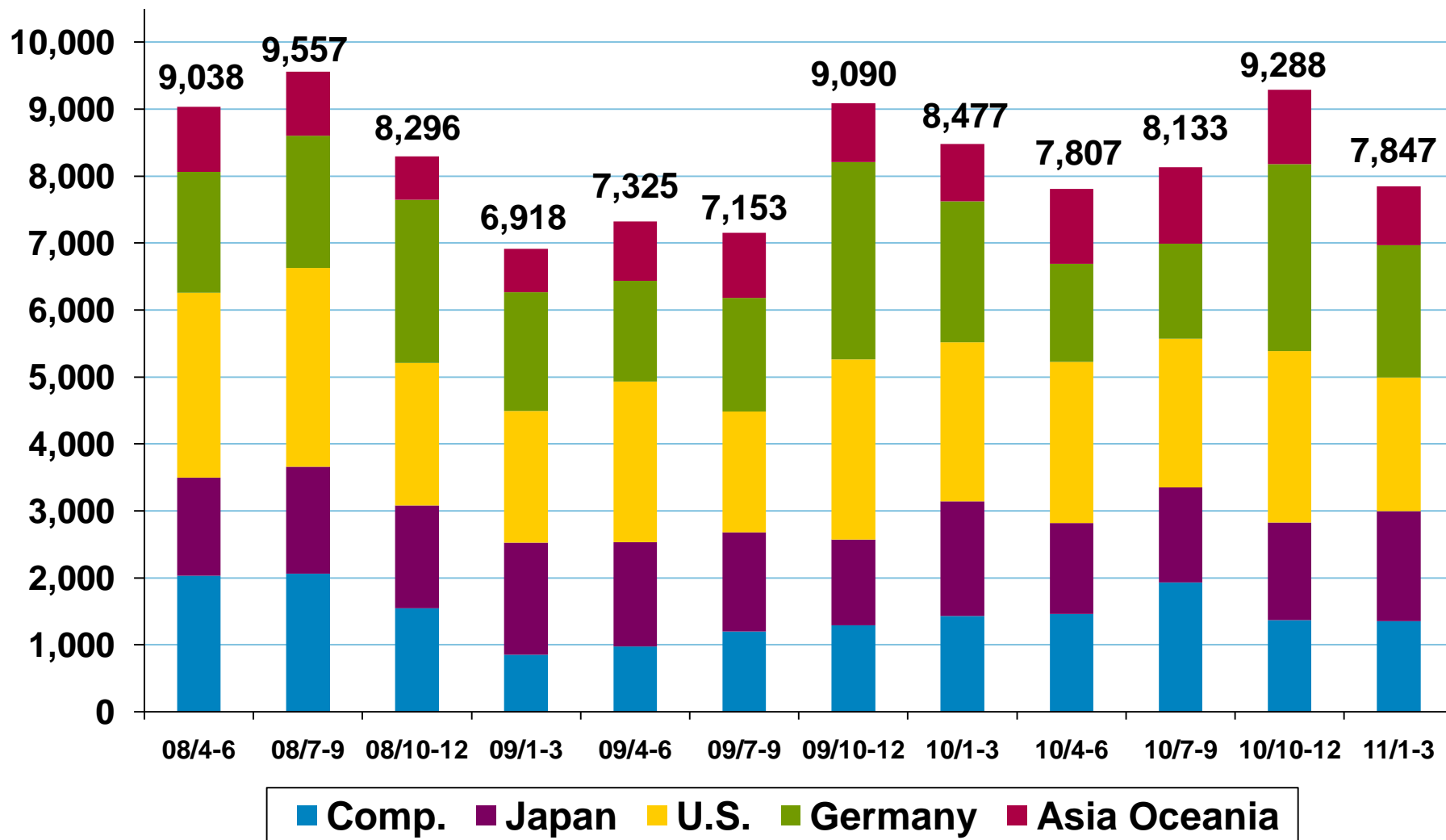
Sales by Region

YOY Sales growth based on local currencies

- **US (USD)** **+7.3%**
- **EU (Euro)** **+6.9%**
- **China (CNY)** **+39.8%**
- **Korea (KRW)** **+18.5%**
- **Australia (AUD)** **-8.0%**
- **HK (USD)** **+3.3%**
- **Singapore and AP (USD)** **+28.1%**

Quarterly Trend by Region

(m¥)



