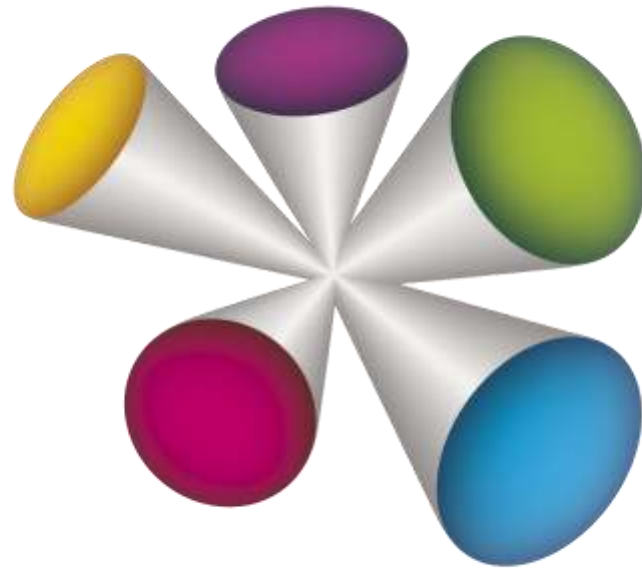


Business Report

FY29 Apr. 2011-Mar. 2012 (FY2011)

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



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FY29 Consolidated Result Summary

Business Environment

- While the US economy kept its momentum, the European debt crisis spread uncertainty throughout the global economy and slowed down the pace of emerging market growth. The Japanese yen rapidly appreciated against US dollar and Euro.
- Supply chain disruptions by the Great East Japan Earthquake settled in 1Q, and the impact on domestic demand remained within the assumptions. Thailand Flood didn't influence our FY29 results owing to continuous business risk management.
- In IT fields, smart phones and tablet devices grew rapidly as new platforms. PC and smart phone vendors rapidly expanded their product lines.
- Interest in digital pen input rapidly grew in smart phone and tablet platforms and digital signature market also expanded.

FY29 Consolidated Result Summary

Business Overviews

- Released a record number of new products in Tablet business. Achieved a new sales record thanks to favorable sales of professional LCD tablets and Bamboo Stylus for iPad as well as rapid growth of pen components for smart phones, all in spite of the negative impact by the sharp appreciation of Japanese yen.
- Operating profit in 2nd half marked the second historical record since FY25. OPM also recovered to 10%.
- Posted an extraordinary loss as the secession supplemental cost and settlement money due to the withdrawal from the pension fund.

FY29 Consolidated Result Summary

Summary of Financial Result

(JPY)	FY29	YOY	
Sales	40.71bn	+23.2%	Sales A new record
Operating Profit	4.07bn	+25.1%	
Recurring Profit	3.89bn	+15.7%	
NPBT	3.50bn	+18.7%	Extraordinary Loss Withdrawal from pension fund 254 mil JPY
Net Profit aft. Tax	2.18bn	+10.9%	
	FY29	FY28	
EPS	5,464	4,895	Repurchase of Own Shares 5,000 shares (439mil)
BPS (Book Value per Share)	47,350	45,917	

Consolidated P/L

(mil JPY)

	FY28	FY29	YoY Change	
	'10/4-'11/3	'11/4-'12/3	Amount	Ratio
Sales	33,030	40,706	7,675	23.2%
Gross Profit	15,634	17,896	2,261	14.5%
GPM	47.3%	44.0%		
Operating Profit	3,252	4,067	815	25.1%
OPM	9.8%	10.0%		
Recurring Profit	3,363	3,892	528	15.7%
Net Profit aft. Tax	1,967	2,181	214	10.9%

- Average FX rates: FY28 JPY 85.82/USD JPY 113.56/EUR
FY29 JPY 79.30/USD JPY 110.17/EUR

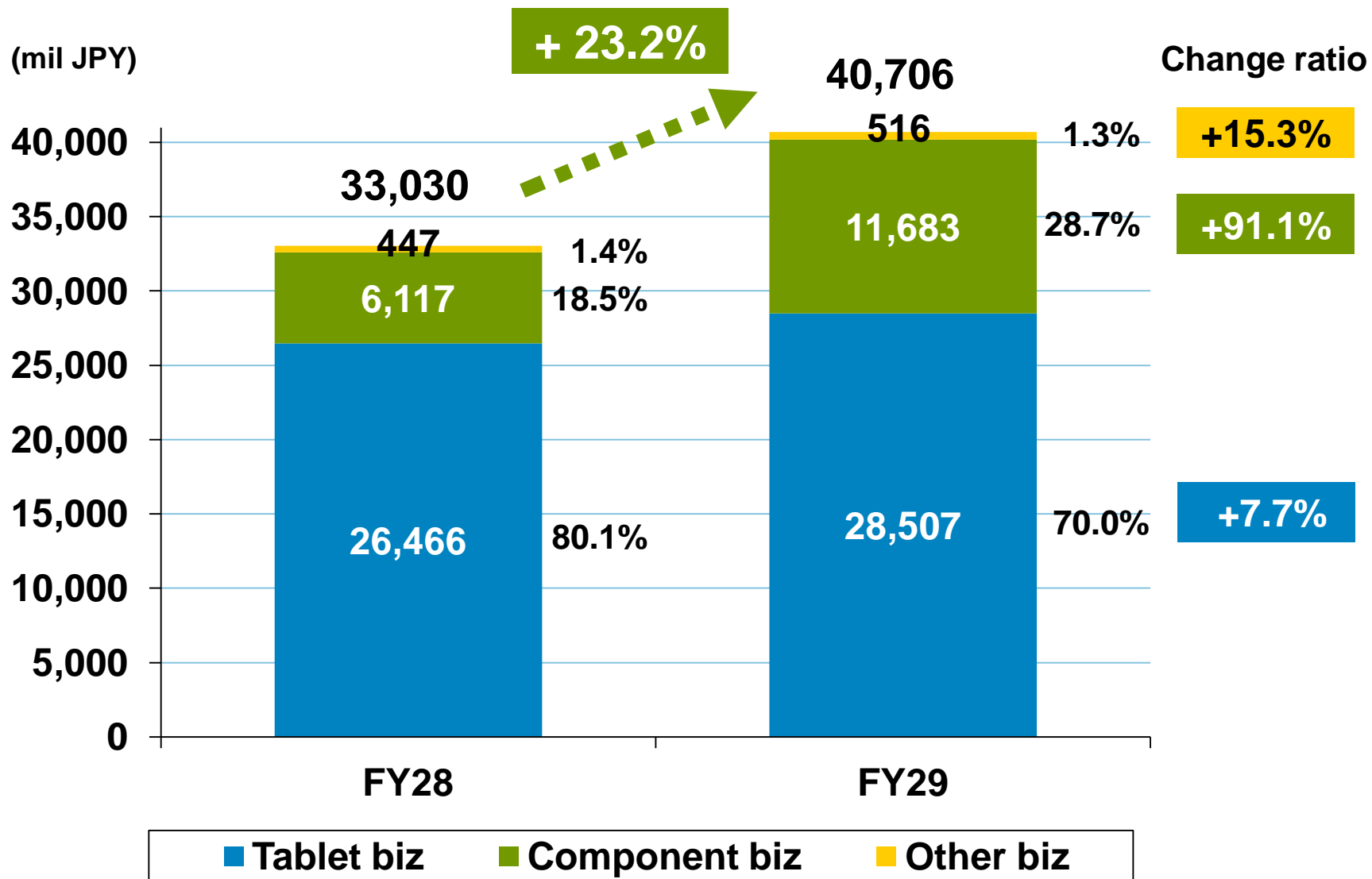
**Effects of foreign exchange: Sales -2.04bn
(the JPY appreciation) OP -0.20bn**

