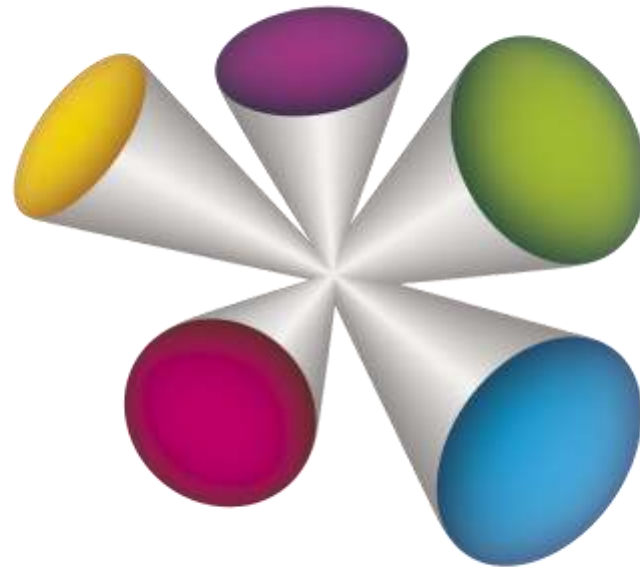


Business Report

Apr. 2012 to Mar. 2013
(FY 3/13)

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



FY 3/13 Results Overview

Operating environment

- Recovery of global economy remained slow due to the prolonged European credit crisis and sluggish economy in the U.S. In forex, Japanese yen (JPY) reversed its strengthening trend since November.
- In the IT market, smartphones and tablets showed rapid growth, and SNS and Cloud established new platforms. OS makers launched their own product lines to grow market presence.

Performance overview

- Achieved record consolidated sales and profit in FY. LCD pen tablets and *Bamboo Stylus* contributed to growth in Brand business. Component sales for smartphones accelerated rapidly.
- Formed alliance with Samsung to strengthen technology leadership and accelerate component business growth in the smartphone and tablet markets.
- Increased dividend per share to JPY 4,500 for FY3/13 from JPY 3,000 for FY3/12.

FY 3/13 Result Overview

Summary of financial result

(JPY)	FY 3/13	YOY
Sales	61.07 bn	+50.9%
Operating Profit	7.92 bn	+94.6%
Recurring Profit	7.56 bn	+94.2%
NPBT	7.55 bn	+115.3%
Net Profit aft. Tax	4.77 bn	+118.7%
	FY 3/13	FY 3/12
EPS	11,923	5,464
BPS (Book value per share)	69,260	47,350
(Average FX rate)	1USD=83.23JPY	79.30JPY
	1EURO=107.57JPY	110.17JPY

Consolidated P/L

(Unit: Million JPY)

	FY 3/12	FY 3/13	YOY Change	
	4/11-3/12	4/12-3/13	Amount	Ratio
Sales	40,706	61,068	20,363	50.0%
Gross Profit	18,041	24,235	6,194	34.3%
GPM	44.3%	39.7%		
Operating Profit	4,067	7,915	3,848	94.6%
OPM	10.0%	13.0%		
Recurring Profit	3,892	7,559	3,667	94.2%
Net Profit aft. Tax	2,181	4,770	2,589	118.7%

- Effect of foreign exchange for FY:
 - Stronger dollar (3.93 yen) Sales +2,100 mil, OP +320 mil
 - Weaker Euro (2.60 yen) Sales - 230 mil, OP -160 mil
- Change of depreciation method: COGS -230 mil, SG&A -60 mil

Consolidated P/L by Business Line

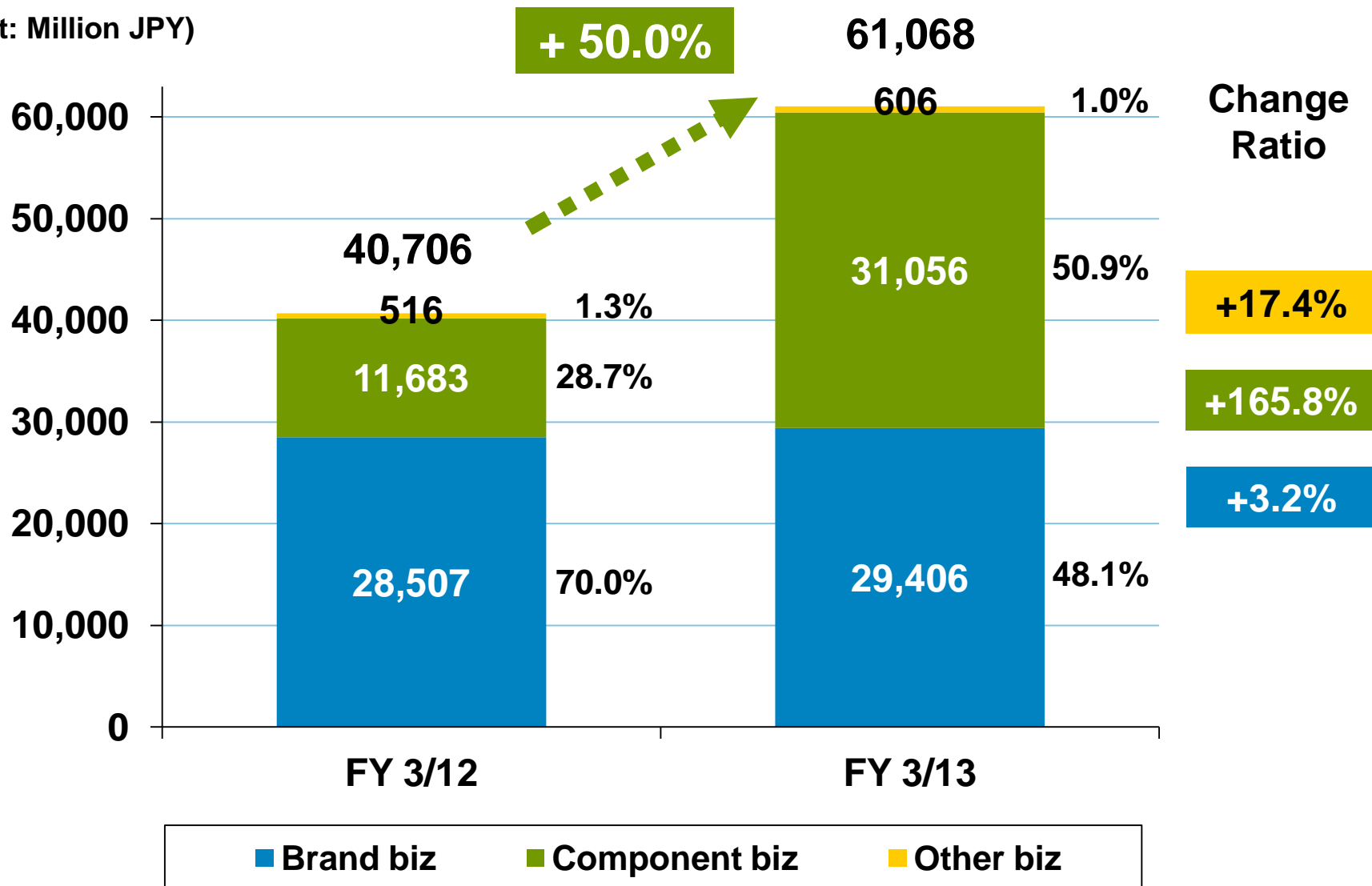
(Unit: Million JPY)

	FY 3/12	FY 3/13	YOY Change	
	4/11-3/12	4/12-3/13	Amount	Ratio
Sales	40,706	61,068	20,362	50.0%
Brand biz	28,507	29,406	899	3.2%
Component biz	11,683	31,056	19,373	165.8%
Other biz	516	606	90	17.5%
Operating Profit	4,067	7,915	3,848	94.6%
Brand Biz	5,125	4,895	-230	-4.5%
Component biz	1,091	5,554	4,464	409.3%
Other biz	70	102	32	46.0%
Corp. and others	-2,218	-2,637	-419	18.9%
OPM	10.0%	13.0%		

Note) “Tablet business” has been restarted as to “Brand business” from FY 3/13.

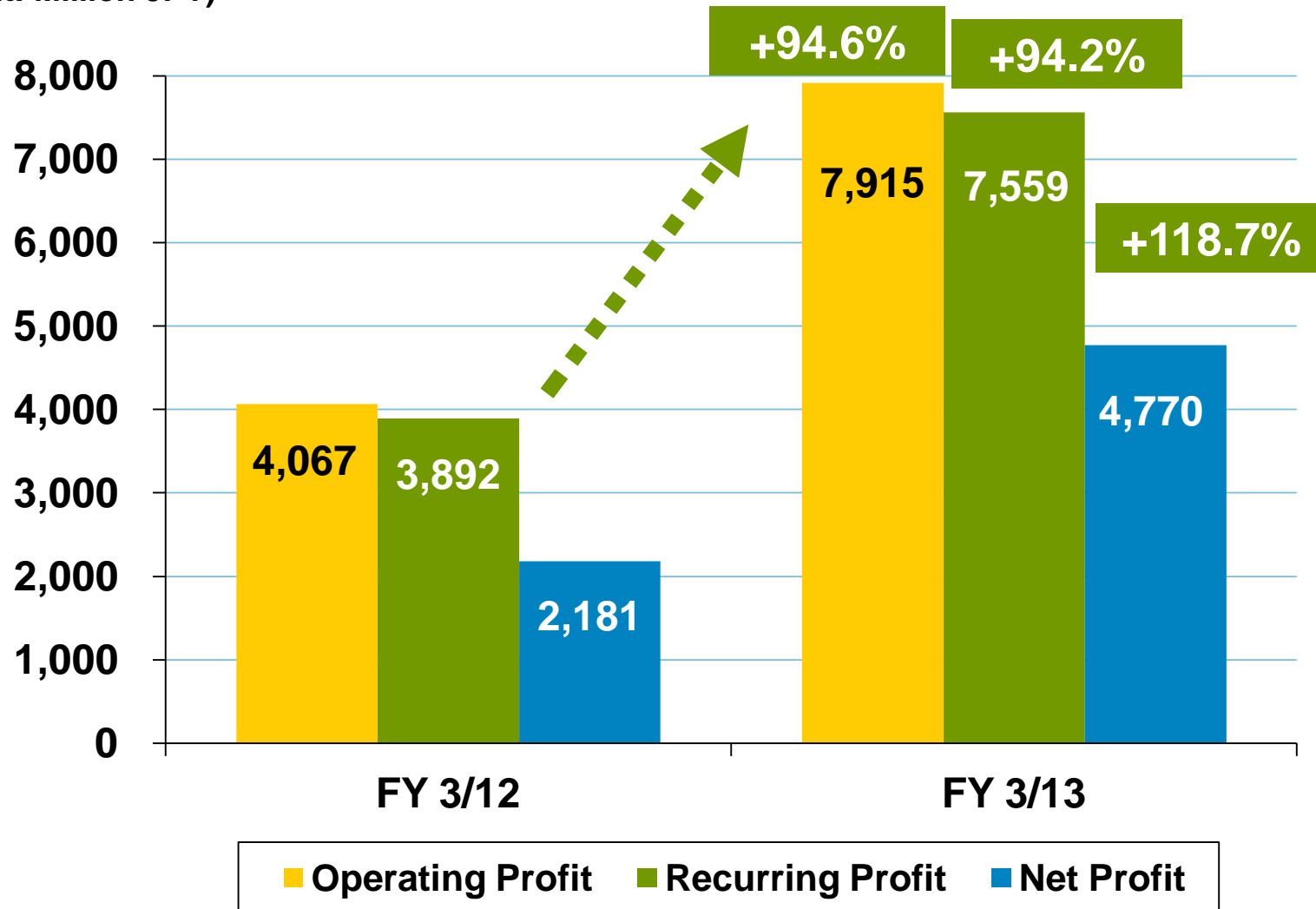
Consolidated Sales Comparison

(Unit: Million JPY)