Consolidated B/S

	(m¥)		
	Mar. 31, 2010	Mar. 31, 2011	Change
Current assets	22,824	20,991	-1,833
Fixed assets	5,375	6,144	768
Total assets	28,199	27,135	-1,064
Current liabilities	8,882	7,585	-1,297
Fixed liabilities	1,048	1,027	-21
Total liabilities	9,930	8,612	-1,318
Minority interest in subsidiaries	0	0	0
Net assets	18,270	18,524	254
Total liabilities and Net assets	28,199	27,135	-1,064
Equity ratio	64.8%	68.1%	3.3%
Book value per share (¥)	45,467.55	46,020.10	552.55

Assets (m¥)

- Decrease in cash and cash equivalents -1,895
Increase of inventories and payment of corporate tax etc.
- Decrease in notes and accounts receivable -377
- Increase in intangible fixed assets +836
Purchase of internal software, acquisition assets of Florentis etc.
- Increase in inventories +777

Liabilities

- decrease in notes and accounts payable -989
- decrease in accrued corporate tax -509

Net assets

- Increase of retained earnings +781
(10/3 13,061 ⇒ 11/3 13,842)

Consolidated C/F

(m¥)

	FY27	FY28	YoY Change
	'09/4- '10/3	'10/4- '11/3	Amount
C/F from operating activities	3,606	1,179	-2,427
C/F from investing activities	-805	-1,470	-665
C/F from financing activities	-1,199	-1,202	-3
Effect of change in exchange rate	-266	-402	-136
Increase-decrease of cash & cash equivalent	1,336	-1,895	-3,231
Beginning balance of cash & cash equivalent	11,014	12,350	1,336
Ending balance of cash and cash equivalent	12,350	10,455	-1,895

C/F from operating activities (m¥)

- Net profit before taxes +2,985
- Depreciation +749
- Payment of corporate tax -1,338
- Increase in inventories -945
- Decrease in notes and accounts payable -879

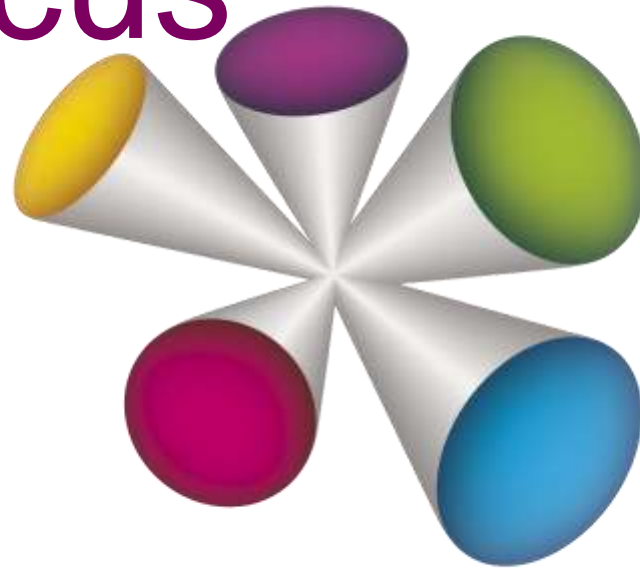
C/F from investing activities

- Acquisition of internal software (Global ERP, etc.) -782
- Acquisition of fixed asset (Mold, etc.) -409
- Payments for business acquisition (Florentis) -292

C/F from financing activities

- Dividends payment -1,202

FY29 Basic Policy and Business Focus



FY29 Basic Policy

Business Environment

- Global economy recovering with growing uncertainty
 - Emerging regions continue to lead economic growth, continuous US economic recovery.
 - Unstable Middle East affairs raise crude oil price and financial uneasiness in EU.
 - Earthquake disaster slows down domestic economy and hits manufacturing industry.
- Growing engine moves from advanced countries to emerging countries
 - Dull growth in US and Europe market, Japanese economy slowdown by the Great East Japan Earthquake.
 - High economic growth in China and India, growing their weight in the market.

FY29 Basic Policy

Business Environment

- Smartphone, Tablet, and E-books promote economic growth
iPad and Android OS tablet drive market growth, Windows OS tablet also increases in market share.
Windows OS PCs market slowdown.
Quality of web applications becoming better for tablet devices and growing the market for business applications.
Multi-touch becomes the standard user interface.
- Pen tablet market becomes more competitive
Competitors are likely to enter in some professional markets.

