

Annual Report 2022

2021.4.1-2022.3.31

Wacom Chapter 3

(Since April, 2021)

To Our Shareholders

Wacom will continue working to achieve “Meaningful and multi-dimensional growth for people and society”.

Thank you very much for your continued support for Wacom and its business. I am pleased to present Wacom’s Annual Report for the fiscal year ended March 31, 2022 – our 39th fiscal year.

Wacom is a “Technology Leadership Company” that provides customers with a unique and innovative digital pen and ink experience – digital writing and drawing.

On May 12, 2021, we announced our new Wacom Chapter 3: Medium-Term Business Direction for the period ending March 2025, with the aim of drawing on our deep experience to advance to the next stage of development and evolution.

Under this plan, Wacom will continue its vision of Life-long Ink as advanced in Wacom Chapter 2, so as to continue providing the value created by digital ink throughout people’s lives. We will support this through five strategic axes to create valuable experiences based on technology, deliver them to customers, learn together with diverse communities, and connect technological innovation to the realization of a sustainable society. We believe that all of these will lead to the meaningful growth of a diverse and multifaceted society. (For details, please refer to pages 3-4.)

Business results for the 39th fiscal year (ended March 31, 2022)

For our 39th fiscal year, Wacom posted consolidated net sales of 108.8 billion yen (up 0.2% from the previous year), consolidated operating profit of 13.0 billion yen (down 2.9% from the previous fiscal year), consolidated ordinary profit of 14.4 billion yen (up 1.8%), and consolidated net profit attributable to owners of parent of 11.0 billion yen (up 7.1%). We continued to invest in R&D to respond to changes in the business environment, took steps to optimize SG&A expenses through cost control, and were affected by exchange rate fluctuations (foreign exchange profit due to Japanese yen depreciation). Consequently, we achieved record results in consolidated net sales, consolidated ordinary profit, and

consolidated net profit attributable to owners of parent.

For the period under review, the Russia and Ukraine situation did not have a material impact on Wacom Group’s business activities, although in view of difficult financial and logistics circumstances, we halted direct shipments to the region. In addition, as a gesture of support for the humanitarian crisis in Ukraine, we donated 30 million yen through the UNHCR (The Office of the United Nations High Commissioner for Refugees). We also resolved to establish a budget of 20 million yen for the fiscal year ending March 2023 for a “Stand Together Fund” to carry out effective and proper support activities in the region.

Strategic initiatives

In line with the five strategic axes set out in Wacom Chapter 3, we conducted a range of experimental initiatives to create new experiences related to digital pen and ink, working together with various partners who share Wacom’s vision. Examples include projects such as a service that protects the authorship and rights of creators, a demonstration of remote drawing (creative activities at home or remotely) using a 5G mobile communication system, and a visualization of the creative process using digital ink and AI. These initiatives were introduced at a November 2021 community event, Connected Ink 2021, hosted by Wacom. (For details of the projects, please refer to Latest Presentations” on our IR site.)

Forecasts for the 40th fiscal year (ending March 2023)

For the fiscal year ending March 31, 2023, rising geopolitical tensions caused by the situation in Russia and Ukraine are part of reasons for an uncertain outlook for the global economy. Taking these circumstances into account, on July 29, 2022 we revised the forecasts previously announced on May 12, 2022. Assuming an average exchange rate of 130 yen to the U.S. dollar and 138 yen to the euro for the fiscal year, Wacom estimates consolidated net sales of 133 billion yen (up 22.3% from the

previous fiscal year), consolidated operating profit of 15.0 billion yen (up 5.2%), consolidated ordinary profit of 13.7 billion yen (down 4.5%), and net profit attributable to owners of parent of 11.2 billion yen (up 2.2%).

In Branded Business, we expect an increase in sales due to enhancement of the product portfolio in the latter half of the fiscal year, while paying close attention to the risk of declining demand resulting from deterioration of consumer sentiment. In Technology Solutions Business, we will maintain and develop strong relationships with our key customers, exploring and implementing new use cases for digital pens, while paying close attention to changes in demand trends. Additionally, in both businesses we will continue to actively invest in R&D for the future.

Shareholder return policy

To reward our shareholders for their continued support, on June 7, 2022, Wacom paid a full-year dividend for the 39th fiscal year of 20 yen per share (a payout ratio of 29.4%) to shareholders of record at the end of March 2022. For the 40th fiscal year ending March 2023, we plan to pay an annual dividend of 20 yen per share (a payout ratio of 31.2%), based on the target consolidated payout ratio of approximately 30% outlined in our dividend policy. On May 12, 2021 we announced a policy of share buybacks up to a maximum of 10 billion yen during the period May 13, 2021 to March 31, 2025, taking into consideration investment opportunities and financial conditions. During the fiscal year ended March 2022, we acquired treasury shares of 3 billion yen (3.5 million shares). In addition, on May 12, 2022 we announced plans to acquire treasury shares of up to 2 billion yen (up to 4 million shares) during the fiscal year ending March 2023, and to cancel 2 million shares of treasury shares on May 26, 2022.