Consolidated Profit Comparison

(Unit: Million JPY)



Operating Expenses Comparison

(Unit: Million JPY)

	FY 3/12	FY 3/13	YOY Change	
	4/11-3/12	4/12-3/13	Amount	Ratio
Personnel	5,214	6,184	970	18.6%
R&D	1,842	2,382	540	29.3%
Ad. & Promo.	2,063	2,333	270	13.1%
Others	4,854	5,421	567	11.7%
Total	13,974	16,320	2,347	16.8%
SG&A Ratio	34.3%	26.7%		

Factors of Increase

- Increase of personnel
(the number of employee as of Mar. 31 FY 3/12 785 → FY 3/13 930)
- Increase in R & D cost for new products in FY 3/13 and after next FY
- Expense for Tokyo office relocation and depreciation cost of launched global ERP system in Others

Business Highlights: 1

Brand Business

+3.2%

Professional Products

-0.4%

Pen Tablets

-7.7%

- Sales of *Intuos5* decreased due to overhang of *Intuos4* in early FY, demand shift to LCD pen tablets and sluggish sales of major U.S. retail partner

LCD Pen Tablets

+13.3%

- *Cintiq 24HD touch*, launched last July, led sales growth with well-received UI integration of pen and multi-touch technologies
- Launched *Cintiq 22HD* last July and added *Cintiq 13HD* in March. Both received favorable market response for the improved high resolution full-HD display

intuos⁵



Cintiq^{24HD touch}



Cintiq^{13HD}



Business Highlights: 2

Brand Business

Consumer Products

+13.1%

- *Bamboo Stylus* series received good reviews for writing comfort, showed favorable growth. Also added *Bamboo Stylus feel* (EMR pen) to lineup
- *Bamboo Paper* hit 5.1 million downloads since launch. Its new App on Android OS introduced last October
- Strong sales of pen tablets as *Bamboo* series expanded user base among graphics-oriented consumers

BAMBOO® STYLUS



BAMBOO® PAPER



Business Highlights: 3

Brand Business

Business Products

-12.4%

- Signature pen tablets increasingly adopted in financial sector in Europe and Japan
Compensated for the drop of revenue by the absence of large project sales in FY3/12
- Decrease in non-signature products business due to the end of U.S. OEM supply and economic slowdown
- Released *DTH-2242* and *DTU-1031* in February to expand business in digital signature and workflow
- Launched digital signature software *Wacom Sign | Pro PDF* to support paperless workflow

STU series



DTH-2242



DTU-1031



Business Highlights: 4

Component Business +165.8%

- Pen component supply for smartphones showed rapid growth with Samsung Galaxy Note series success and model expansion
- Won Windows 8 based tablet and PC projects. Started to supply for new customers such as Dell, etc.
- Windows 8 and Android 4.0 OS support pen functions as standard. New IC controllers for multi-touch developed

Smartphone, Tablet models on Android OS



GALAXY Note



Tablet and PC models on Windows 8 OS

FUJITSU



ASUS



SAMSUNG



lenovo

Panasonic
ideas for life



wacom

Business Highlights: 5

Other Business

+17.5%

CAD software and others +17.5%

- Strong growth of ECAD DIO software on reconstruction demand in Japan post-March 11 earthquake
- Earned positive reviews from customers in machinery and robotics industries, gained new customers

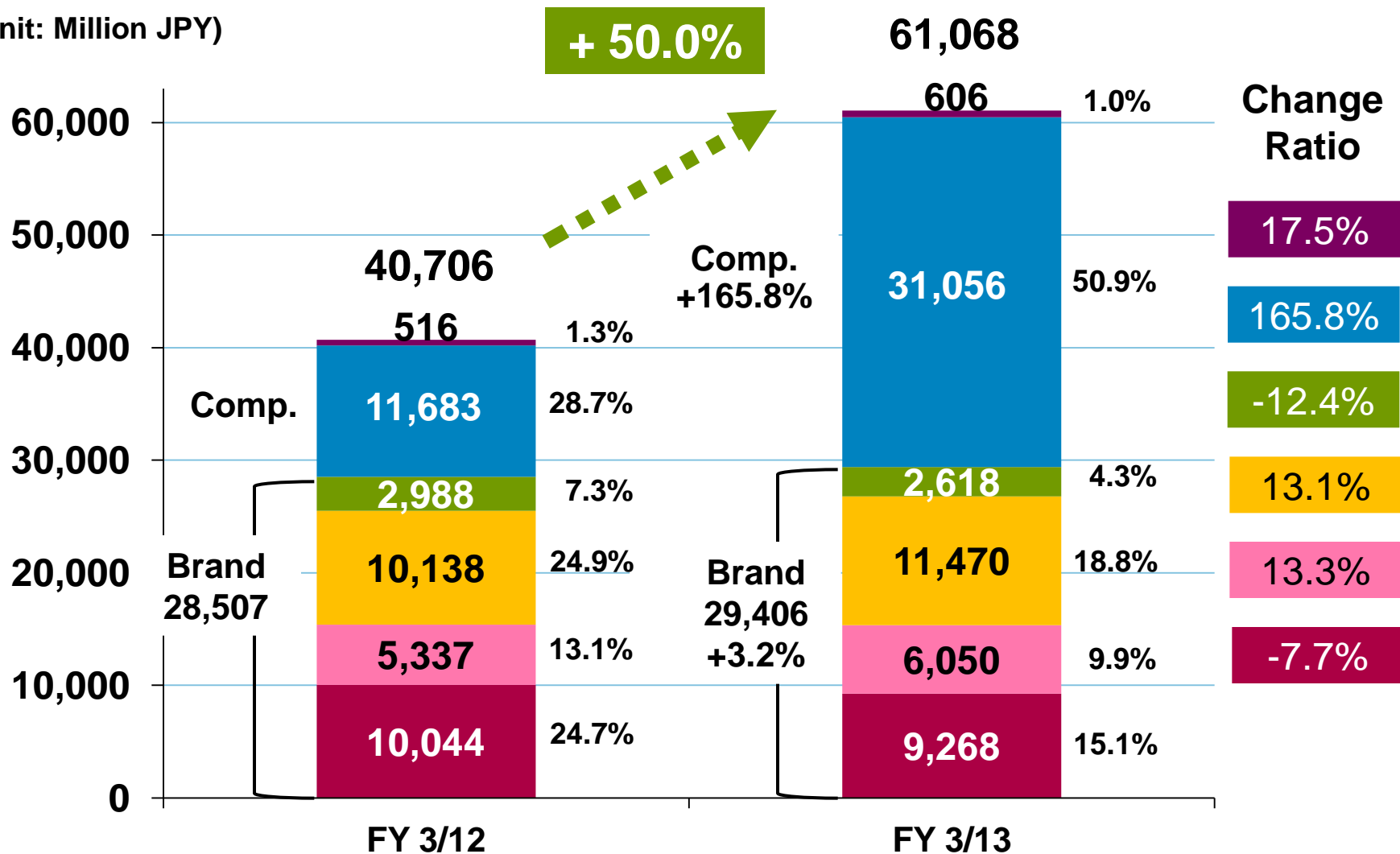


F&A (Corporate)

- Expanded coverage of Global ERP system to Asia-Oceania region
- Started global HR system development for global organization
- Depreciation method for tangible fixed assets changed from declining-balance method to straight-line method in accordance with international accounting standards, and as appropriate for the new economic environment
(Effect on FY operating profit: 289 million JPY)

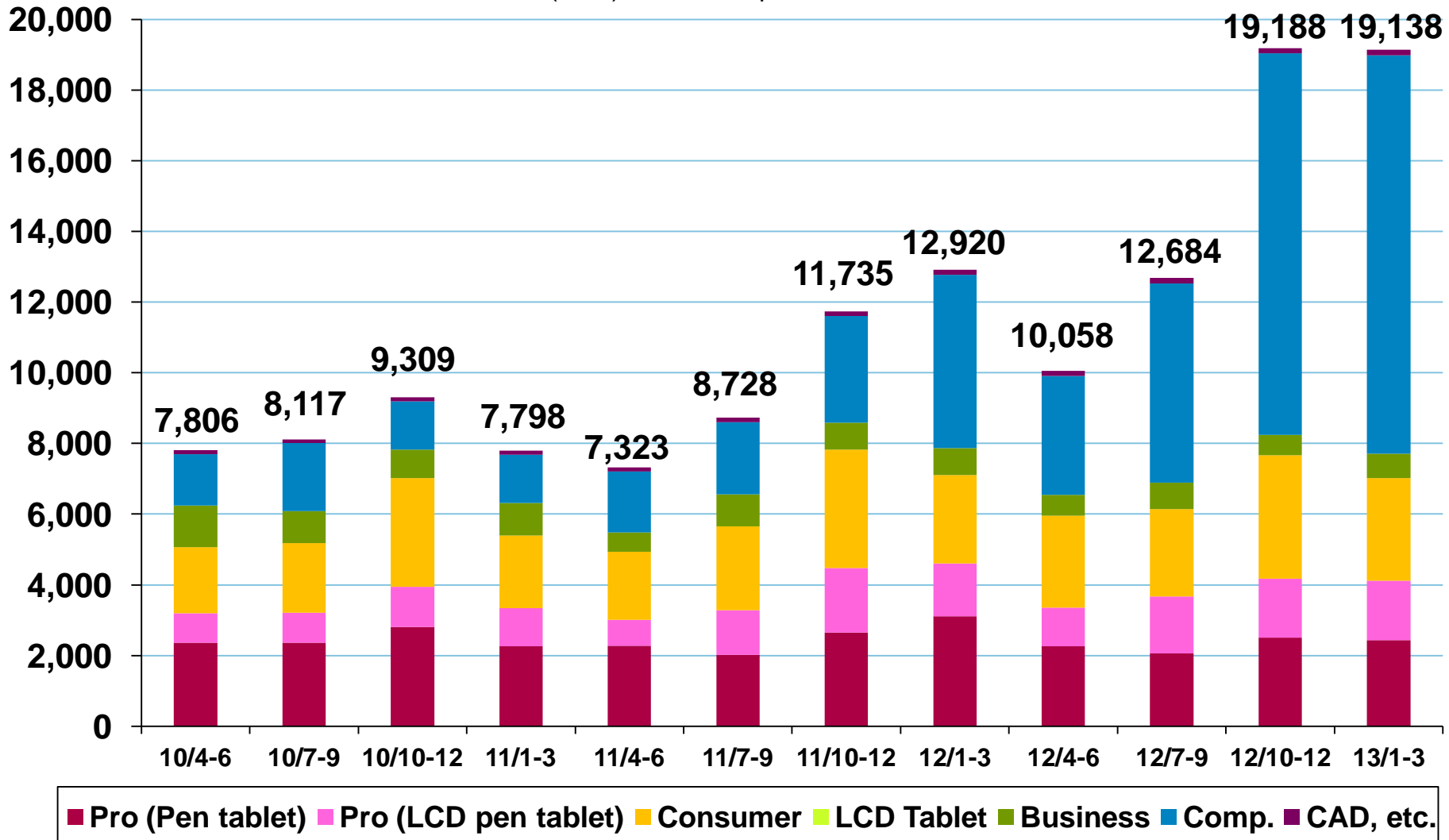
Sales by Product Line

(Unit: Million JPY)