Consol. P/L by Business Segment

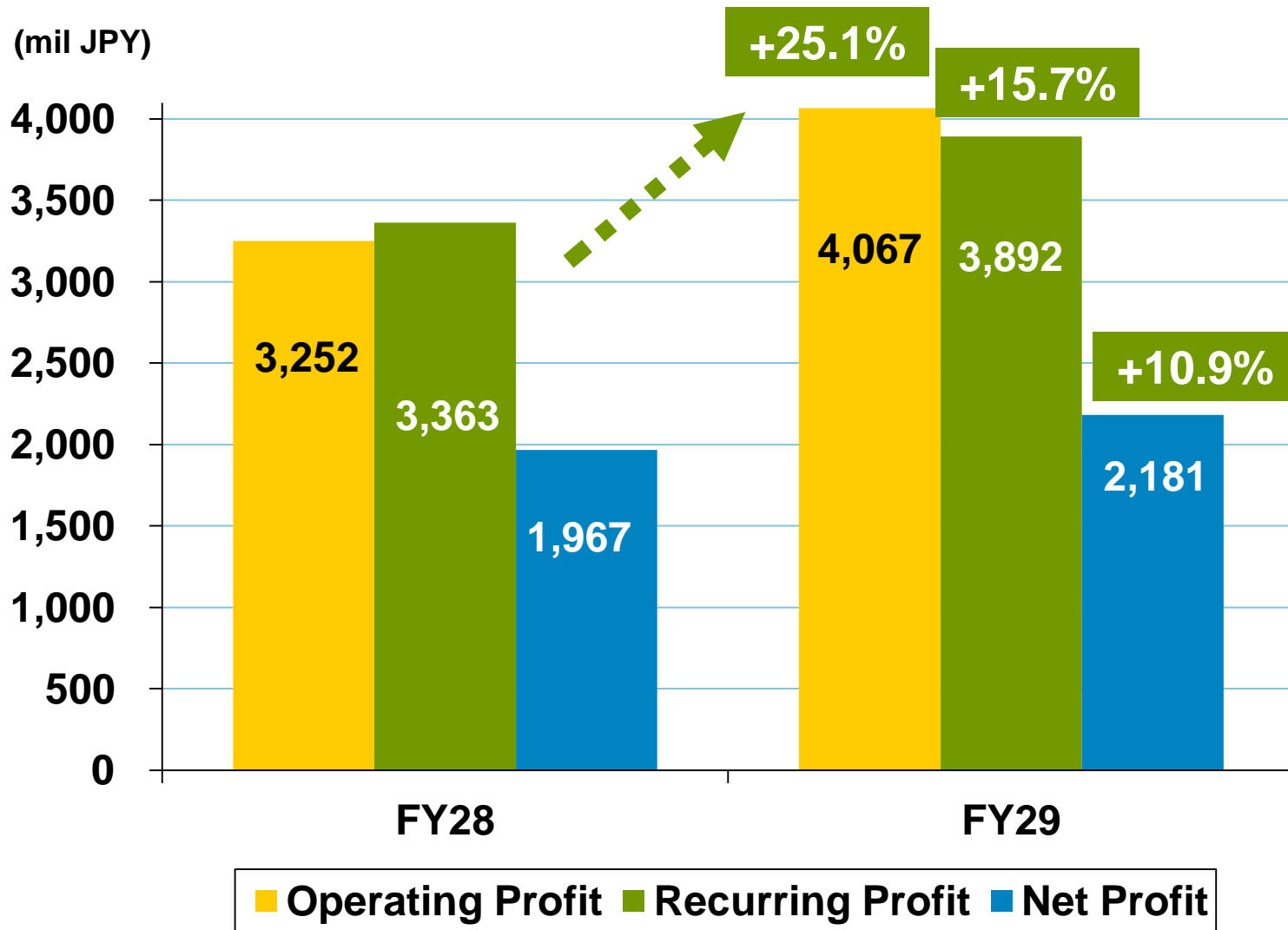
(mil JPY)

	FY28	FY29	YoY Change	
	'10/4-'11/3	'11/4-'12/3	Amount	Ratio
Sales	33,030	40,706	7,675	23.2%
Tablet biz	26,466	28,507	2,041	7.7%
Component biz	6,117	11,683	5,566	91.0%
Other biz	447	516	69	15.3%
Operating Profit	3,252	4,067	815	25.1%
Tablet biz	5,630	5,125	-505	-9.0%
Component biz	-236	1,091	1,326	-
Other biz	-150	70	220	-
Corp. and others	-1,992	-2,218	-226	11.3%
OPM	9.8%	10.0%		

Consolidated Sales Comparison



Consolidated Profit Comparison



Operating Expenses Comparison

(mil JPY)

	FY28	FY29	YoY Change	
	'10/4-'11/3	'11/4-'12/3	Amount	Ratio
Personnel	4,681	5,214	534	11.4%
R&D	1,291	1,842	552	42.8%
Ad. & Promo.	1,921	2,063	142	7.4%
Other	4,490	4,708	218	4.9%
Total	12,382	13,828	1,446	11.7%
Opex/Sales ratio	37.5%	34.0%		

Key changes

- Increase : R&D expense for new products, increase of personnel number (the number of consolidated employees: 747→785 as of Mar.), and others expenditure caused by the earth quake, etc.