FY29 Basic Policy

Wacom's business strategy

- Continue to respond to the earthquake impact, and business risk management
 - Restore and improve headquarters and manufacturing buildings.
 - Secure manufacturing and SCM base, power saving measures,
 - Secure product supply and SCM risk management with partnerships.
- Strengthen global leadership of Tablet business
 - Launch new products in the professional and consumer markets.
 - Expand emerging markets and reinforce brand
 - Expand pen products for tablet devices
 - Expand security solutions market
- Grow component business
 - Supply to smart phone and tablet device markets.
 - Consistent business expansion in Windows PC market.
 - Further innovation in pen and multi-touch technology and strengthen cost competitiveness.

FY29 Basic Policy

Wacom's business strategy

- Accelerate growth in emerging countries
Expand emerging markets including China and India.
Reinforce organization, bring up human resources, and develop business foundation
- Reform business structure and strengthen competitiveness
Global headquarters for business administration.
Enhance and promote global branding.
Localization of SCM and QA functions and enforce ODM utilization.
Reinforce basic technology development and improve application development capability.
Global ERP in operation. (scheduled in the first half)

Assumptions for FY29 forecast

- No major aftershock and big problems with business partners in the future.
- No shortage in parts supply due to the great earthquake except for the ultra-high-density panel of the large-scale LCD tablet for the professional.
- No major obstacles in manufacturing operation at partners
- Impact of the Great East Japan Earthquake on Japanese market demand is based on the review in the middle of April
- The supply normalizes, and demand recovers in 2H, though supply difficulty of the ultra-high-density LCD tablet and domestic demand deceleration are expected in the 1H.

Assumptions for FY29 forecast

- **Average FX rate in FY29**

USD:JPY 82.5 / USD, EUR:JPY 120 / EUR

- **Forecast of foreign exchange sensitivity (12 months)**

(assumption : CNY, KRW, and AUD link to US dollar)

(m¥)

Currencies	US dollar	Euro
Unit of sensitivity	JPY 1	JPY 1
Sales	240	80
Operation profit	30	60

Forecast of business results for FY29

(m¥)

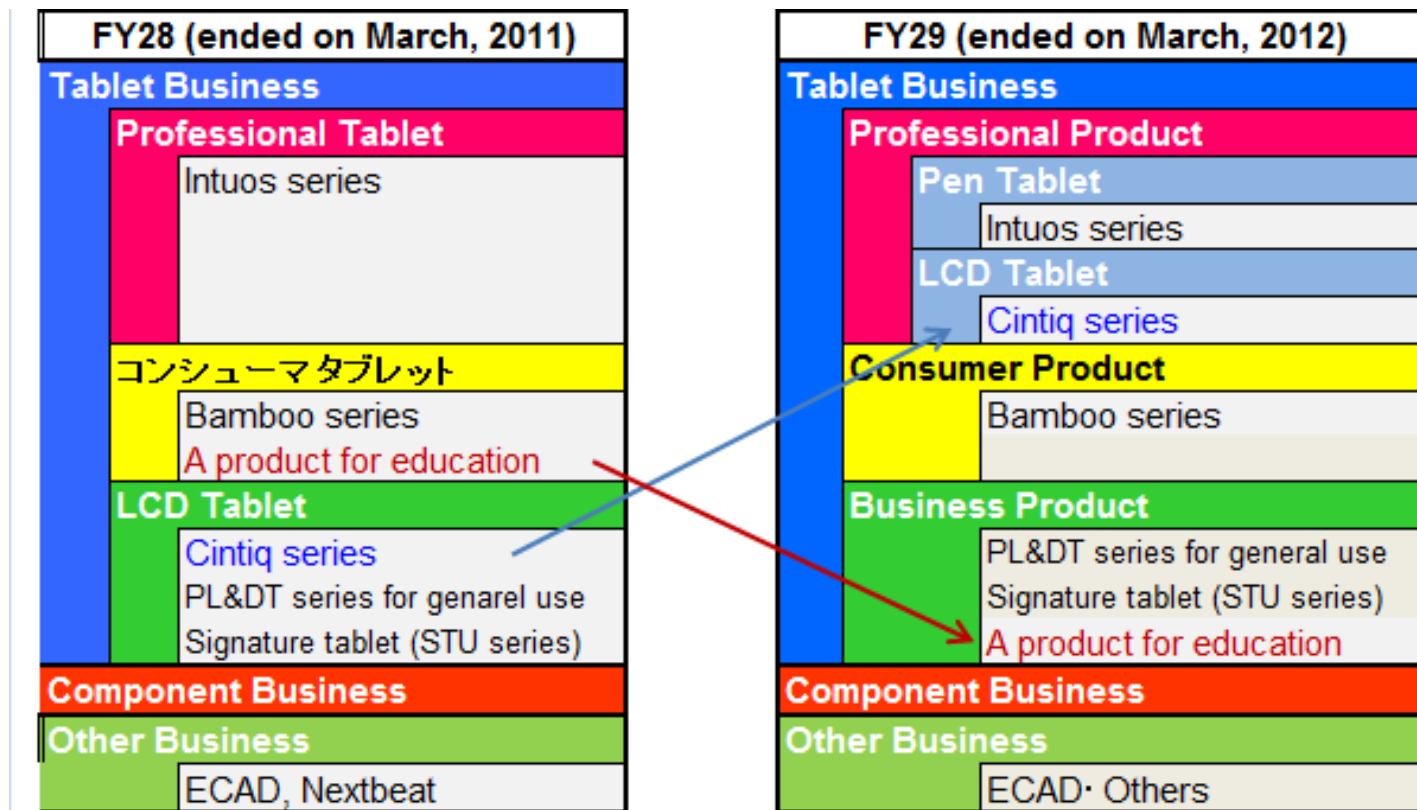
	FY28 1H		FY29 1H		YoY
	2010/4-2010/9		2011/4-2011/9		Growth rate
Sales	15,940		15,200		△4.6%
OP	1,188	7.5%	400	2.6%	△66.3%
RP	1,353	8.5%	375	2.5%	△72.3%
NP	877	5.5%	240	1.6%	△72.6%