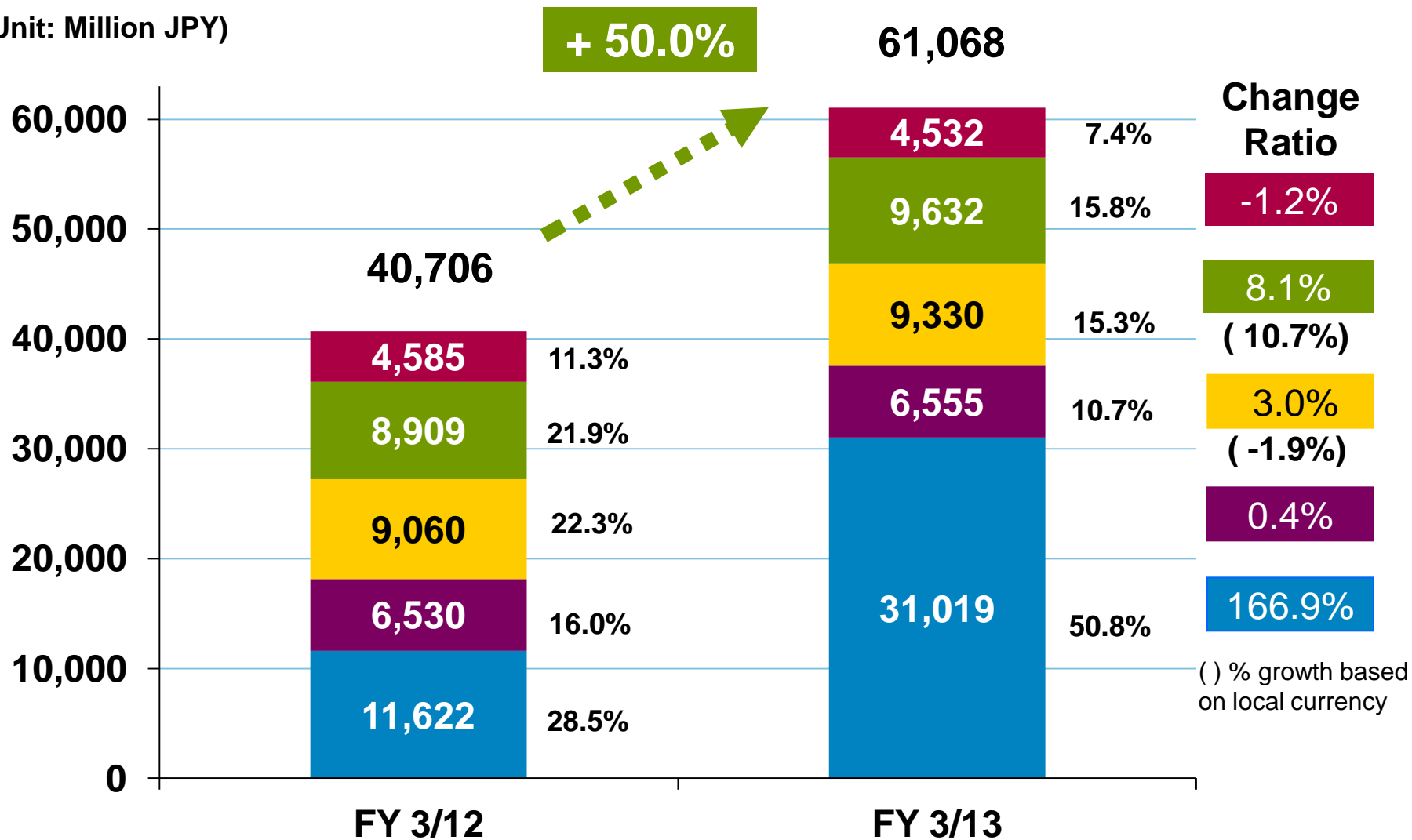
Quarterly Trend by Product Line

(Unit: Million JPY) 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”.



Sales by Region

(Unit: Million JPY)



■ Comp. (JPN) ■ Japan ■ U.S. ■ Germany ■ Asia Oceania

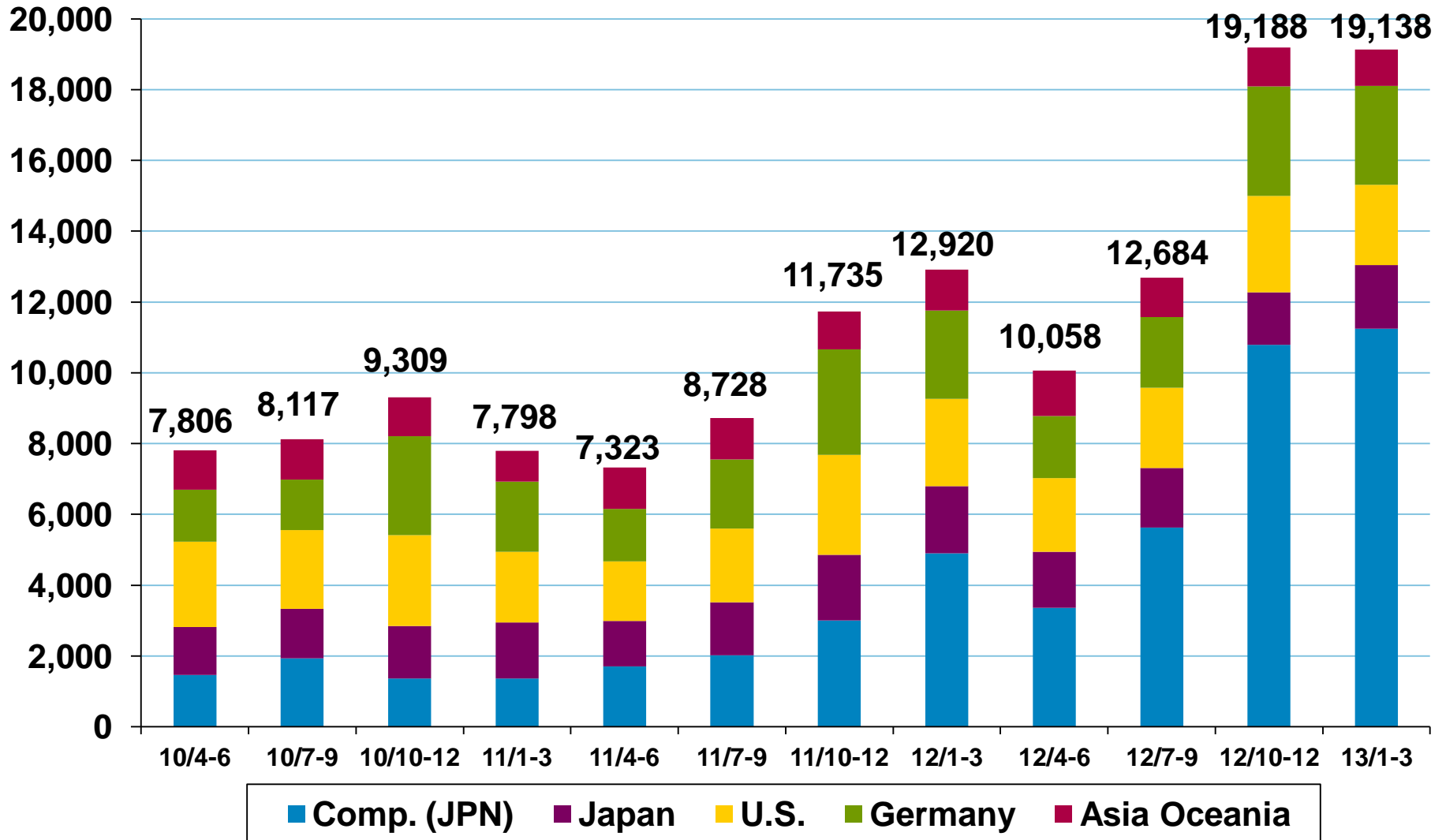
Sales Changes for Local Currencies

- Sales expanded in Europe, meanwhile business in China was influenced by anti-Japanese sentiment.

Region	Currency	YOY Change Ratio
U.S.	USD	-1.9%
Europe	EUR	10.7%
China	CNY	-19.2%
Korea	KRW	-3.5%
Australia	AUD	2.8%
Singapore	USD	19.3%
Hong Kong	USD	15.9%

Quarterly Trend by Region

(Unit: Million JPY)



Consolidated B/S

(Unit: Million JPY)

	End of Mar. 2012	End of Mar. 2013	Change
Current assets	27,490	42,752	15,262
Fixed assets	6,639	7,372	733
Total assets	34,129	50,124	15,995
Current liabilities	14,196	19,596	5,401
Fixed liabilities	1,016	1,316	301
Total liabilities	15,212	20,913	5,701
Minority interest in subsidiaries	0	0	0
Net assets	18,918	29,212	10,294
Total liabilities and Net assets	34,129	50,124	15,995
Equity ratio	55.2%	58.1%	2.9%
Book value per share (JPY)	47,350	69,260	21,910

Assets

- Increase in cash and cash equivalents 9,627
(third party allocation transaction 5,356, Increase in net profit, etc.)
- Increase in notes and accounts receivable 3,427
- Increase in other account receivable 1,435
(both increase from expansion of Component business, etc.)

Liabilities

- Increase in notes and accounts payable 3,511
- Increase in income tax payable 828

Net assets

- Increase of retained earnings 3,578
(3/12 14,776 ⇒ 3/13 18,354)
- Increase due to third party allocation transaction
(capital surplus 3,528)
(treasury stock 2,083)

Consolidated C/F

(Unit: Million JPY)

	FY 3/12	FY 3/13	YoY Change
	4/11-3/12	4/12-3/13	Amount
C/F from operating activities	4,881	5,895	1,014
C/F from investing activities	-1,697	-1,611	86
C/F from financing activities	-1,627	4,337	5,963
Effect of change in exchange rate	-41	1,006	1,048
Increase-decrease of cash & cash equivalent	1,515	9,627	8,112
Beginning balance of cash & cash equivalent	10,455	11,970	1,515
Ending balance of cash and cash equivalent	11,970	21,596	9,627

C/F from operating activities

- Net profit before taxes 7,546
- Increase in notes and accounts payable 3,298
- Depreciation 1,160
- Increase in notes and accounts receivable -4,583
- Payment of income tax -2,014

C/F from investing activities

- Purchase of fixed assets (Mold, etc.) -965
- Purchase of in-house software (Global ERP, etc.) -588

C/F from financing activities

- Third party allocation transaction to Samsung 5,365
- Dividends payment -1,190

(Ref.) Forecast vs. Actual for FY 3/13

(Unit: Million JPY)

	FY 3/13	FY 3/13	Change	
	Forecast as of Jan.	Actual	Amount	Ratio
Sales	62,500	61,068	-1,432	-2.3%
Operating Profit	7,800	7,915	115	1.5%
OPM	12.5%	13.0%		
Recurring Profit	7,600	7,559	-41	-0.5%
Net Profit aft. Tax	4,800	4,770	-30	-0.6%
(FY Ave. FX) JPY/USD	81.6 (JPY)	83.2 (JPY)	+1.6 (JPY)	2.0%
(FY Ave. FX) JPY/EUR	105.2 (JPY)	107.8 (JPY)	+2.6 (JPY)	2.5%

- About JPY 1,100 million in sales and JPY 300 million in operating profit occurred due to JPY depreciation against assumed FX average rate. Meanwhile, these effects were offset by the delay of launch of *Cintiq 13HD* in Brand business and some of sales shifted to FY3/14 in Component business, etc.

FY 3/14

Basic Policy and Business Focus

Business Environment for FY3/14

- Global economy starts to regain strength driven by U.S. recovery and emerging markets growth. Europe economy stays weak while Japanese economy starts to improve
- Smartphones and tablets, cloud and community to establish IT platform. On-line and e-Commerce as primary channel for consumers
- UI technology frontier to expand beyond multi-touch toward pen and ink
- Creative segment continues to grow with mobile use extension and display integration
- Mobile stationery and accessory market to continue to grow with broader application availability
- e-Doc and secure workflow continue to gain momentum and expand to mobile platforms

Basic Strategies and Goals

- Expand the business model from PC to mobile and Cloud
- Achieve P&L plan as 1st year of WAP1215
- Build new Brand business categories for growth
- Enhance Component business foundation and accelerate growth
- Accelerate business in U.S. and invest in emerging markets
- Build competitive SCM/SQM foundation
- Invest in new technologies and product development
- Build global organization for competitive leadership

Brand Business Basic Policies

- Transition to cluster-based business model
 - Reorganize Creative business line and reestablish brand framework
 - Establish Consumer business model with digital stationery products
 - Expand digital signature and workflow solution business
- Accelerate growth and gain new customers by introducing new products
 - Launch new mobile product line and expand consumer product line
 - Expand software products for improved customer experience
 - Invest in new dedicated team for emerging markets
- Enhance leadership by improving brand marketing
 - Establish user communities by Global Web, SNS
 - Enhance global marketing capabilities
- Achieve FY 3/14 growth target as 1st Year of WAP1215
 - Maximize the new product potential by global Web marketing
 - Expand online marketing and e-commerce

Brand Business: New Categories

Reorganization based on user characteristics

Creative Business

- Serves the passion of professional and consumer creativity
- Provides high value products and solutions for creative needs
- Pen tablets (*Intuos*, *Bamboo*), Mobile (new products), Display (*Cintiq*)

Consumer Business

- Makes daily lives more creative and enjoyable
- Provides simple and intuitive UI solutions for general users
- *Bamboo Stylus*, etc.