Pursuing meaningful growth

In response to changes in the social environment, including digital education reform, the spread of diverse work styles such as telework, and the evolution of creative workflows (production processes) to 3D and cloud computing, we will further evolve our business model, and hope to continue to provide new value in digital ink technology to our customers and communities in the form of AI, XR (a new reality combining real and virtual worlds), and security, while staying close to the growth of the digital content creation market.

Wacom will strive to achieve meaningful growth with our customers and partners in diverse communities, gathered from different cultures and industries under our Life-long Ink vision, while also pursuing financial growth.

On behalf of the board, I would like to express my sincere gratitude for your continued support.



Nobutaka Ide
President & CEO
Wacom Co., Ltd.

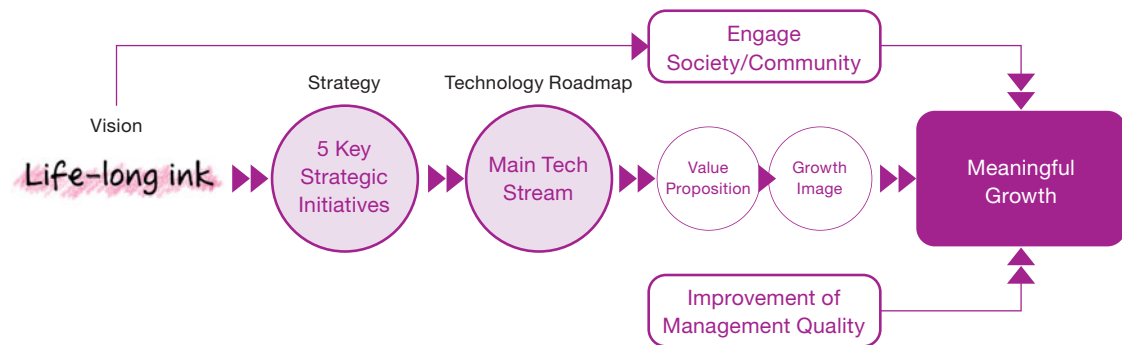
Wacom Chapter 3 Medium-Term Business Direction

Wacom to continue seeking “Meaningful Growth, multi-dimensional growth for human and society”. We decided to make use of the lessons we had learned in “Wacom Chapter 2” and advance to the next stage of development and evolution and formulated new “Wacom Chapter 3: Medium-Term Business Direction (39th fiscal year ended March 2022-42nd fiscal year ending March 2025)” and announced on May 12, 2021.

“Wacom Chapter 3” Storyline

Vision

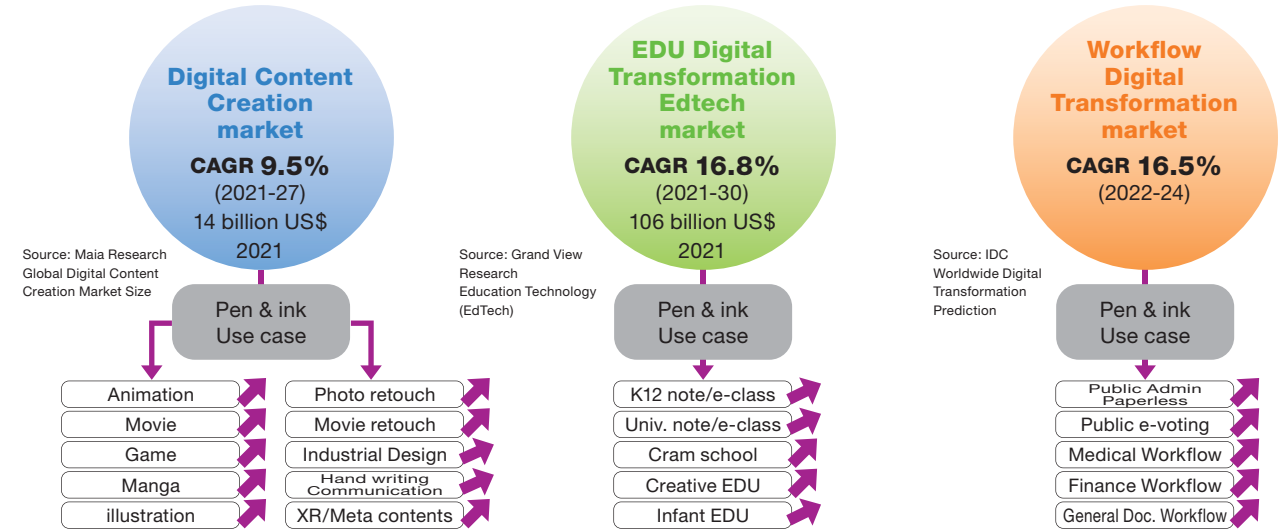
Through Wacom’s technology, we will continue to provide meaningful experiences for human and society over the long term, guided by the vision of “Life-long Ink” to contribute to making this world more humane.