Business Highlight -1

Tablet Business

+7.7%

Professional Products

+12.3%

Pen Tablets +2.7%

- Launched “Intuos5” in March. Added new functions such as HUD (Heads Up Display) and multi-touch. Received a high reputation from professional graphics users.
- Launched “Inkling” in October as a digital stationery device.

LCD Tablets +36.4%

- Released “Cintiq 24HD” as the flagship model in September. Recorded strong growth thanks to a high reputation from the professional market.
- “Cintiq 21UX” recovered from the LCD panel shortage in 1H, the strong demand continued in 2H.

intuos₅



Inkling™



Cintiq_{24HD}
Interactive pen display



Business Highlight -2

Consumer Products +13.0%

- “Bamboo Stylus”, a pen product for iPad as a new category, recorded favorable sales and received high reputation from the global media.
- Released “Bamboo Paper”, a note-taking app for iPad, in June. Recorded a total of over 2.5 million download.
- Launched “Bamboo” tablets for consumers in September as the 3rd generation. Aimed to expand our user base with 50+ configurations worldwide with advanced 10 finger multi-touch.

BAMBOO® STYLUS



BAMBOO® PAPER



BAMBOO®
PEN & TOUCH



Business Highlight -3

Business Products **-21.4%**

- Sales decreased YoY due to the end of life of some OEM products in US market.
- Sales of digital signature products more than doubled as new projects in US and Japan took off following the leading EU markets.
 - e.g. LaLaport (JPN), etc.
- Demand expanded in the medical segment in Japan despite the earthquake.
- Announced new original hand-writing software “Wacom Allwrite” to support paperless workflow..



Released in
April, 2012

Signature tablets, STU Series



DT / PL Series



wacom®

Business Highlight -4

Component Business +91.0%

- Samsung “Galaxy Note” adopted pen technologies. Started the mass production in 2H and contributed to the sales growth with high demand.
- Android 4.0 supports pen API as standard, which supports pen data such as pressure, height, tilt, etc.
- Steady demand for Tablet PCs and continued expansion of e-Books with Android OS.
- Developed a new touch IC controller for tablet devices built for the next generation OS, “Windows 8”.

Customer models with Android OS



Customer Tablet PC models with Windows OS



Business Highlight -5

Other Businesses

+15.3%

CAD software and others

- ECAD DIO showed stable sales growth in Japan. The wire-harness design capability was well received by customers in the Machinery and Robotics industries.
- Released ECAD DIO 2012 with wire-harness design capability enhancement in September.



The Power
To Innovate™



F&A (Corporate)

- New ERP cut-over in August with no major problem.
- Booked extraordinary loss
 - Withdrawal from pension fund to avoid the financial risks : ¥253mil.
 - Relocation of Tokyo branch to strengthen the global hub function : ¥59mil.
 - Restoration of the head office to R&D and SCM, etc. : ¥37mil.
- Changed the accounting rule in revenue recognition from delivery base to customer acceptance basis according to IFRS.
(Retroactive influence: FY10 Sales ¥ -44.8mil and OP ¥ -32.2mil, etc.)

Business Highlight -6

New Products in FY29

Tablet business

Intuos5

Inkling

Cintiq 24HD

Bamboo series

Bamboo Stylus

Bamboo Paper



Component business

Galaxy Note (pen)

ErenEben (pen)

ASUS, tablet devices (Pen)