Vertical Market Business

- Serves society by providing innovative solutions
- Provides faster, more efficient and secure ways to work
- *STU* (signature tablet), *DT* (display tablet) series, etc.

Software

Provides cross business, cross platform linkage with end-users

Bamboo Paper Sign&Save

Component Business Key Focus

- Establish global leadership in mobile device categories
 - Enhance strategic smartphone partnership and maximize growth
 - Establish leadership in Windows 8 and Android tablet categories
 - Extend pen adoption to e-Book and e-Note categories
- Build business for touch controller and touch panel module
 - Develop new customer base for G9T and build business model
 - Enhance technology competitiveness by G10T
- Invest in new technology and new generation product line
 - Develop new generation pen technology and start mass-production
 - Establish technology development foundation
- Build component organization for growth
 - Establish SCM & SQM organization for higher customer support
 - Expand pen OEM partnership for market growth
 - Enhance touch panel SCM infrastructure

Corporate Function Basic Policy

- Build stronger global business support
 - Improve group finance and management accounting process
 - Accelerate global IT platform development
 - Enhance global legal and IP team
- Establish new global HR system
 - Build new leadership model for next generation global leadership
 - Develop global performance management frameworks and systems
 - Stronger HR support across all business
- Evolve IR activities and enhance corporate communication
 - Promote understanding of WAP1215
- Provide support for global projects

Assumptions for FY 3/14 Forecast

- **Market demand based on review (mid-April. 2013)**

- **FX rate assumptions for FY 3/14**

1 USD = 90 JPY

1 EURO = 115 JPY

- **Foreign exchange sensitivity: 12-month forecast**

(Unit: Million JPY)

Currencies	USD	EURO
Unit of sensitivity	JPY 1	JPY 1
Sales	700	110
Operation profit	70	80

(A stronger yen has a negative effect while a weaker yen has a positive effect.)

Assumptions for FY 3/14 Forecast

- **Capital expenditure**

3,200 million (+73.4% YOY)

Key items: molds, product equipment for pen component, IT system to form global organization, etc.

- **Depreciation**

2,120 million (+83.7% YOY)

- **R&D expense**

2,520 million (+5.8% YOY)

Key items: developing of new products in Brand business, new IC, basic technology research, etc.

Forecast of Results for FY 3/14

(Unit: Million JPY)

	1H FY 3/13		1H FY 3/14		YoY
	4/12-9/12		4/13-9/13		Growth rate
Sales	22,742		37,700		65.8%
OP	2,657	11.7%	3,550	9.4%	33.6%
RP	2,671	11.7%	3,530	9.4%	32.1%
NP	1,769	7.8%	2,290	6.1%	29.5%

	FY 3/14		FY 3/14		YoY
	4/12-3/13		4/13-3/14		Growth rate
Sales	61,068		88,000		44.1%
OP	7,915	13.0%	11,380	12.9%	43.8%
RP	7,559	12.4%	11,340	12.9%	50.0%
NP	4,770	7.8%	7,370	8.4%	54.5%

- R&D expense and promotion cost for new products will be incurred during 1H prior to product launch. Profit ratios for 1Q and 2Q (Apr. to Jun. and Jul. to Sep.) are expected to triple.

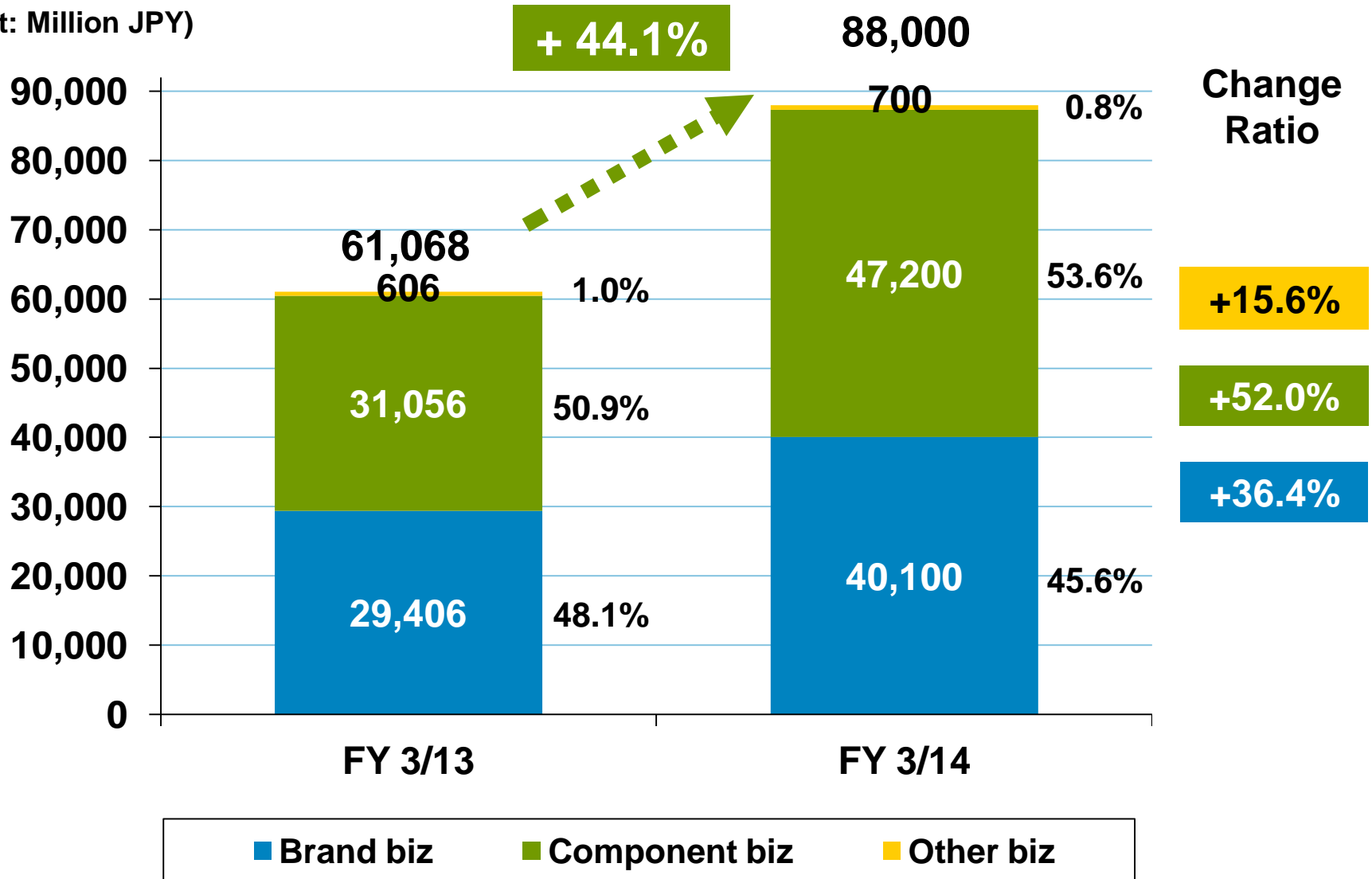
Forecast of Results by Business Line

(Unit: Million JPY)

	FY 3/13	FY 3/14	YOY Change	
	4/12-3/13	4/13-3/14	Amount	Ratio
Sales	61,068	88,000	26,932	44.1%
Brand biz	29,406	40,100	10,694	36.4%
Component biz	31,056	47,200	16,144	52.0%
Other biz	606	700	94	15.6%
Operating Profit	7,915	11,380	3,465	43.8%
Brand Biz	4,895	6,640	1,745	35.7%
Component biz	5,554	7,600	2,046	36.8%
Other biz	102	120	18	17.1%
Corp. and others	-2,637	-2,980	-343	13.0%
OPM	13.0%	12.9%		

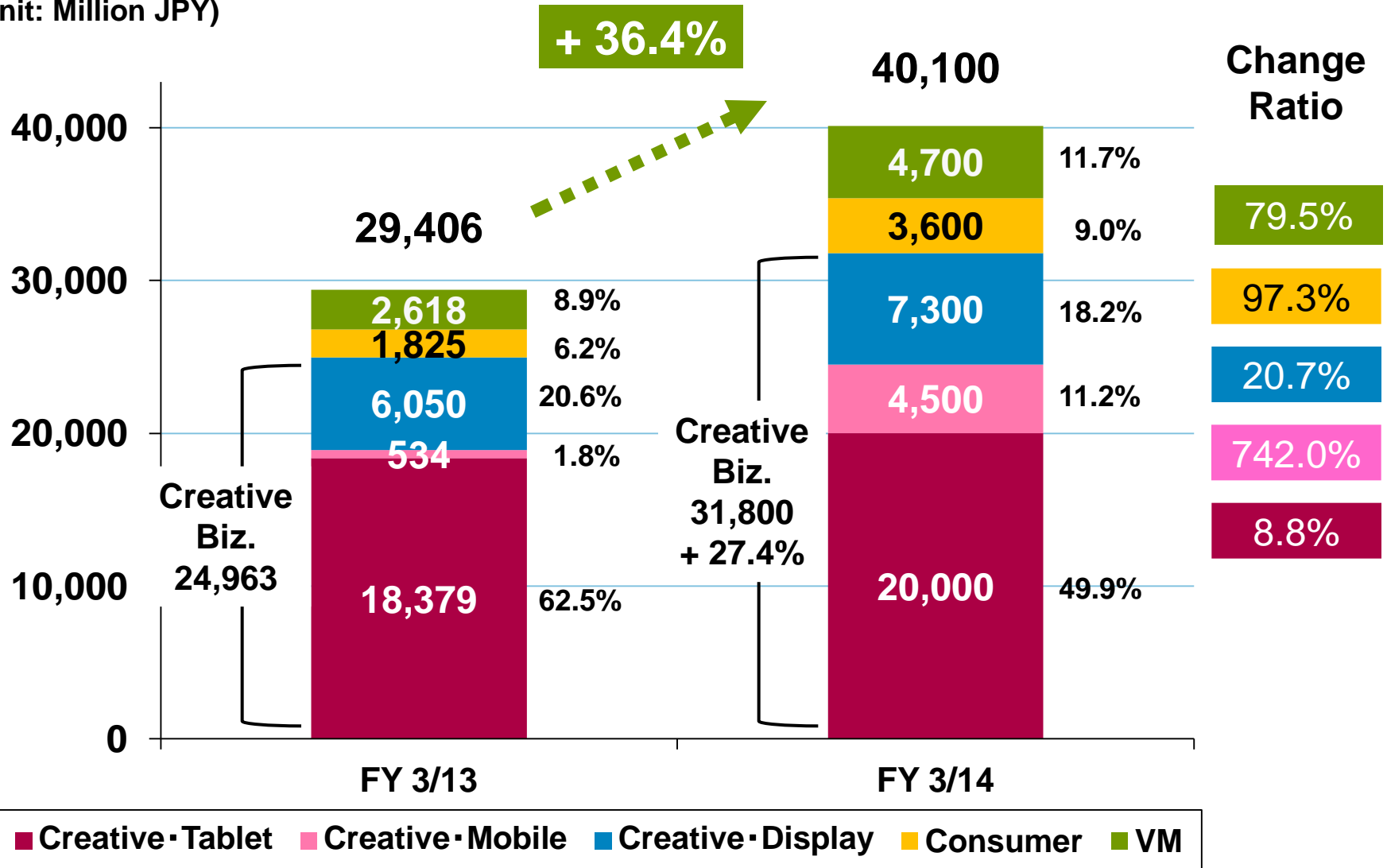
Sales Forecast by Segment

(Unit: Million JPY)