	FY28		FY29		YoY
	2010/4-2011/3		2011/4-2012/3		Growth rate
Sales	33,075		36,500		10.4%
OP	3,284	9.9%	3,700	10.1%	12.7%
RP	3,396	10.3%	3,650	10.0%	7.5%
NP	1,987	6.0%	2,340	6.4%	17.8%

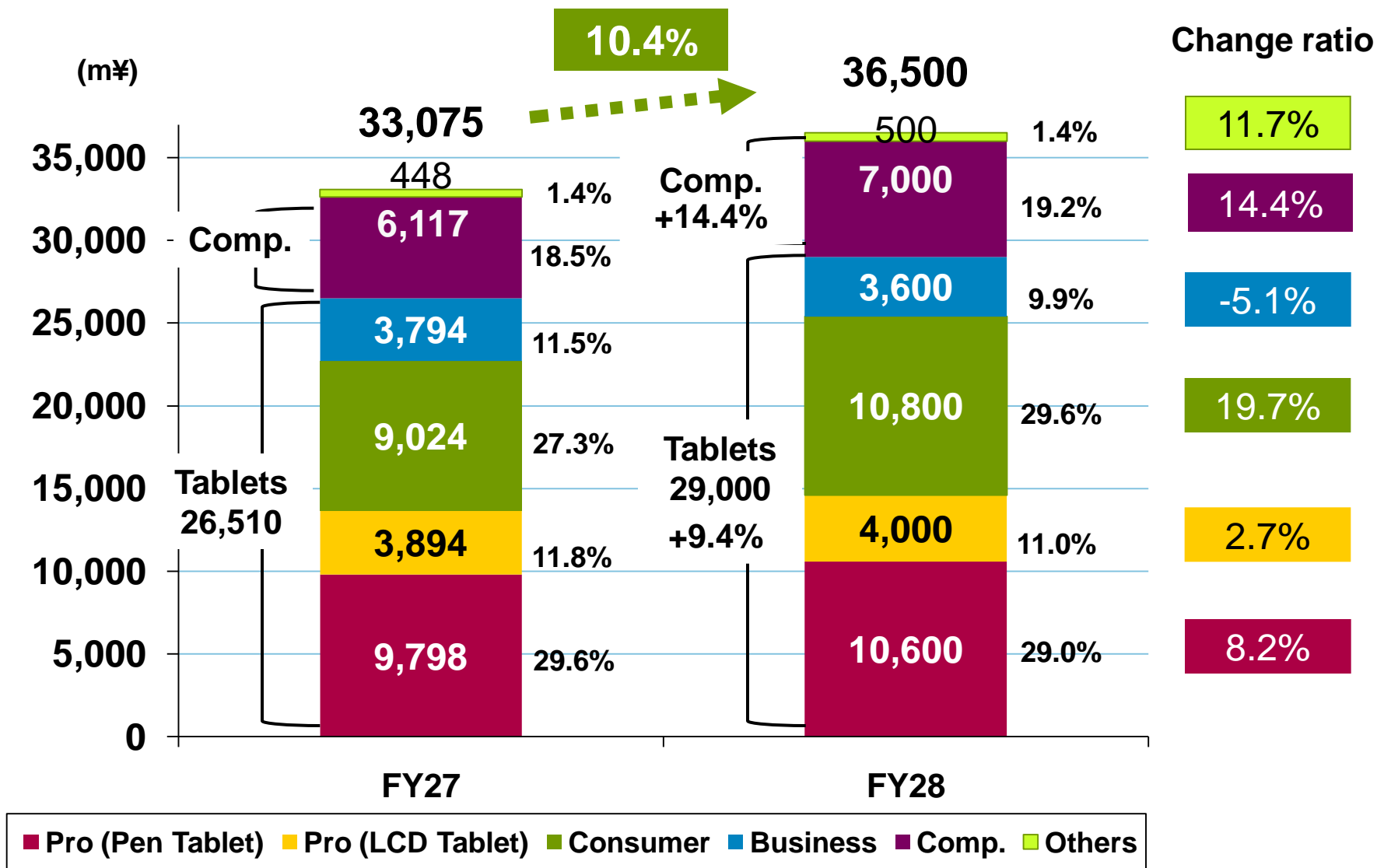
Negative impact in FY29 1H : Lower sales and profits influenced by the earthquake and R&D costs for new products