Wacom's mission is to use technology to create valuable experiences and then deliver these experiences to customers; to realize these experiences by complementing its know-how with knowledge and experience from its peers. Identifying the technological areas on which to focus, Wacom can link technological innovation to realizing a sustainable society. Wacom believes that such an approach will support the growth of customers who purchase and use our products and services, stakeholders who provide our capital, communities that share Wacom's vision, our colleagues, and the diverse society in which we participate.

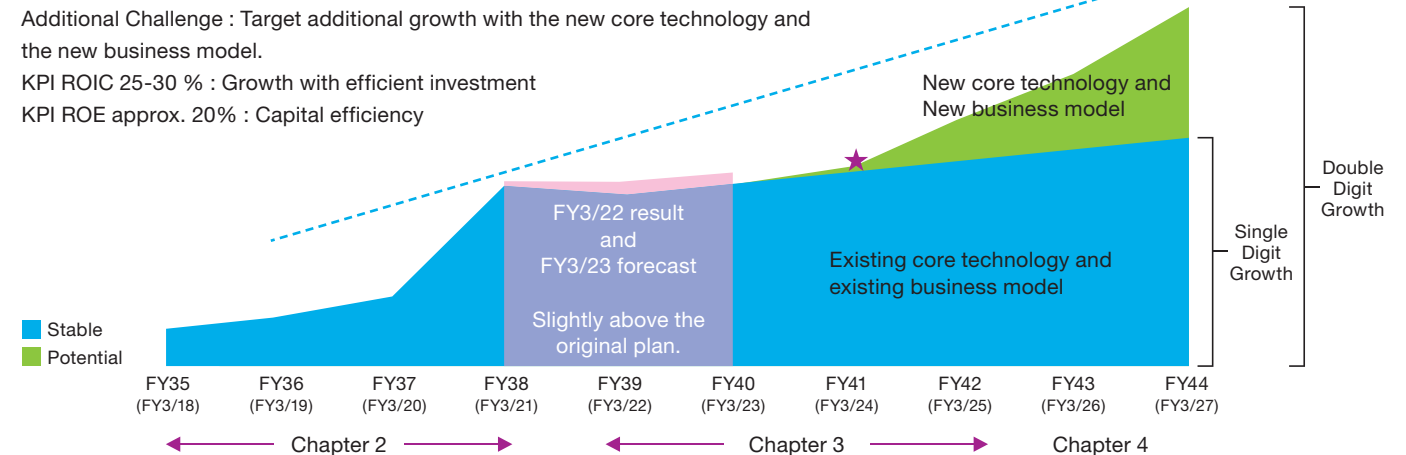
Market for Wacom business development

- Wacom digital pen and ink business has a lot to gain from sustainably growing market domains. (CAGR double digit growth markets)
- Business opportunities through new core technology and new value creation also exist in sustainably growing market domains.

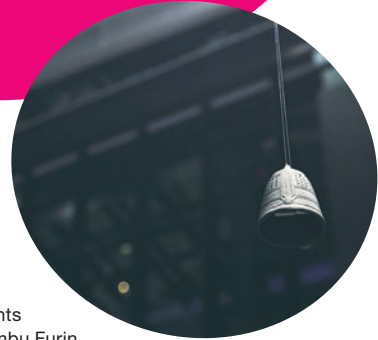


Chapter 3 Image of financial growth UPDATE (Operating Profit)

Baseline : sustainable growth based on the existing core technology and business model.
 Additional Challenge : Target additional growth with the new core technology and the new business model.
 KPI ROIC 25-30 % : Growth with efficient investment
 KPI ROE approx. 20% : Capital efficiency



Growing with Communities & Society



The audience and participants listened to the sound of Nambu Furin (cast iron wind chimes from Northern Japan), revisiting the theme of Connected Ink: "Creative Chaos"



Wacom hosted Connected Ink 2021 in November last year, where a wide range of partners from different fields, industries, and cultures came together to develop new technologies and build new experiences by tapping into the power of communities. (Photos on these pages are from the Connected Ink 2021 held in November 2021.)

To further develop this initiative and provide sustainable support to "Art, Technology and Learning" from a social and long-term perspective, Wacom has launched "Connected Ink Village" as a general incorporated association.



Pilot Corporation, the inventor of Dr. Grip, joined the event for the first time.

Performers dance in pursuit of the core of human creativity.



Participants from many different countries collaborated to make the sounds of space audible.