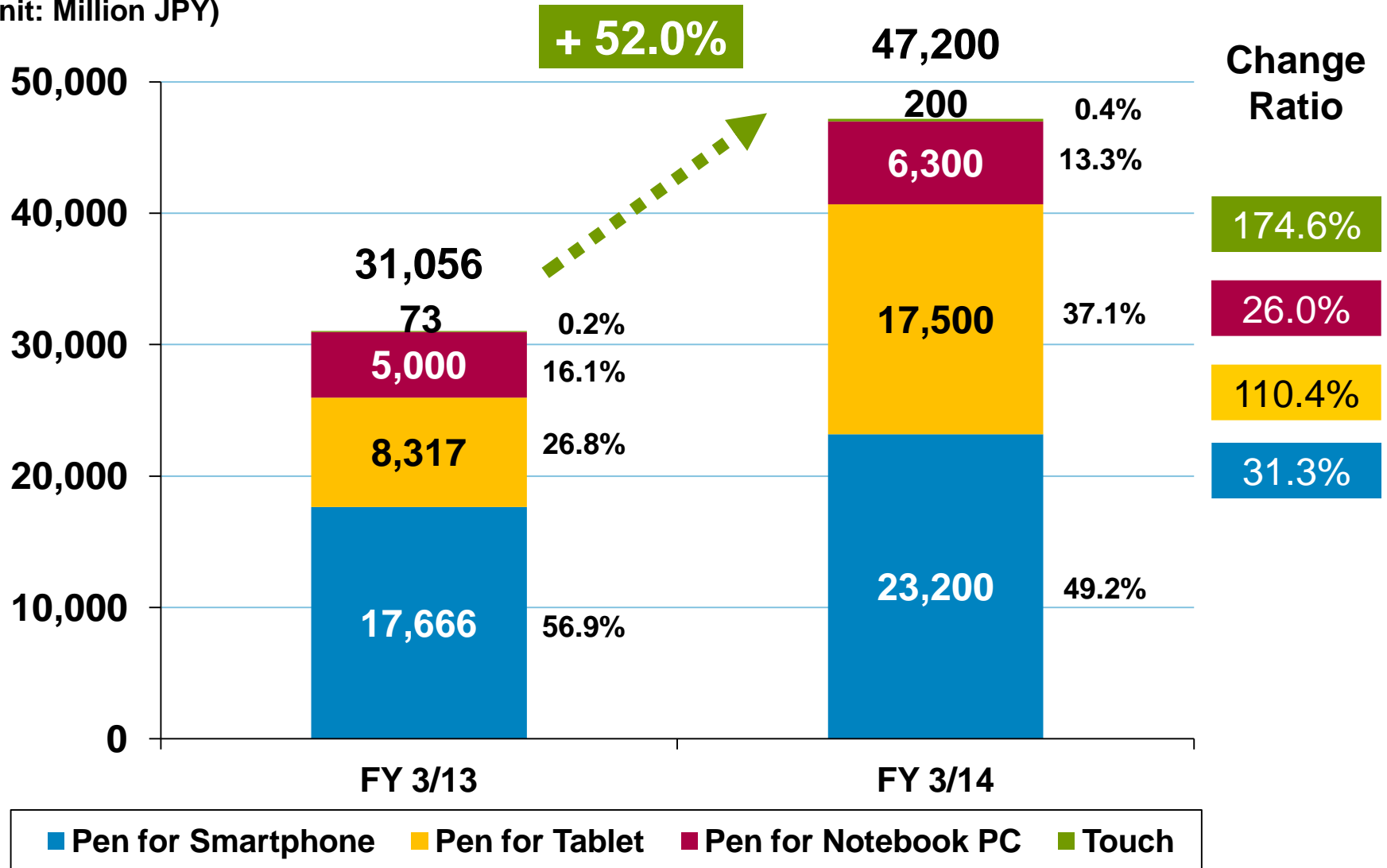
Sales Forecast by Product line in Brand

(Unit: Million JPY)



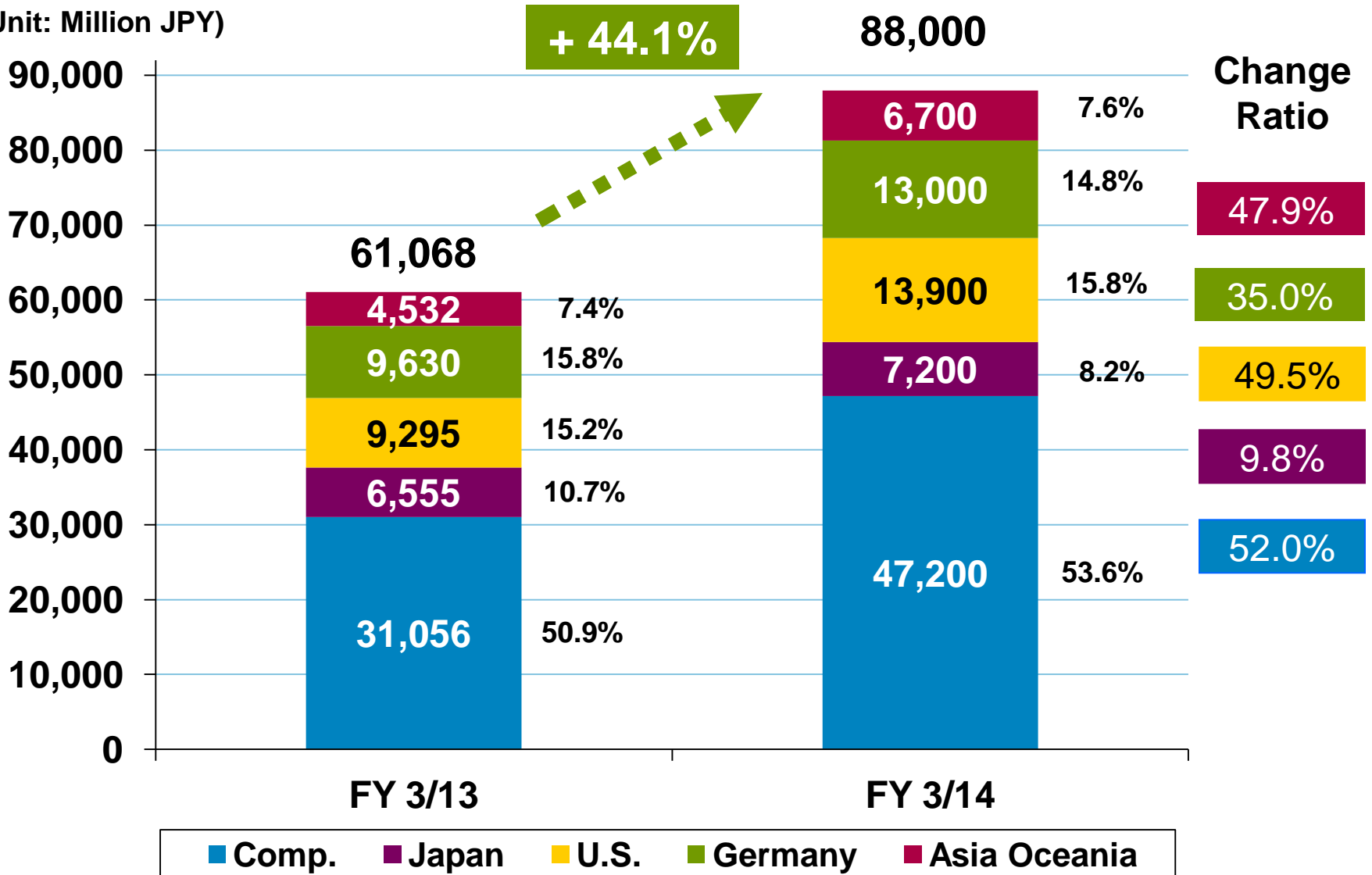
Sales Forecast by Product line in Comp.

(Unit: Million JPY)



Sales Forecast by Region

(Unit: Million JPY)



Share Split and Trading Unit Adoption

- **Purpose of share split and adoption of share-trading-unit**
 - Split one share of Wacom stock into 400 shares and adopt a share-trading-unit resulting in a trading unit of 100 shares to improve liquidity and expand investor base
 - The amount of money currently required for an investment unit will effectively be reduced by 75%
- **Method and effective date**
 - The Company will split each common share into 400 shares for shareholders of record as of May 31, 2013
 - Effective date: **June 1, 2013** (the Japanese date)
 - Number of issued shares after share split: 169,046,400 shares

Dividend forecast for FY 3/14

- **Dividend policy**

- Continue steady dividend payout to shareholders while maintaining a stable financial base necessary for future business development
- Target payout ratio approximately 40% or more by FY 3/16 to attract global investment

- **Dividend per trading unit (100 shares)** *after effective date

- JPY 1,750 per share-trading-unit for FY 3/14
(equal to JPY 7,000 per share before the share split)
- Payout ratio 39.9%