Reorganization of Tablet Product Line

- The product lines of the Tablet Business are reorganized into new three categories of “Professional Products”, “Consumer Products” and “Business Products” by use in FY29
- “Cintiq series” for professional use is reclassified in “Professional Products”
- A product for education is reclassified in “Business product”



Sales forecast by BU segment



Dividend Forecast for FY29

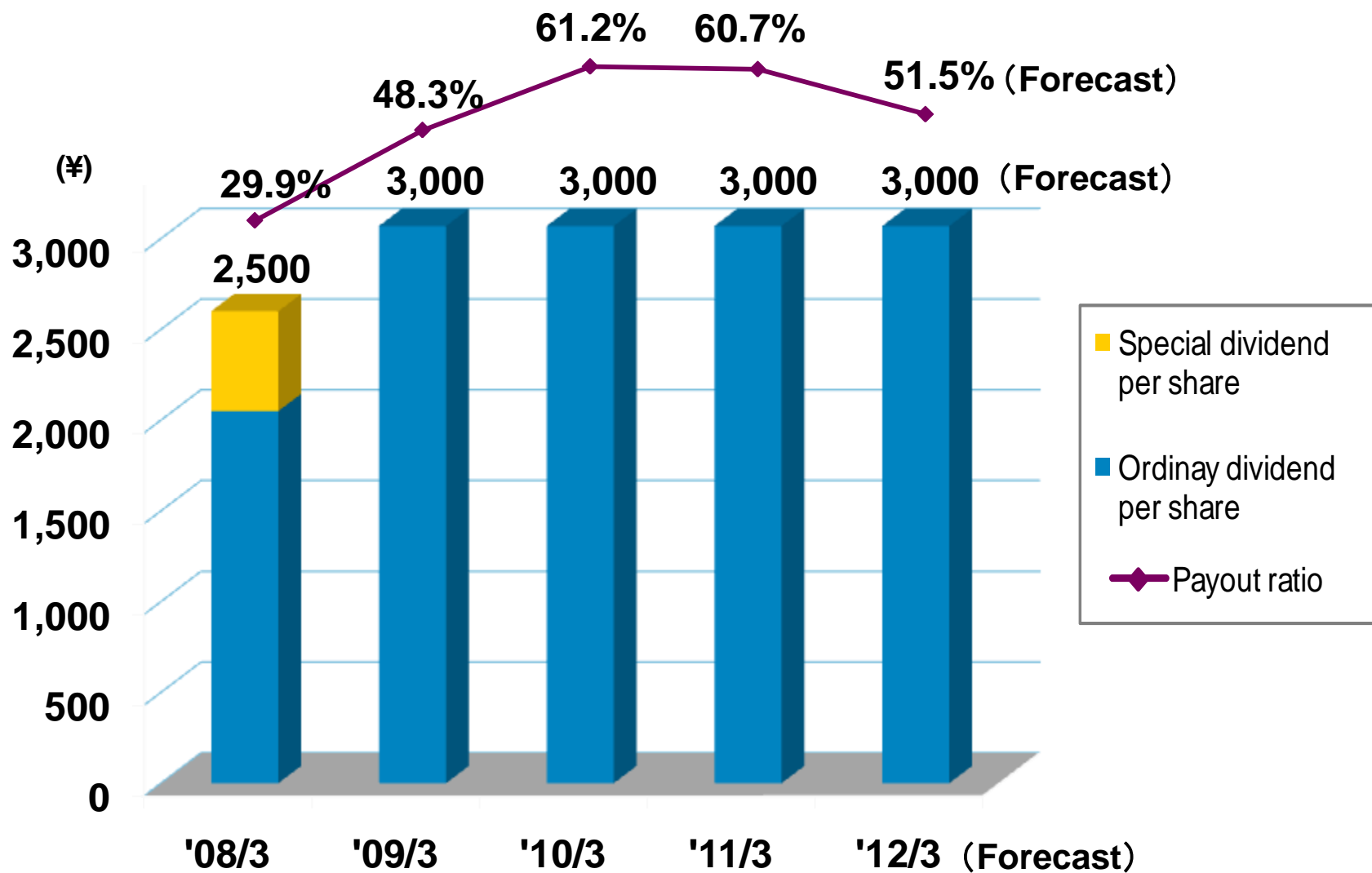
- **Dividend policy**

- Continue to payout stable dividends while maintaining internal reserves necessary for future business development.
- Payout ratio over 30% and to be increased over time.

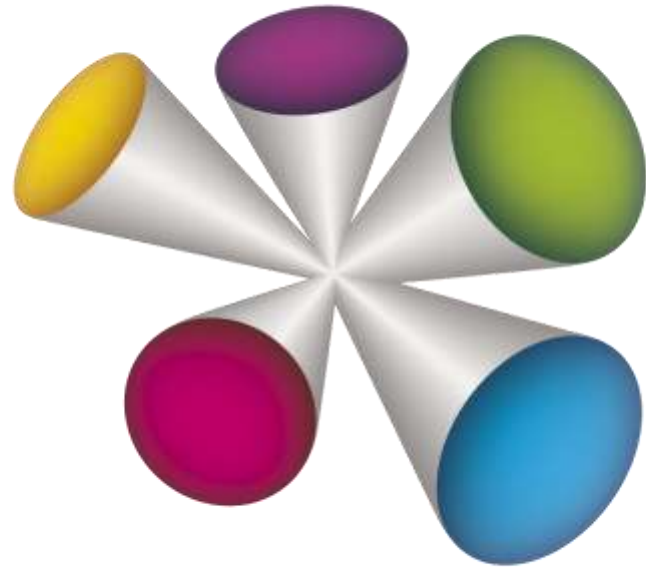
- **Dividend per share**

- JPY 3,000 per share.
- Payout ratio 51.5% (based on FY29 forecast)
(After deducting repurchased stocks of 20,000 in FY26)

Dividends per Share



New Medium-Term Business Plan



New Medium-Term Plan - WP1015

WP1015:Financial Goals



- By FY31 (ends March 2014)
 - Consolidated sales : 100 billion JPY or more.
 - Consolidated operating income ratio : 15% or higher.

Taking into account the rapidly changing business environment and results in FY28, plus the impact of the Great East Japan Earthquake, it's difficult to achieve the initial plan and so it will be necessary to review it.

In the meantime, while giving priority to managing business risk, we aim for sales growth and to improve operating margins, plus secured achievement of the annual plan.

UI Paradigm Shift



For everyone in the world,
anywhere in the world,
simple, natural, and easy
for interaction and sharing
fun and always connected.

Simple, Natural, Intuitive.

Fun & Connected



Open up.
Sense more.



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.

Wacom Co., Ltd.

<http://wacom.jp/en/company/outline/>

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