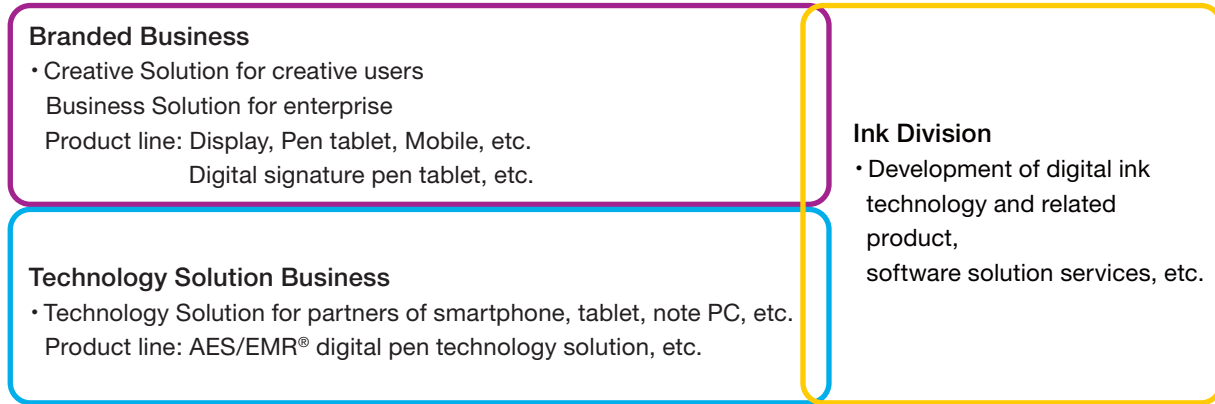
Taking advantage of digital technology to propose new ways of enjoying art.

<https://www.wacom.com/en-jp/events/connected-ink/sessions>
Connected Ink 2021 events and sessions can be viewed from the website.

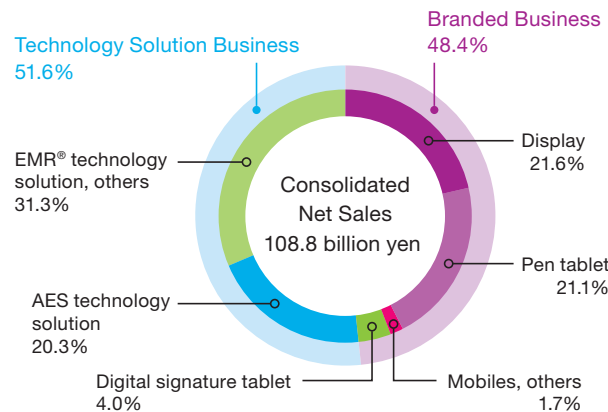
Business Lines

Wacom has established the global organizational structure, to manage its two business segments, where business units and divisions operate according to characteristics of respective businesses.

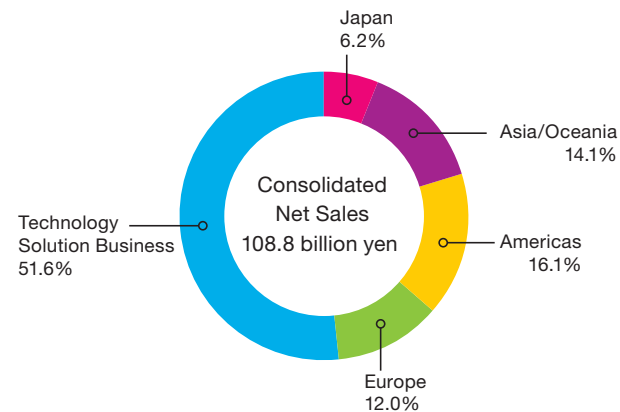
We will aim for business growth globally by accelerating technological innovation, utilizing management resources in line with business goals.



Sales by Segment & Product line for the fiscal year ended March 2022



Sales by Regional Subsidiary for the fiscal year ended March 2022



(Note) There are no regional segments in the Technology Solution Business due to the regional sales depending on OEM partners. (sales price is mainly determined in US dollars.)

Hot Topics

Tapping 5G for remote animation and CG creations

Wacom, together with Splashtop, khara, inc., and NTT DOCOMO, INC. has conducted a successful feasibility study of remote animation and CG creations, leveraging high-speed, super-low latency 5G mobile communication and cloud technology. Previously, creators were expected to work closely together in physical offices, but the COVID-19 pandemic made work from home necessary in their jobs, too. This study has proven that creators can get things done from home, without taking their high-performance equipment out of the office, using general purpose tablet devices or smartphones and a high-security mobile communication environment.



The image of feasibility study



Samsung Galaxy Z Fold3



FMV LOOX Fujitsu Client Computing

The evolution of digital pens never stops in pursuit of smooth, natural response and higher performance.