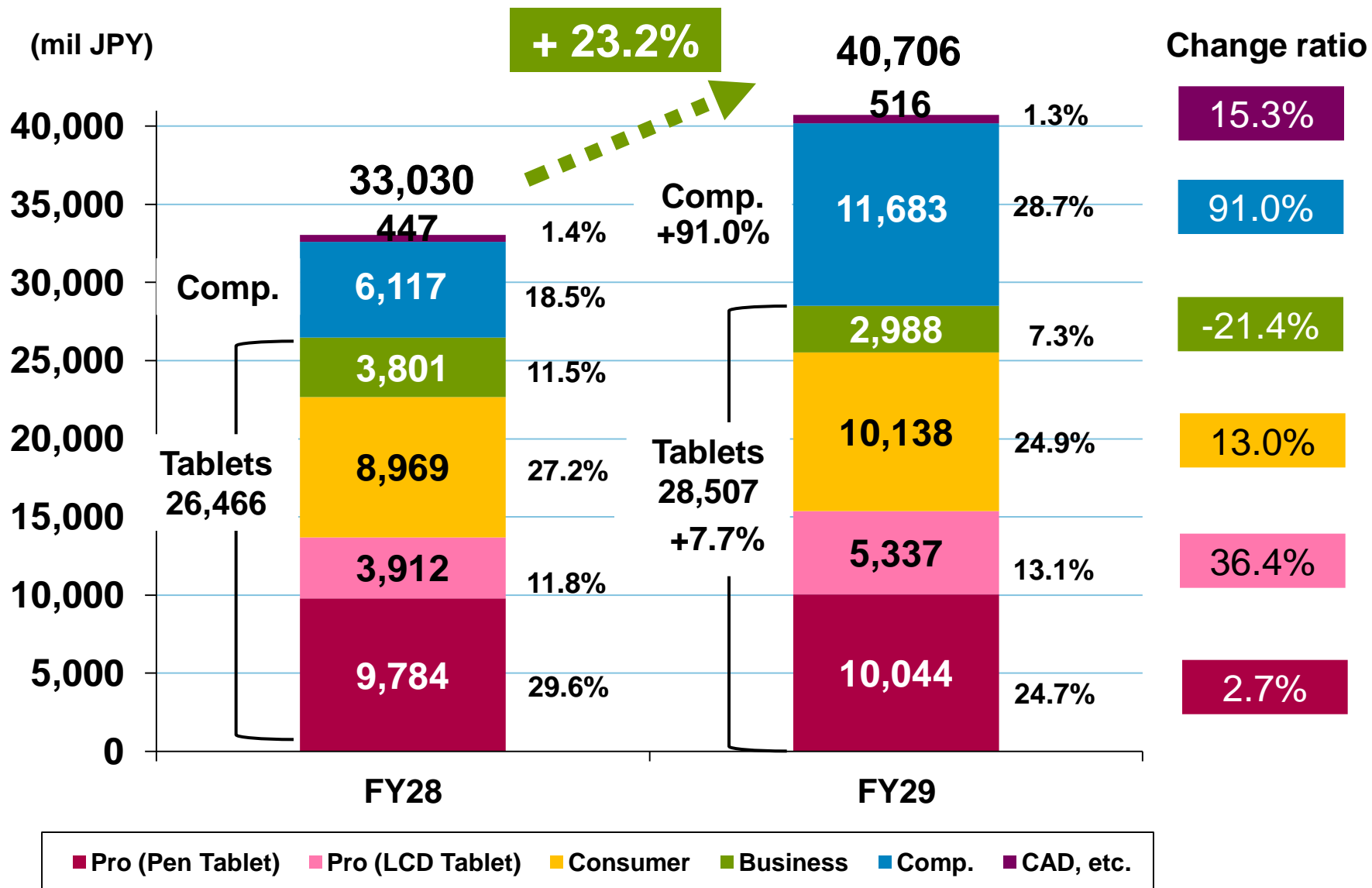


Other businesses

ECAD dio 2012



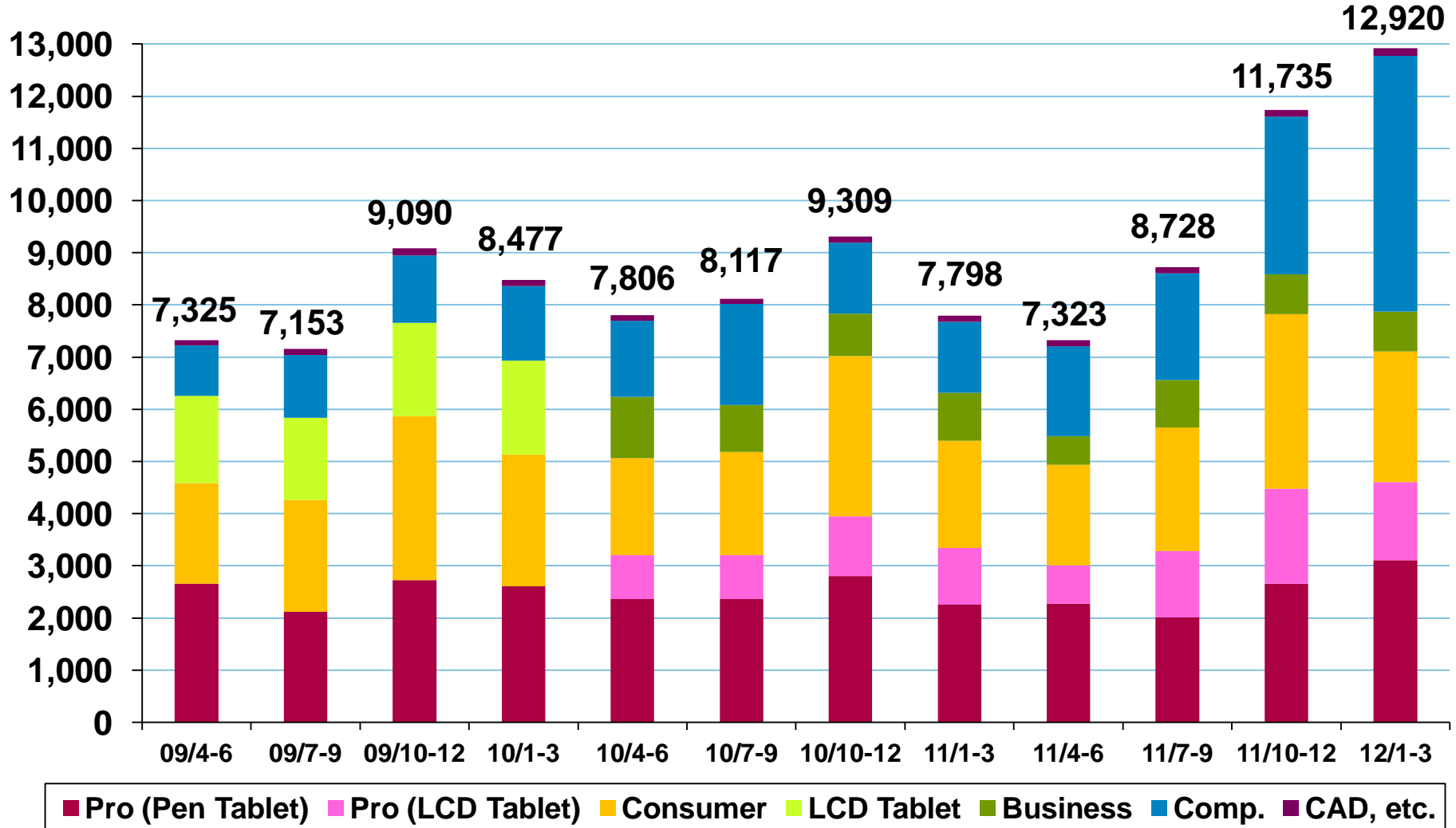
Sales by Product Line



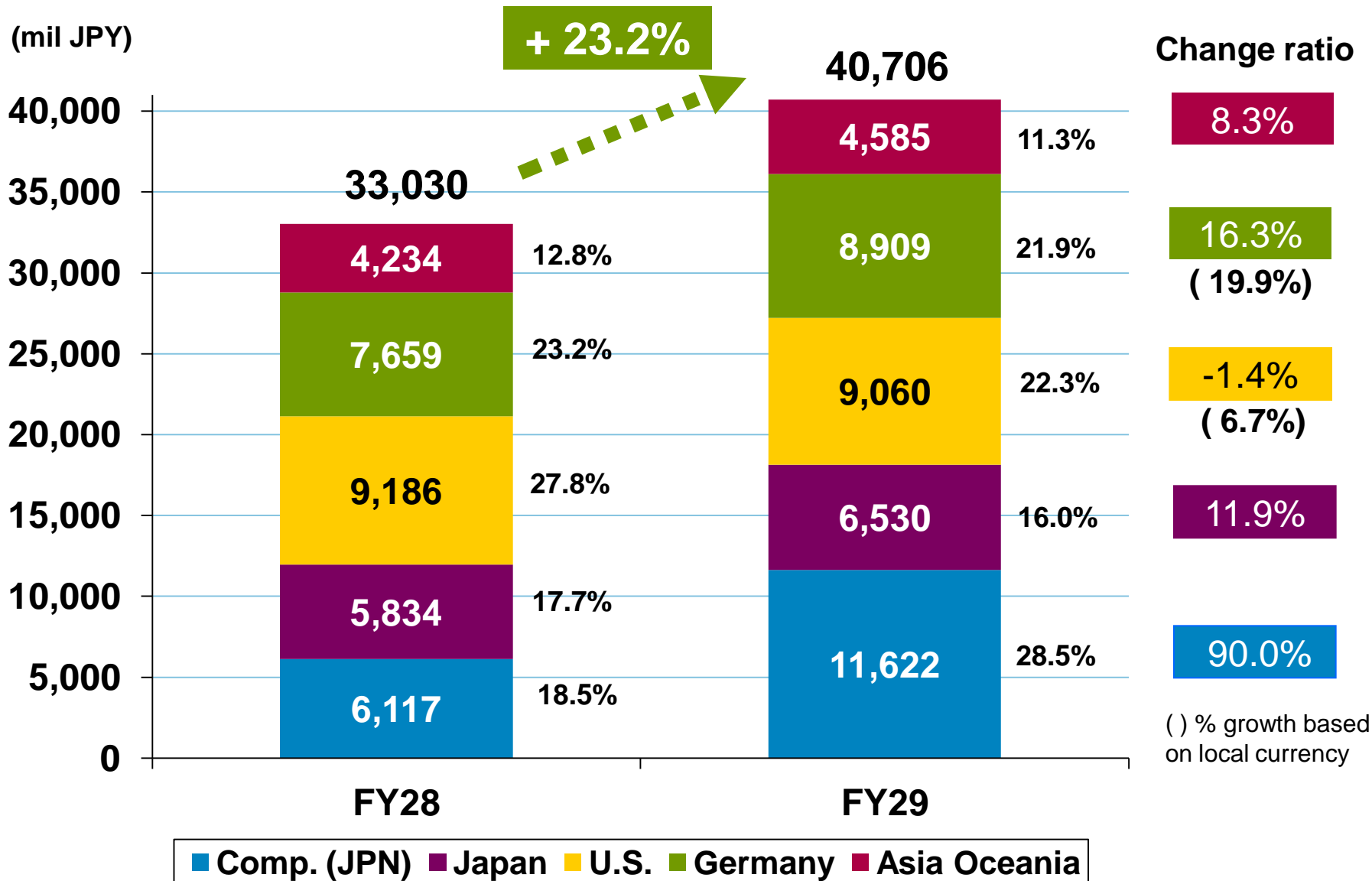
Quarterly Trend by Product Line

The product lines are reorganized into new categories of “Pro (Pen)”, “Pro (LCD)”, “Consumer”, “Business”, “Comp.”, and “CAD, etc.” by use in FY11. As a result, “Cintiq series” included in “LCD” is reclassified in “Pro (LCD)” and some products included in “Consumer” is reclassified in “Business”.

(mil JPY)