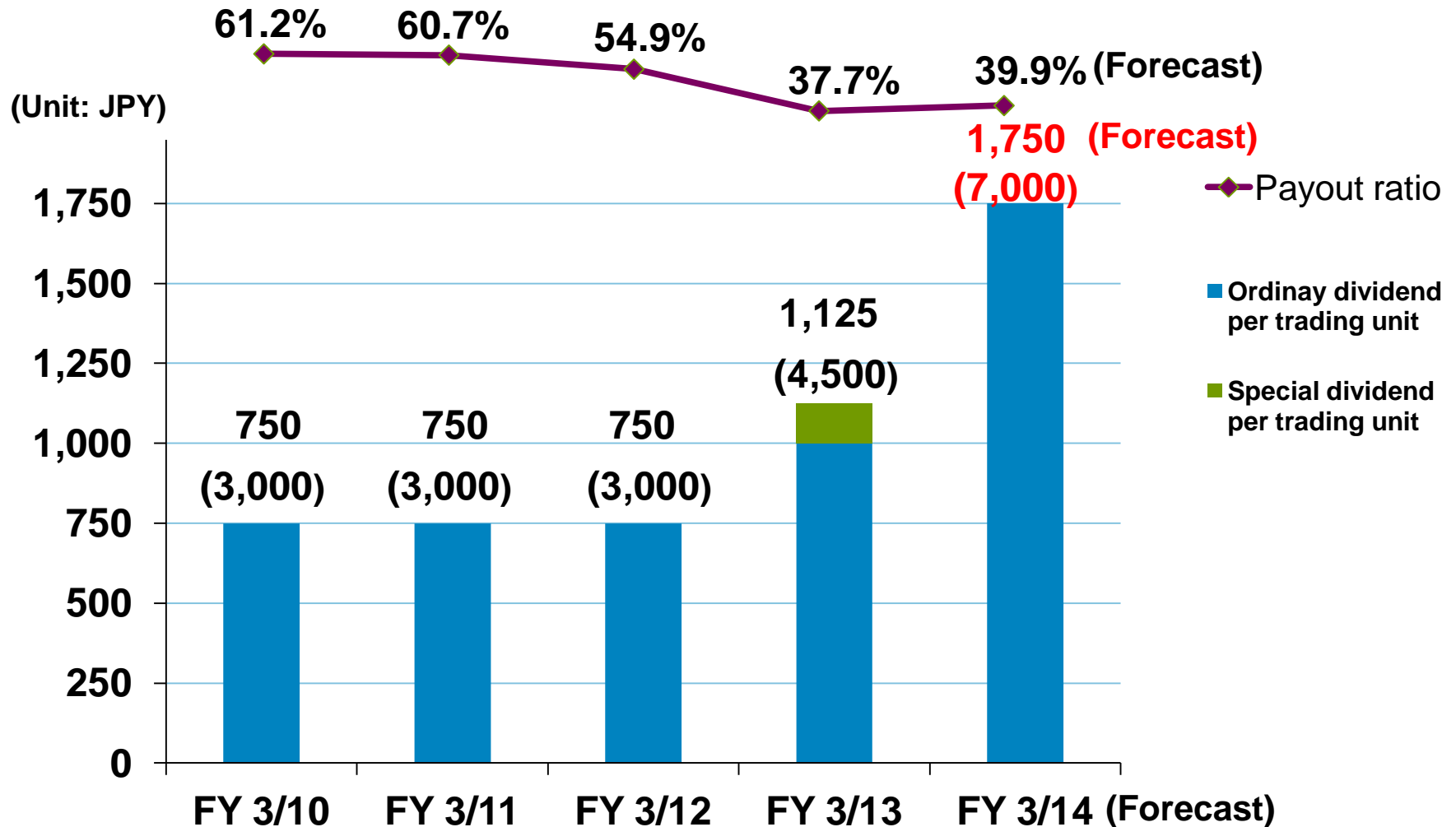
(Ref.) Actual dividend for FY 3/13

JPY 1,125 including a special dividend of JPY 125 per unit

Dividends per Share-trading-unit

After effective date of share split on June 1, 2013

() figures show dividends per share before share split

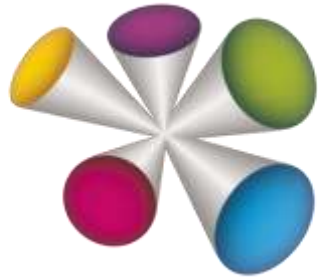


New Medium-Term Business Plan

FY31-FY33

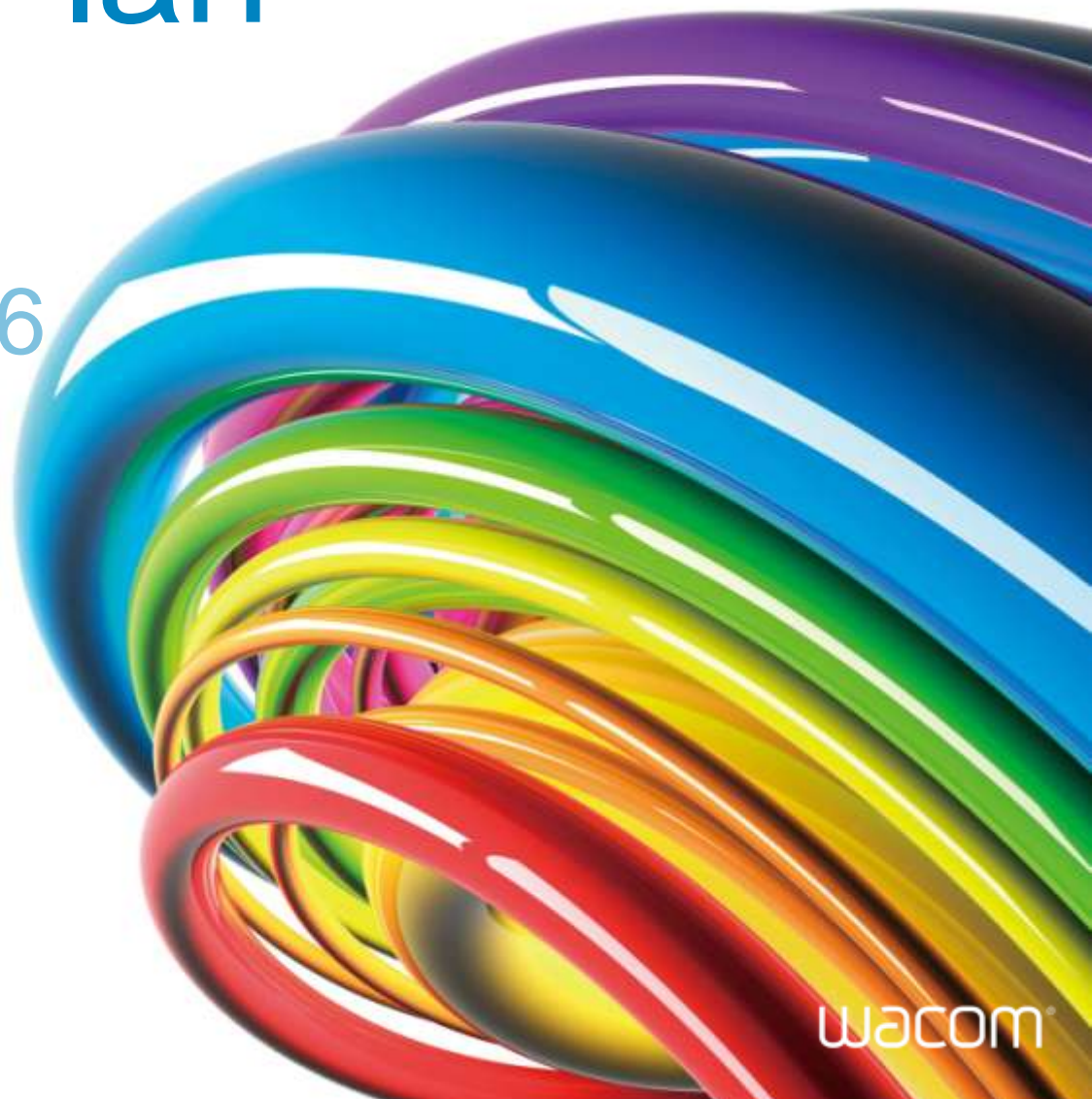
FY March, 2014

– FY March, 2016



Wacom Co., Ltd.

wacom®



New Medium-Term Business Plan: Key Assumptions

- Continued slow growth in the global economy with economic uncertainty in developed markets and decelerated growth in emerging markets.
- Smartphone, tablet and Cloud to be a new IT platform
 - Rapid growth and new opportunities drive global IT investment.
 - On-line brand communication to be a primary means for customer relationship development.
 - On-line sales to be a primary channel for distribution.
- Multi-touch becomes standard user interface technology.
- Importance of electronic pen technology for contents creation and communication grows.
- User experience and Cloud-based community become critical for business success.
- Exchange rate: 1USD=75JPY, 1EURO=100JPY

→ 1USD=90JPY, 1EURO=115JPY

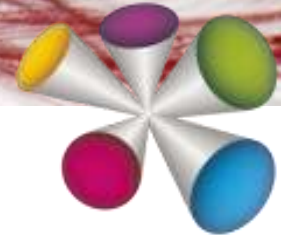
Growth Strategy

- Expand business platform from PC to mobile and Cloud
- Accelerate the Branded product business
- Accelerate the Component business
- Strengthen global SCM (supply chain management) structure
- Promote global organizational development
- Enhance global IT infrastructure
- Accelerate development of new user interface technology
- Enhance emerging market investment

New Medium-Term Business Plan

WAP 1215

Wacom Action Plan for Changing Platform



Basic Strategy

Expand business platform from PC to mobile and Cloud, create new business and grow existing business

Financial goals: By FY ending March, 2016

- Consolidated sales: 120 billion JPY or more
- Consolidated operating profit margin: 15% or higher
- Consolidated ROE: 30% or higher

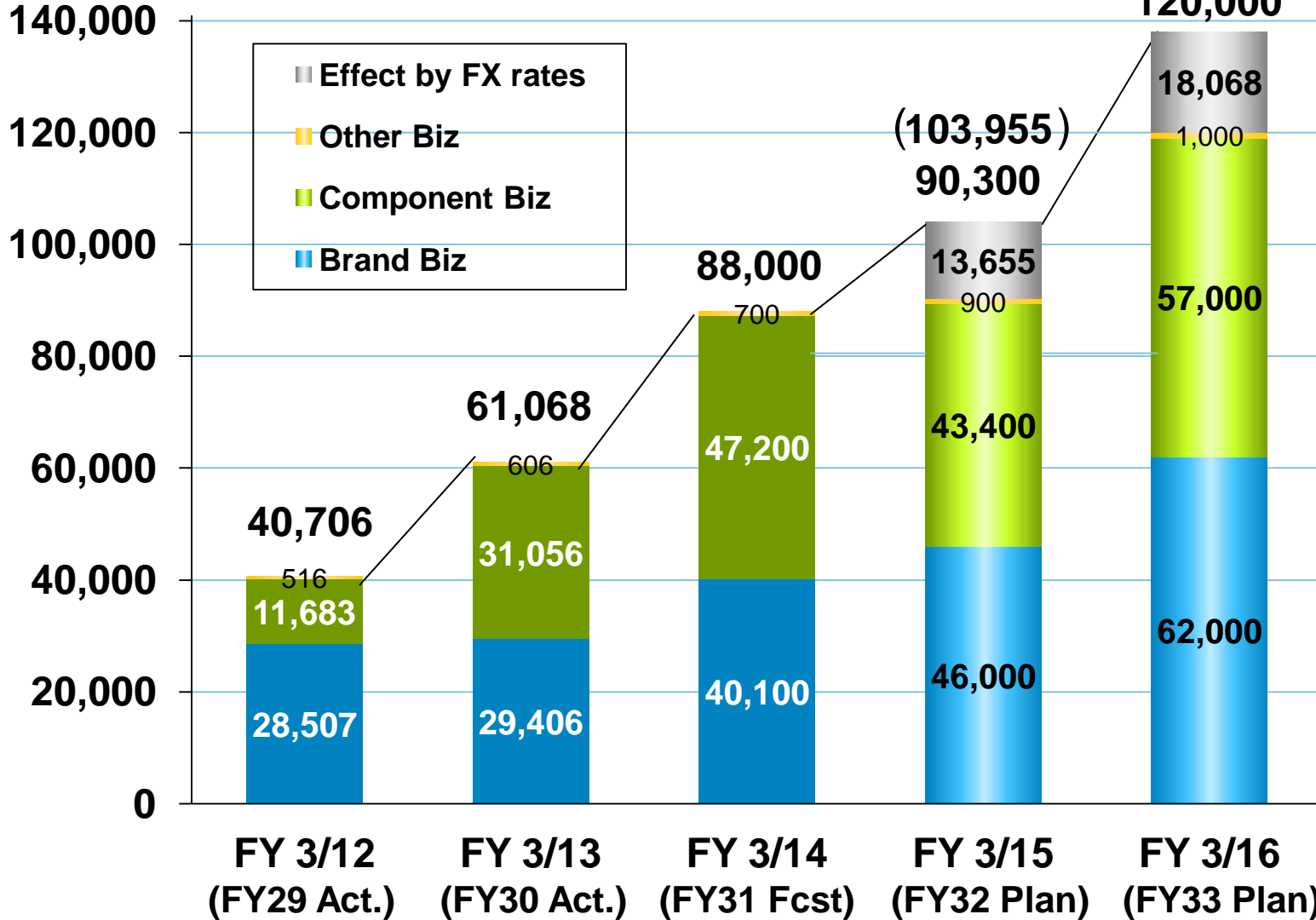
Consolidated Sales

(Unit: Million JPY)