Samsung continues to use our proprietary EMR® (Electro Magnetic Resonance) technology in its Galaxy Z Fold3 and the garaged pen for the Galaxy S22 Ultra. Beyond writing and drawing, S Pen can be used in intuitive, powerful ways as a tool for greater control of your device when listening to music, giving presentations, or triggering the camera for a selfie. Wacom also supplies Active ES® pen solutions for Windows tablet devices, where a new pen with even sharper design has been launched for an enhanced writing experience. Coupled with Wacom’s digital ink technology “WILL™”, the Group will continue to promote the widespread adoption of ink data.

Our Business

Wacom consists of two business categories.

The Branded Business handles creative pen displays and pen tablets that allow creators to express their imaginations without limits, and solutions to implement handwriting into digital document workflows.

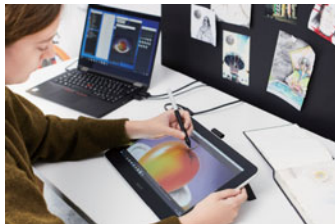
The Technology Solution Business enables customers to integrate digital pen functions into IT devices and digital stationery.

Branded Business

The Branded Business comprises of Wacom-branded hardware and software products and solutions.

Creative Solution:

We offer a wide range of products in this field, which features increasingly high-definition visual sources such as 4K and 8K. We also embrace the expansion of remote work and online education and the emerging trend of creation on VR (Virtual Reality) platforms with our offerings.



Business Solution:

The accelerating shift toward document digitization and paperless operations opens the door to a wide range of applications for the Business Solution segment:

- Document management applications for the enterprise
- Retail stores (product demonstration and payment solutions)
- Financial institutions (contract presentation and signing)
- Hotels (check-in kiosks)
- Public offices (registration document processing)
- Healthcare service providers (electronic medical records)



Technology Solution Business

The Technology Solution Business provides digital pen (EMR®: Electro Magnetic Resonance and Active ES®) technologies and multi-touch technologies that we have cultivated in pen tablets as an OEM (original equipment manufacturer).

As the Japanese government's "GIGA school" program to provide a computer to each student takes hold in Japan, pens will take on added importance in digital transformation of education. The use of digital pens will likely become widespread in telework, where online meetings and digital documents have become more common. Wacom will continue to provide OEM pen solutions based on the EMR® and Active ES® pens to a wide range of customers for IT mobile products, stationery, and other applications.

Key customer product categories:

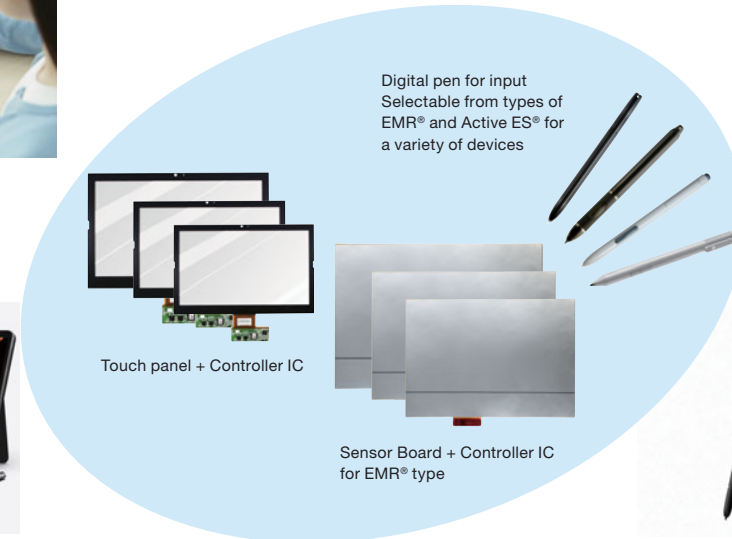
Smartphones, tablets, PCs, eBooks, digital stationery, and music score devices.