Sales by Region



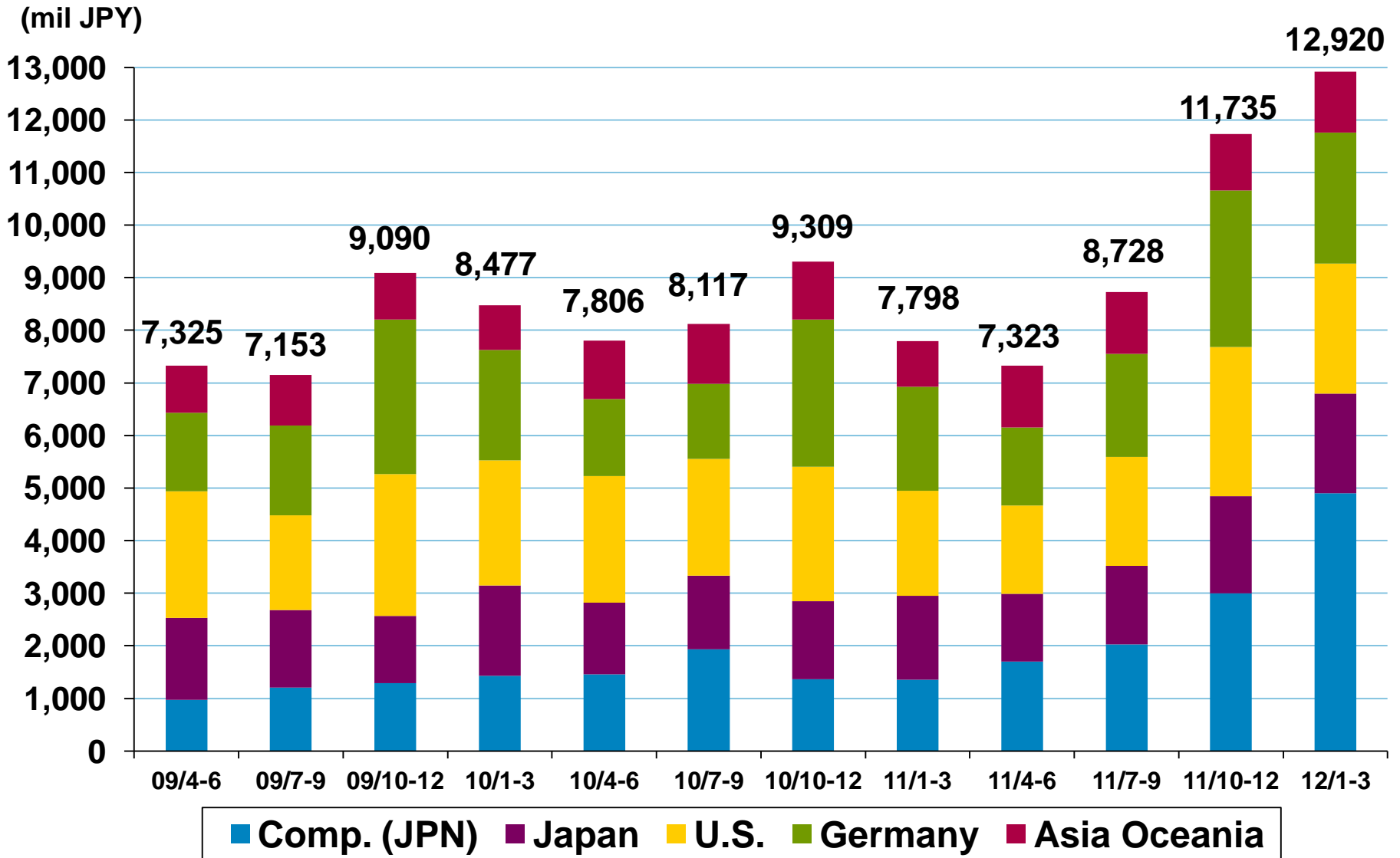
Sales Growth Based on Local Currencies

- Sales expanded in all regions globally

	(YoY)
• US (USD)	+6.7%
• EU (EUR)	+19.9%
• China (CNY)	+12.7%
• Korea (KRW)	+5.2%
• Australia (AUD)	+12.2%
• Singapore (USD)	+22.1%
• Hong Kong (USD)	+2.6%

Main influence:
the end of some OEM products
(excluded growth about +25%)

Quarterly Trend by Region



Consolidated B/S

	(mil JPY)		
	Mar. 31, 2011	Mar. 31, 2012	Change
Current assets	20,950	27,490	6,540
Fixed assets	6,144	6,639	496
Total assets	27,094	34,129	7,036
Current liabilities	7,556	14,196	6,640
Fixed liabilities	1,056	1,016	-40
Total liabilities	8,612	15,212	6,600
Minority interest in subsidiaries	0	0	0
Net assets	18,482	18,918	436
Total liabilities and Net assets	27,094	34,129	7,036
Equity ratio	68.1%	55.2%	-12.9%
Book value per share (JPY)	45,917	47,350	1,434

Assets

- Increase in notes and accounts receivable 2,958
(increase of business scale etc.)
- Increase in cash and cash equivalents 1,515
- Increase in inventories 1,308
(new products in Tablet business)
- increase in deferred tax asset 559

Liabilities

- Increase in notes and accounts payable 4,313
- Increase in income tax payable 1,154

Net assets

- Decrease of retained earnings 976
(11/3 13,800 ⇒ 12/3 14,776)
- Repurchase of own shares -439

Consolidated C/F

(mil JPY)

	FY28	FY29	YoY Change
	'10/4- '11/3	'11/4- '12/3	Amount
C/F from operating activities	1,179	4,881	3,702
C/F from investing activities	-1,470	-1,697	-227
C/F from financing activities	-1,202	-1,627	-425
Effect of change in exchange rate	-402	-41	361
Increase-decrease of cash & cash equivalent	-1,895	1,515	3,410
Beginning balance of cash & cash equivalent	12,350	10,455	-1,895
Ending balance of cash and cash equivalent	10,455	11,970	1,515

C/F from operating activities (mil JPY)

- Increase in notes and accounts payable 4,346
- Net profit before taxes 3,505
- Increase in other current liabilities 886
- Increase in notes and accounts receivable -3,115
- Increase in inventories -1,372
- Payment of corporate tax -670

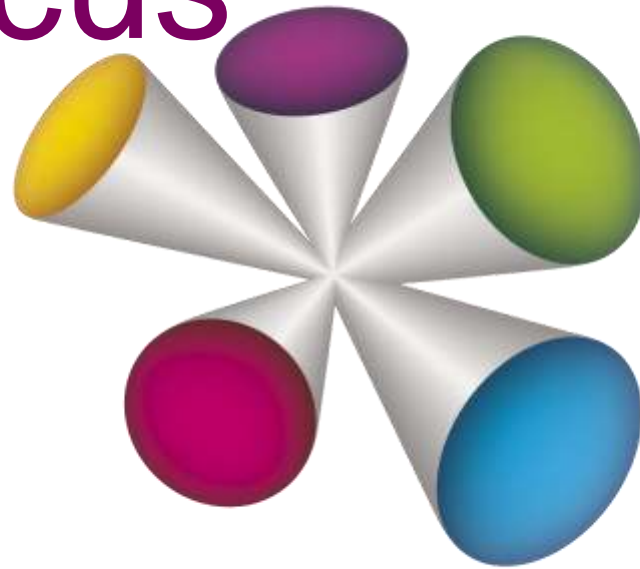
C/F from investing activities

- Purchase of software (Global ERP, etc.) -865
- Purchase of fixed asset (Mold, etc.) -526
- Purchase of investment securities -168 (Twinwill: an EMS partner of touch panel process)

C/F from financing activities

- Dividends payment -1,201
- Repurchase of own shares -440

FY30 Basic Policy and Business Focus



FY30 Basic Policy

Business Environment

- Global economy will show a modest recovery bearing various risks such as prolonged credit crisis in EU. In the foreign exchange market, JPY will continue to be strong due to weak Euro zone economy and monetary policies in US.
- As economic growth in US, EU, and Japan decelerate, emerging countries such as China and India will drive global economy and become growth engines in IT market.
- Smart phones, tablet-devices, and e-Books will establish the position as a main IT platform after PCs.
- Multi-touch will become the standard and pen input will gain higher recognition and interests in UI category.