() figures show plans after FX rate changes

(138,068)
120,000

CAGR
FY 3/14 – FY 3/16



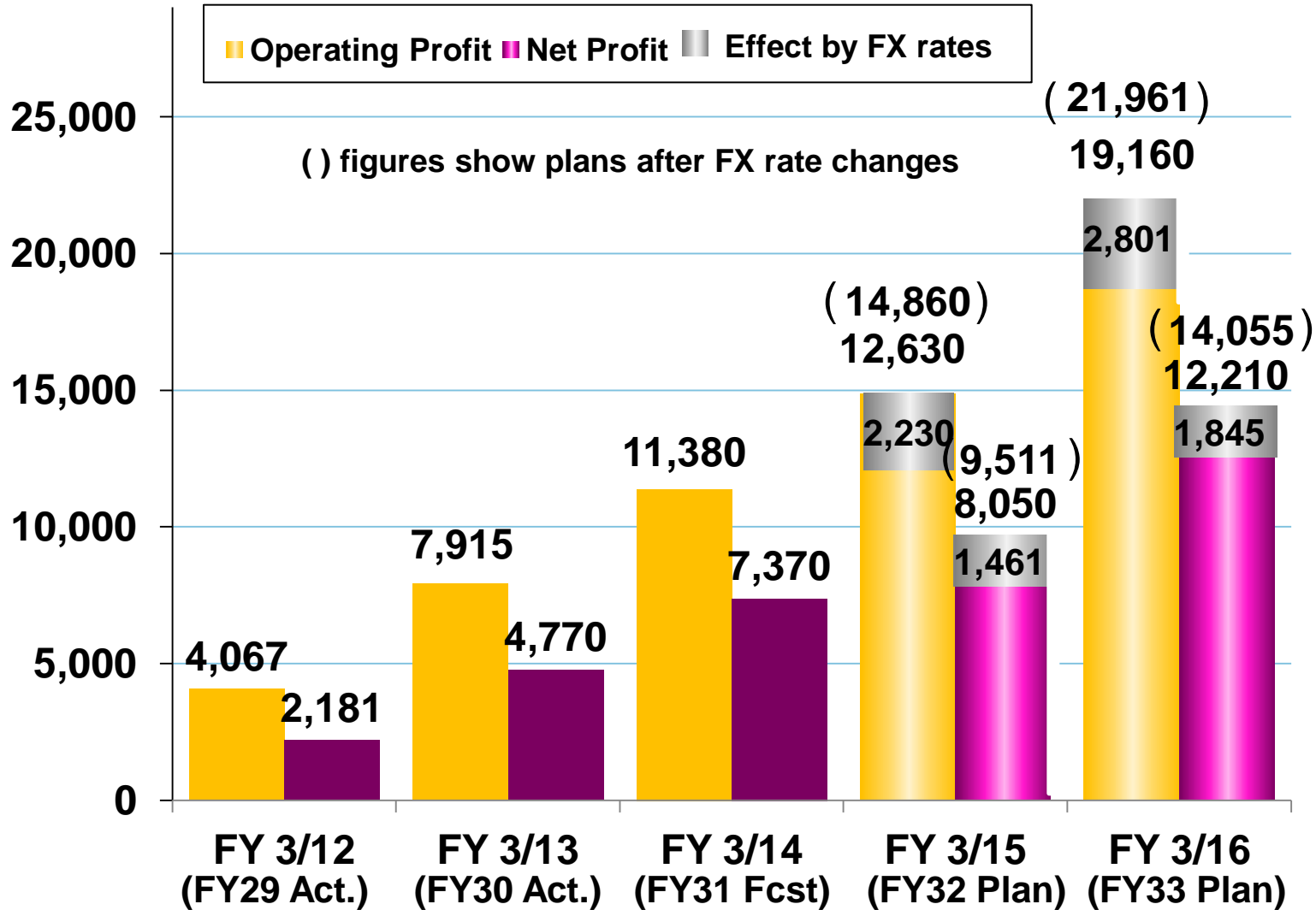
Consolidated Sales
31.2%

Revised assumption of FX rates
1 USD
75JPY → 90JPY
1 EUR
100JPY → 115JPY

Consolidated Profits

(Unit: Million JPY)

CAGR
FY 3/14 – FY 3/16



40.5%

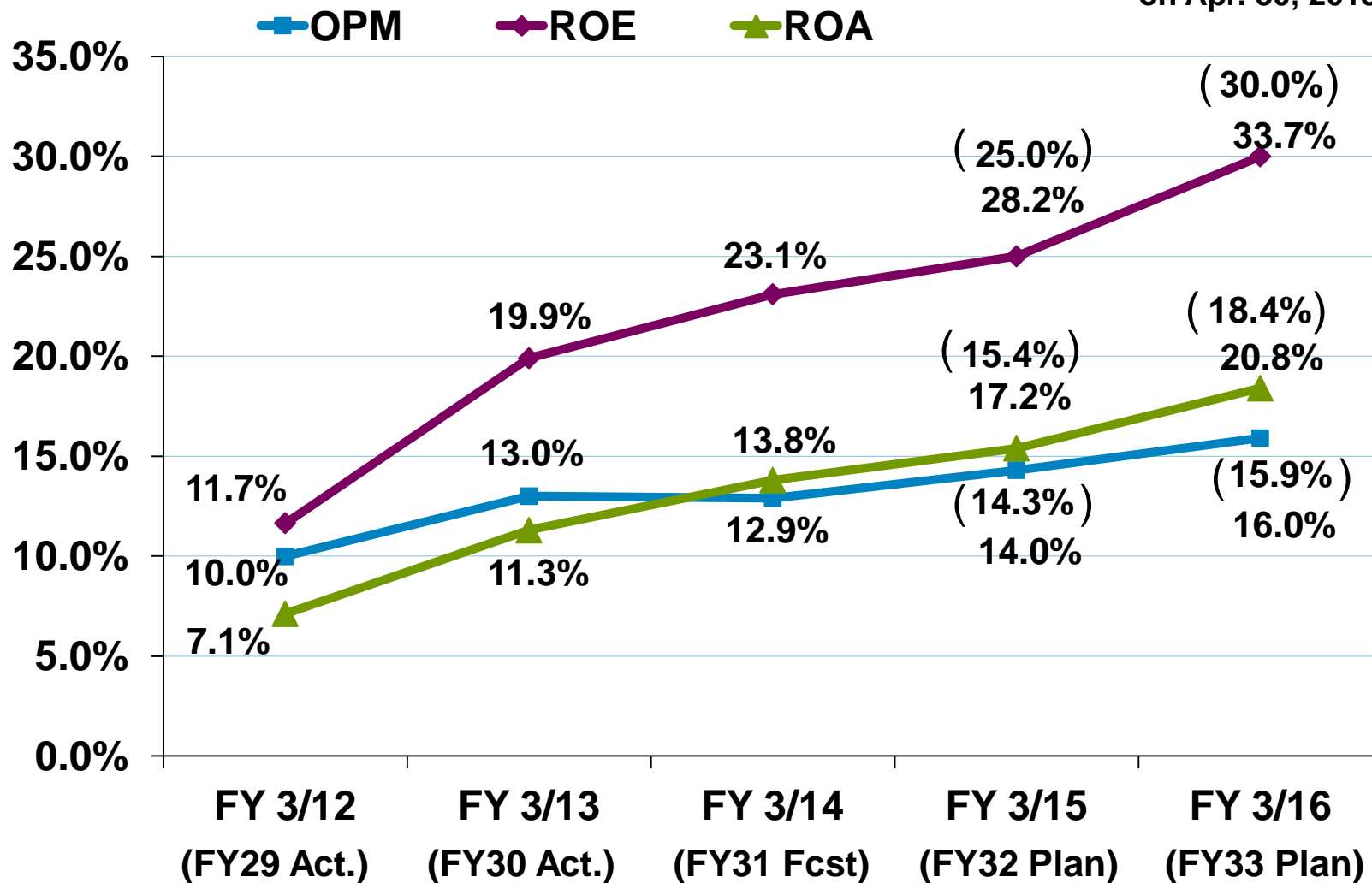
43.4%

Revised assumption of FX rates

1 USD
75JPY → 90JPY
1 EUR
100JPY → 115JPY

Key Financial Indicators

() figures show indicators released on Apr. 30, 2013



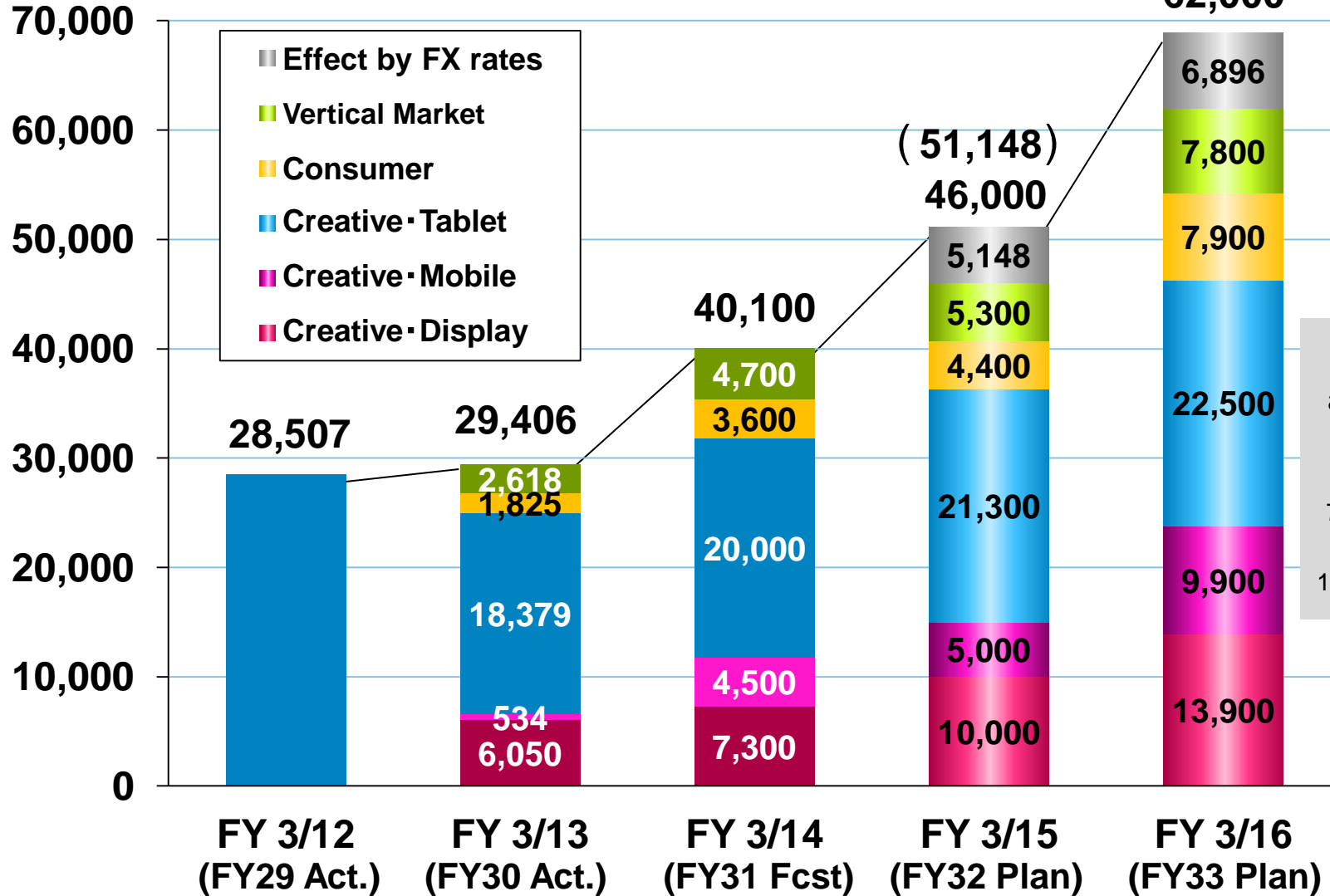
Brand Business: Sales Plan

(Unit: Million JPY)