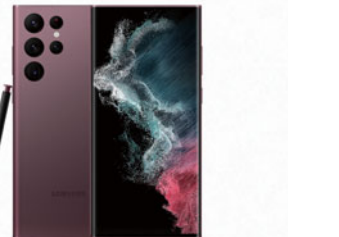
Tablet device for Z-KAI



FMV LOOX, Fujitsu Client Computing



Samsung Galaxy Z Fold3



Samsung Galaxy S22 Ultra

Ink Division

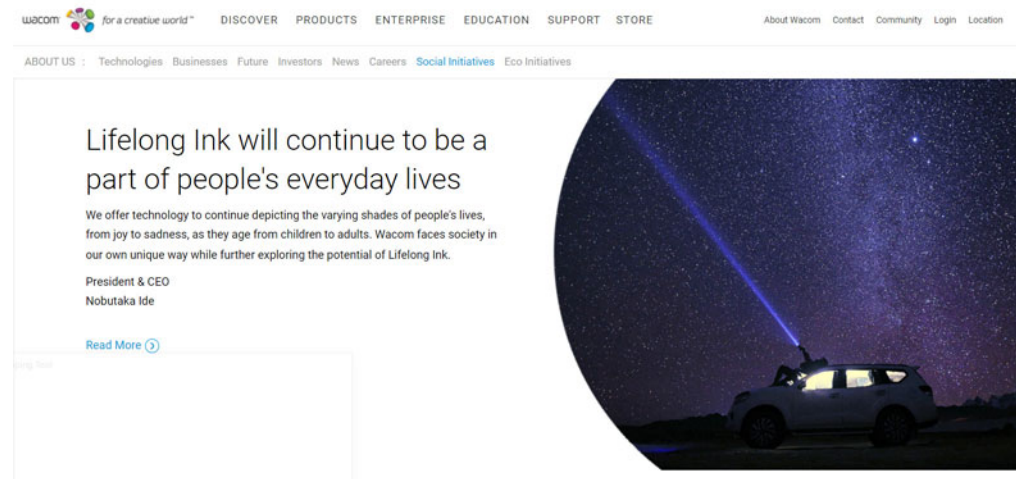
Digital ink generated by digital pens can be used as "digital data", containing various information such as the user's details, the order in which the output was written, and the movement of the pen. From an application and market perspective, Wacom sees opportunities to work together with partners to create additional value from digital ink.



Social Initiatives

Wacom is committed to contributing to various social initiatives through our technology and business activities, and to increasing long-term growth and corporate value.

Wacom contributes to the realization of a sustainable society in our own unique way, exploring the possibilities that the “Lifelong Ink” vision can offer society by supporting writing and drawing both now and in the future.



Social Initiative Website : <https://www.wacom.com/en-jp/about-wacom/social-initiatives>

Through our website, we hope to share the honest thoughts and observations of Group members directly with stakeholders. The site currently has a message from President & CEO Nobu Ide as well as stories about projects involving our passionate employees, clients, customers, and partners. While projects may be small, it is our hope that we will contribute to society in our own way.

The site also carries some basic information about Wacom’s ESG (Environmental Social and Governance) activities, policies, codes of ethics and organizational set-up, including its “Quality Assurance & Environmental policies”, the “Wacom Code of Ethics”, and the “Wacom Supplier Code of Conduct”. The site also explains Wacom’s effective internal control system, which enables the continued enhancement of robust compliance, and corporate governance – one of the company’s most important responsibilities

Eco Initiatives

Response to Climate Change

Climate change derived from global warming has become a serious problem on a worldwide scale. There is a growing trend towards acceptance, embracement, and implementation of ESG/SDGs*1 policies every year in many countries, municipalities, and companies. Every country will set reduction targets on greenhouse gas emissions after 2020 based on the Paris Agreement and promote the introduction of renewable energy sources and development of eco-friendly products and/or services.

Wacom recognizes climate change as an important issue in environmental management. We are promoting the reduction of greenhouse gas emissions and conduct of business activities with careful consideration of possible risks and opportunities in our business environment brought about by climate change. We are also promoting a Business Continuity Plan (BCP) in response to the possible risk that our activities may be restricted by an increase in natural disasters such as floods. In addition, we are reinforcing our organization structure based on the recognition that the development of eco-friendly products could be an opportunity. Furthermore, we ask our partner companies to review, approve, and follow the Wacom Suppliers Code of Conduct, which could lead to CO2 emission reduction in the whole value chain.

Mid-term Target

Wacom outsources almost all production processes to overseas factories and CO2 emissions from the business activities of Wacom itself are not significant. However, we have become a member of the Japan Climate Initiative (URL <https://japanclimate.org/english/>) and set a mid-term target on CO2 emissions for FY2030 to contribute to global GHG*2 reduction.



Following office relocation and extension completed in 2013, we set FY2014 as the base year. We will reduce CO2 emission at a 2.5% annual rate* and achieve 916 t-CO2 in 2030. The introduction of LED lighting in the head office and promotion of teleworking helped reduce the CO2 emission in 2021. The estimated volume of emissions was 930 t-CO2, which was much lower than the target (1180 t-CO2).

We will monitor and disclose improvements in t-CO2 emissions per 100 million JPY revenue although we don't set the reduction of specific energy consumption per unit as our goal. (Please refer to the Environmental Performance section for Wacom's CO2 emissions from FY2012 to FY2021.)

In addition, we started collecting environmental performance data from overseas offices in 2021. Now we have specified data that can be obtained, and we will disclose them accordingly. We will investigate feasible measures to contribute to reduction of CO2 emissions and examine options of setting global target.

*1 United Nations 17 Sustainable development goals (SDGs).