FY30 Basic Policy

Wacom's business strategies

- Strengthen global leadership of Pen Tablet business.
 - Accelerate growth by launching new products and maximizing the impact.
 - Expand pen products for tablet devices and establish a business model
 - Expand product lines and growth in business solutions fields.
 - Enhance SCM function in China and expand local production systems.
 - Change “Tablet business” to “Brand Product business” and expand the investment in branding.
- Innovate Component business and accelerate growth.
 - Strengthen the leadership in Android smart phones market.
 - Establish the leadership in tablet devices on Windows OS.
 - Establish highly responsive SCM system for smart phone business.

FY30 Basic Policy

Wacom's business strategies

- Build foundation and accelerate growth in Japan and Asia Pacific market.
 - Create new demand in domestic market and enhance marketing in Asia.
 - Re-engineer business processes and establish “Share Service Center”.
- Strengthen the development of new technologies and new products.
 - Accelerate the development of next generation UI technologies.
 - Build software business strategies and strengthen application development capabilities.
- Enhance the competitiveness by global integration
 - Enhance global marketing collaboration and brand promotion.
 - Promote globalization of corporate functions.

Assumptions for FY30 forecast

- **Market demand for the latest forecast is based on a review in the middle of April 2012.**
- **Average FX rate in FY30**
USD: JPY 75.0 / USD, EUR: JPY100 / EUR
- **Forecast of foreign exchange sensitivity (12 months)**

(mil JPY)

Currencies	US dollar	Euro
Unit of sensitivity	JPY 1	JPY 1
Sales	400	100
Operation profit	20	70

(the JPY appreciation is negative impact, the JPY depreciation is positive impact)

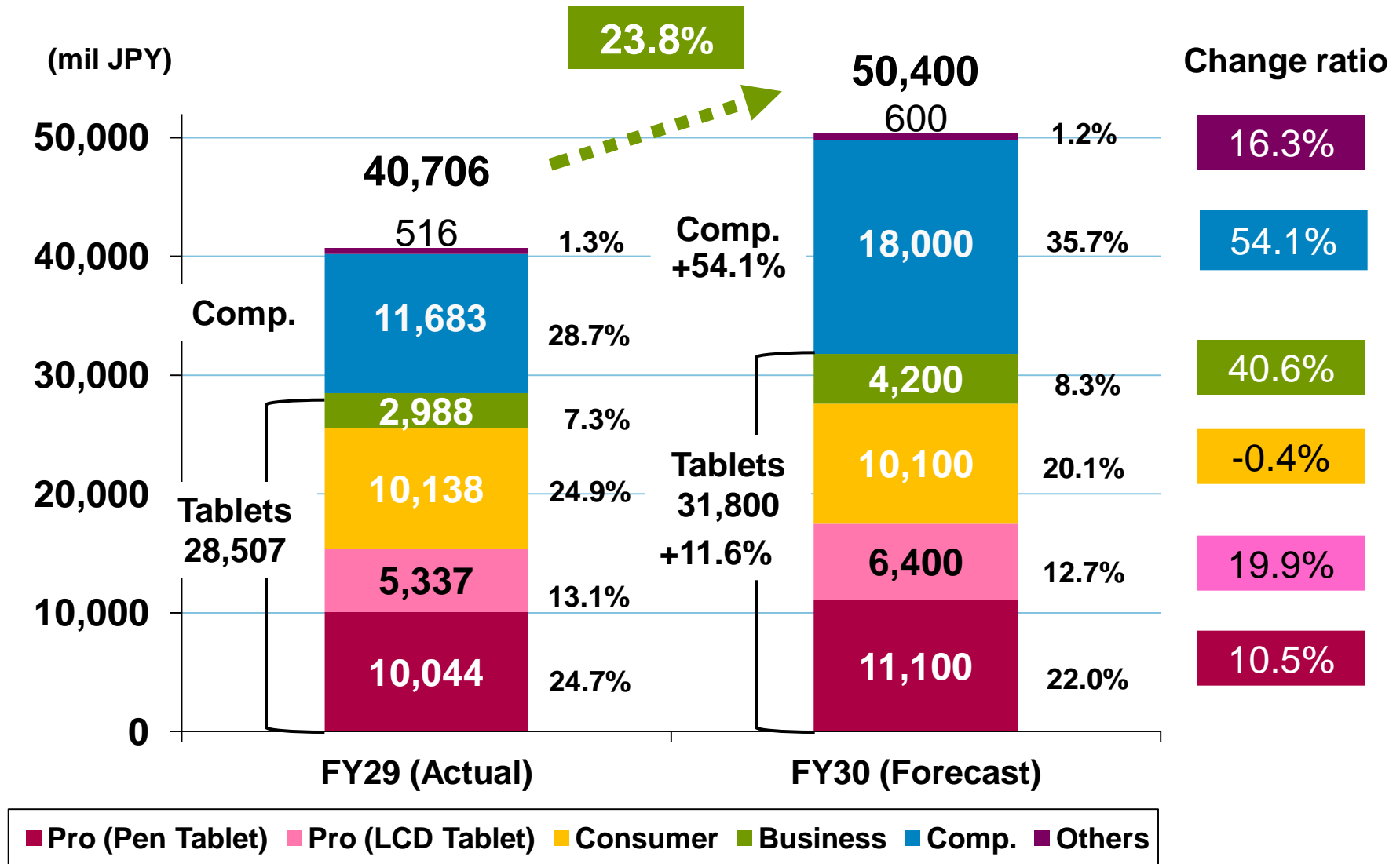
Forecast of business results for FY30

(mil JPY)

	FY29 1H		FY30 1H		YoY
	2011/4-2011/9		2012/4-2012/9		Growth rate
Sales	16,051		20,370		26.9%
OP	892	5.6%	950	4.7%	6.5%
RP	890	5.5%	940	4.6%	5.6%
NP	542	3.4%	592	2.9%	9.3%