() figures show plans after FX rate changes

(68,896)
62,000

CAGR
FY 3/14
– FY 3/16



Sales
32.8%

Revised assumption of FX rates
1 USD
75JPY → 90JPY
1 EUR
100JPY → 115JPY

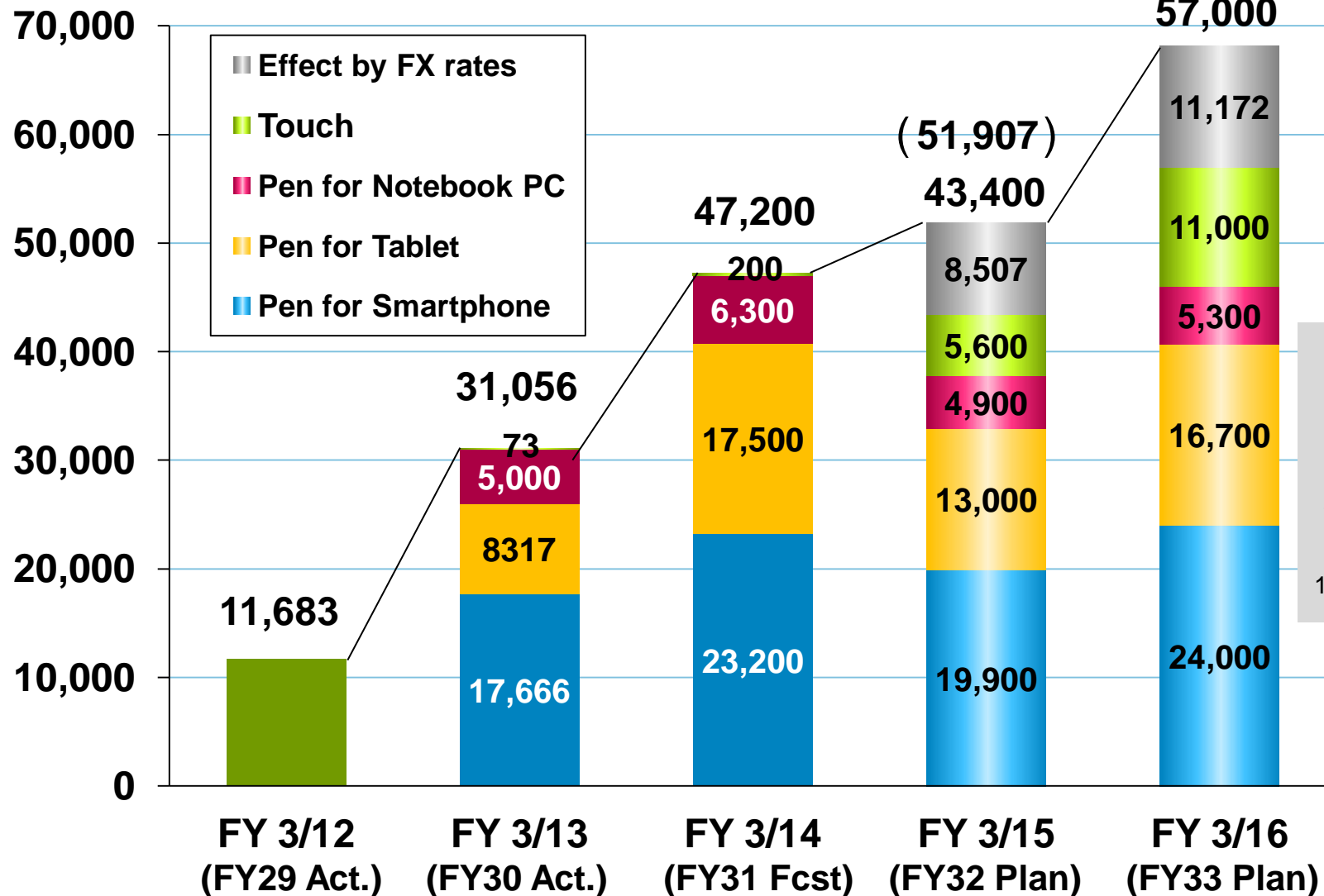
Component Business: Sales Plan

(Unit: Million JPY)

() figures show plans after FX rate changes

(68,172)
57,000

CAGR
FY 3/14
– FY 3/16



Sales
30.0%

Revised
assumption
of FX rates

1 USD
75JPY → 90JPY
1 EUR
100JPY → 115JPY

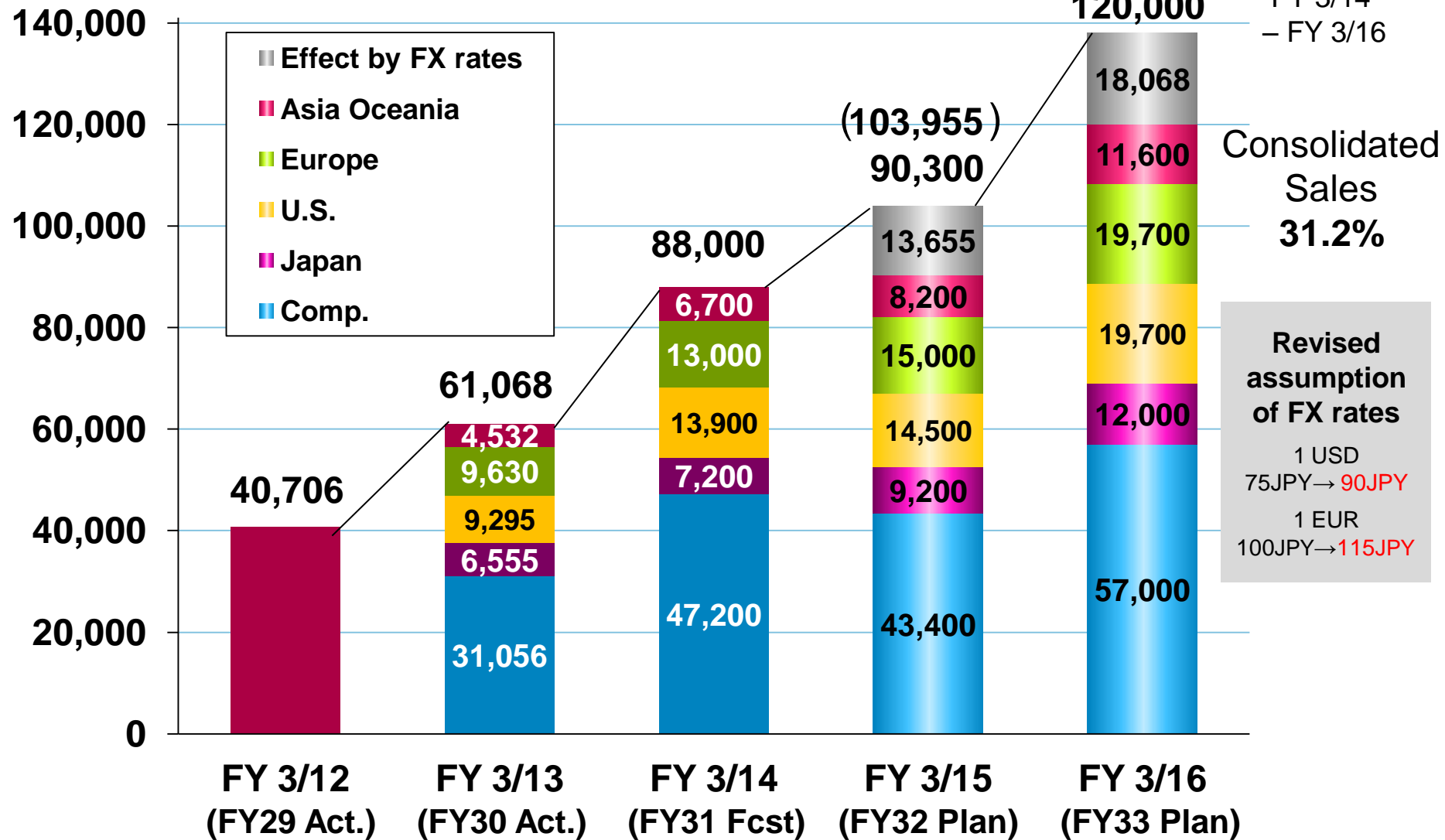
Sales Plan By Region

(Unit: Million JPY)

() figures show plans after FX rate changes

(138,068)
120,000

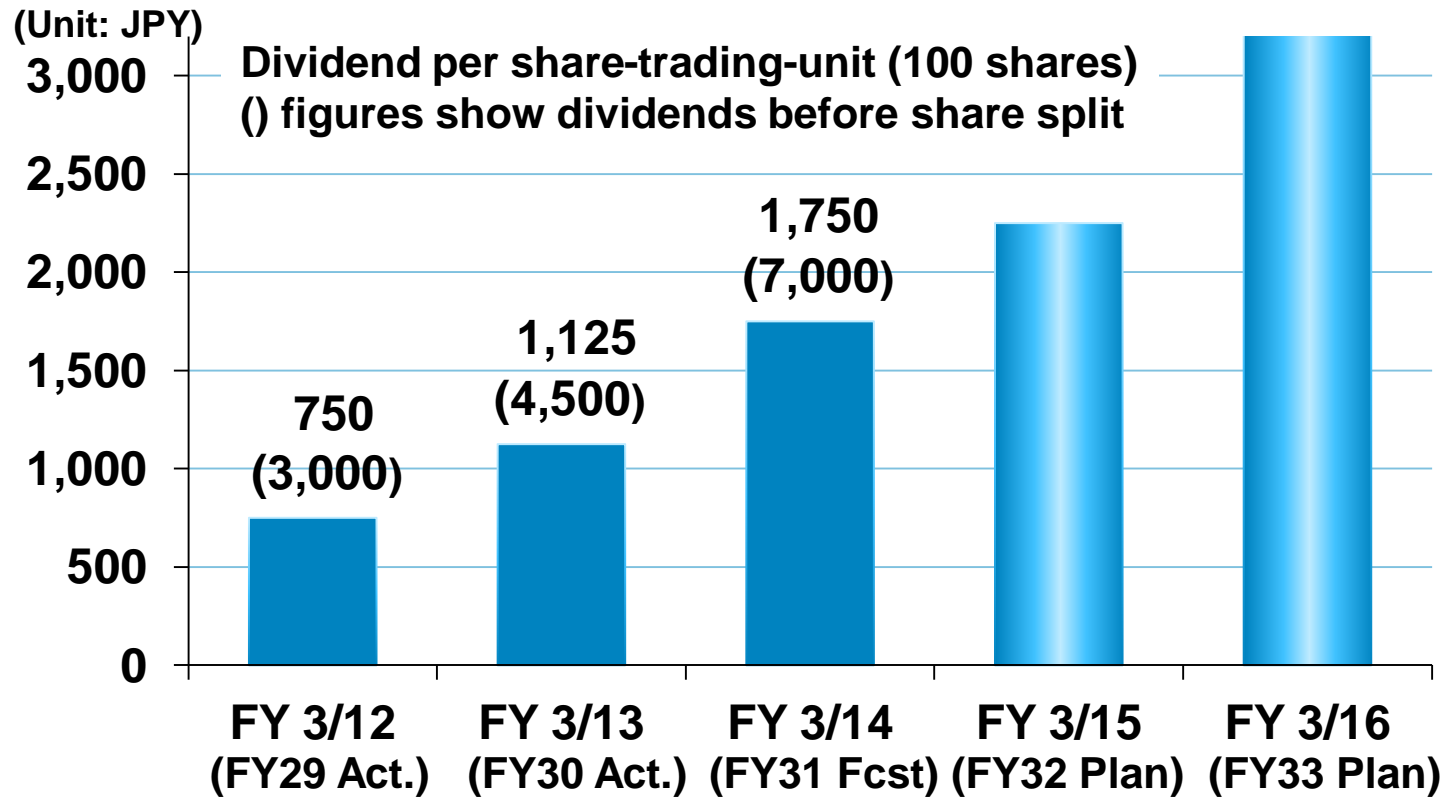
CAGR
FY 3/14
– FY 3/16



Shareholder Returns: Medium-Term Plan

Dividend Payout Policies

- Continue stable payouts to shareholders while maintaining stable financial base necessary for future business development
- Payout ratio to be 40% or more by FY ending March, 2016



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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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