*2 Greenhouse gas.

For further information on our environmental performances such as historical data of electricity consumption, CO2 emissions (Scope 1,2), water consumption, and waste, please refer to our website of “Eco Initiatives” (URL: <https://www.wacom.com/en-jp/eco-initiatives>).

Corporate Governance as of June 29, 2022

Corporate Governance: Our commitment to fairness, transparency and quality management

Wacom made the transition to a “Company with an Audit Committee” in June 2015. The Board of Directors’ meetings are regularly held once a month to make prompt, appropriate decisions regarding overall management, including reviewing management policies, examining the progress of business operations, and general business management and supervision. In addition to board meetings, Audit Committee members attend other important meetings to monitor the execution of business by directors. The

Audit Committee also sets the audit plan and policy for the fiscal year, which is discussed with the group CEO. To ensure a highly transparent and fair management system, majority of the membership of the Board of Directors consists of outside directors (all are independent directors as specified by the Tokyo Stock Exchange). Also, we have defined the term of office of non-Audit Committee directors as one year, and further clarified their management responsibilities to shareholders.

The Board of Directors as of June 29, 2022

Board of Directors



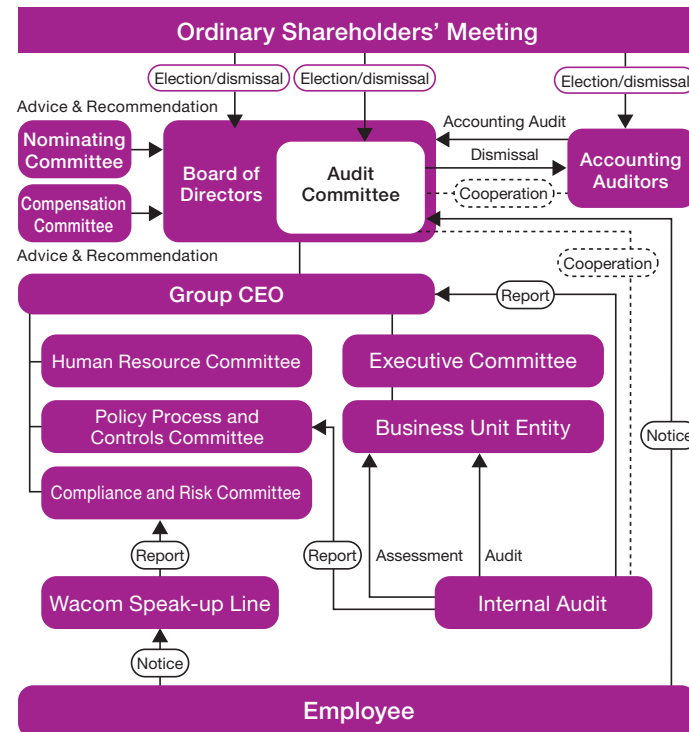
(From the left in the upper portraits)
Nobutaka Ide, President & CEO
Yoichi Machida, Director and EVP, CFO
Sadao Yamamoto, Director and EVP, CTO
Yukio Usuda, Director and EVP, IT, Legal, IP, Corporate Strategy



(From the left in the bottom portraits)
Ken Inazumi, Outside Director
Mikako Inamasu, Outside Director
Shigeki Higashiyama, Outside Director (Audit Committee) (full-time)
Takashi Kamura, Outside Director (Audit Committee)
Osamu Hosokubo, Outside Director (Audit Committee)

EVP : Executive Vice President

Execution of Operations, Audit, and Internal Control Systems as of June 29, 2022



Skill Matrix

In the medium-term business direction, Wacom will provide meaningful experiences and deliver these experiences to customers, through its technology. In addition, we will learn together with diverse community (different cultures and industries) and connect technological innovation to sustainable society. We will promote to plan and implement measures in the belief that these activities will bring about the growth for various partners who share Wacom’s vision and diverse and multi- dimensional society. Wacom has appointed directors with the intention of the above, and skill matrix of its directors is as follows:

Name	Management	Overseas Business	Finance & Accounting	HR & Organization Development	Diversity & Inclusion	Legal & Compliance	Risk Management	Proprietary Technologies	Community Engagement ^{*2}	Digital Services ^{*2}
Nobutaka Ide	○	○	—	—	○	—	—	○	○	○
Yoichi Machida	—	○	○	—	—	—	—	—	—	—
Sadao Yamamoto	—	—	—	—	—	—	—	○	—	○
Yukio Usuda	—	○	—	—	—	○	○	—	—	○
Ken Inazumi	○	—	—	—	—	—	—	—	○	○
Mikako Inamasu	○	—	—	○	○	—	—	—	—	—
Shigeki Higashiyama	—	○	—	○	—	—	—	—	—	—
Takashi Kamura	—	—	—	—	—	○	○	—	—	—
Osamu Hosokubo	○	○	○	—	—	—	—	—	—	—

* 1: Diversity & Inclusion means the opportunity and culture for diverse human resources to recognize and accept each other.