	FY29		FY30		YoY
	2011/4-2012/3		2012/4-2013/3		Growth rate
Sales	40,706		50,400		23.8%
OP	4,067	10.0%	5,600	11.1%	37.7%
RP	3,892	9.6%	5,570	11.1%	43.1%
NP	2,181	5.4%	3,600	7.1%	65.0%

Sales forecast by BU segment



Dividend Forecast for FY30

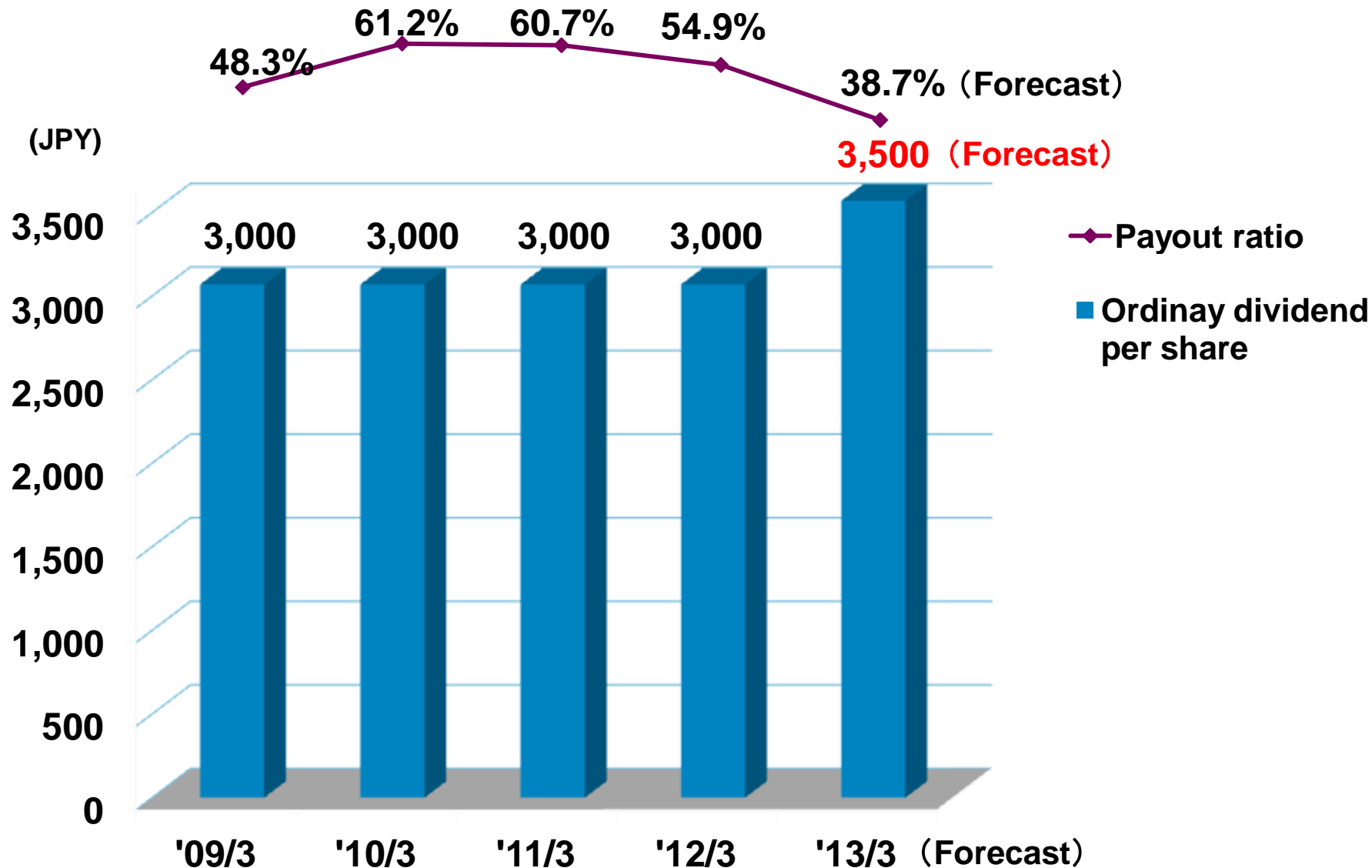
- **Dividend policy**

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

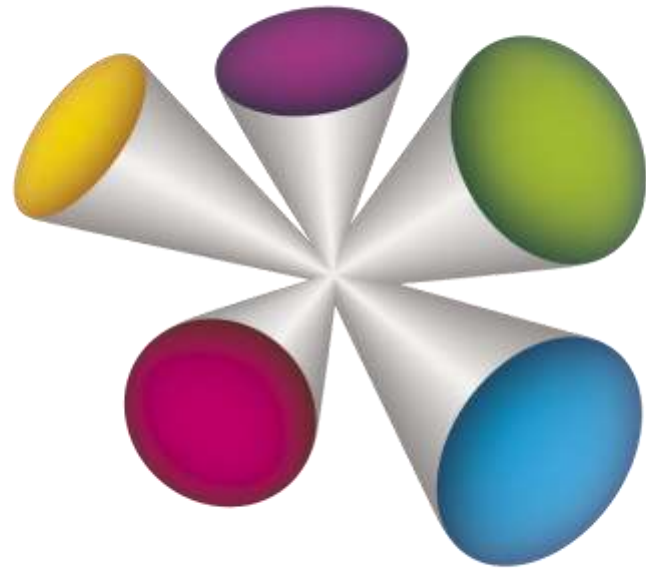
- **Dividend per share**

- JPY 3,500 per share (FY29 JPY 3,000)
- Payout ratio 38.7% (based on FY30 forecast)
(After deducting treasury stocks of 25,000 shares)

Dividends per Share



Medium-Term Business Plan



Medium-Term Plan - WP1015

WP1015:Financial Goals

- Consolidated sales : 100 billion JPY or more.
- Consolidated operating income ratio : 15% or higher



Taking into account the results in FY29 and the rapid and structural changes in IT market, the original plan requires reconsideration. Our the financial goals are unchanged except for the timing of attainment.

In the meantime, we aim for sales growth and improvement of operating margins and ROE, plus securing 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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