* 2: Excellent skills of community building and ecosystem development, which are important elements of the medium-term business direction “Wacom Chapter 3”.

* 3: Excellent knowledge of the industry and technology in addition to IT experience at the Company.

The Board of Directors Biographies

List of Members of the Board of Directors as of June 29, 2022
 8 males and 1 female
 (ratio of female member of the Board of Directors of Wacom Co., Ltd.: 11.1%)

Name / Date of birth / Number of Shares Owned as of March 31, 2022 / Brief of Biography			
Nobutaka Ide May 19, 1970 49,323 shares	April, 1995	Joined Sharp Corporation	Ken Inazumi January 22, 1974 -
	August, 2013	Joined Wacom Co., Ltd. General Manager, Technology Marketing Department, Component Business Unit	
	April, 2015	Vice President, Technology Solution Business Unit	
	July, 2015	Senior Vice President, Technology Solution Business Unit	
	April, 2017	Executive Vice President, Technology Solution Business Unit and Platforms & Applications Business Unit	
	June, 2017	Director	
	April 2018	President & Chief Executive Officer (current position)	
	February, 2021	Representative Director, Connected Ink Village, General Incorporated Association (current position)	
Yoichi Machida September 8, 1962 13,394 shares	April, 1986	Joined Sony Corporation (currently Sony Group Corporation)	Mikako Inamasu April 12, 1960 12,000 shares
	January, 2001	General Manager, Sony Europe B.V.	
	December, 2004	Senior Manager, Corporate Planning, Sony Corporation	
	May, 2013	Diretor Financeiro, Sony Brasil Ltda.	
	October, 2015	Joined Fujicco Co., Ltd.	
	April, 2016	Head of Corporate Planning	
	January, 2018	Joined Wacom Co., Ltd. Senior Vice President, Finance	
	April, 2018	Executive Vice President, Chief Financial Officer (current position)	
	June, 2018	Director (current position)	
	March, 1987	Joined Wacom Co., Ltd.	
Sadao Yamamoto April 13, 1961 764,172 shares	April, 1998	General Manager of Basic Development of ESD	Shigeki Higashiyama February 15, 1958 10,000 shares
	June, 1999	Director	
	June, 2004	Director and Operating Officer in charge of R&D	
	April 2010	Director, Operating Officer and General Manager of R&D Office	
	April 2014	Director, Operating Officer and Division General Manager of Technology Development Division	
	April, 2015	Director and Chief Technology Officer (current position)	
Yukio Usuda December 8, 1968 21,561 shares	April, 1991	Joined Toshiba Corporation	
	July, 2004	Joined Matsushita Toshiba Picture Display Co., Ltd.	
	January, 2005	Joined Wacom Co., Ltd.	
	April, 2009	General Manager, Global Marketing and Sales Division, Business Administration Office	
	April, 2015	Vice President, CEO Office	
	April, 2017	Executive Vice President in charge of Corporate Strategy (current position)	
	June, 2017	Director (current position)	
	June, 2021	IT, Legal, IP, Corporate Strategy (current position)	
	January, 2010	Director, AlixPartners Asia LLC	
	January, 2012	Operating Officer and Management Planning Manager, NHN Japan Corp. (current LINE Corporation)	
	April, 2013	Director and COO, NHN PlayArt Corporation (current NHN Japan Corp.)	
	February, 2014	President and CEO	
	October, 2015	President and CEO, NHN Techorus Corporation	
	March, 2017	Corporate Executive Officer, transcosmos inc.	
	December, 2017	Senior Corporate Executive Managing Officer	
	June, 2018	Outside Director, Wacom Co., Ltd. (current position)	
	June, 2019	Director and Senior Corporate Executive Officer, transcosmos inc.	
	April, 2021	Vice President and Executive Officer, XPRICE Inc.	
	June, 2021	President and CEO, XPRICE Inc. (current position)	
	April, 1983	Joined FUJITSU LIMITED	
	November, 1993	Director, HR Institute Co., Ltd.	
	April, 2005	Professor, Business Management, Business Breakthrough Graduate School (current position)	
	October, 2005	Executive Vice President, HR Institute Co., Ltd.	
	October, 2013	President and Representative Director	
	December, 2017	President and CEO, HR Institute USA, Inc. (current position)	
	June, 2019	Councilor, Thunderbird School of Global Management, General Incorporated Foundation (current position)	
	January, 2020	Chairman and Representative Director, HR institute Co., Ltd.	
	June, 2021	Outside Director, Wacom Co., Ltd. (current position)	
	June, 2022	Representative Director, One Drop Ocean Foundation, General Incorporated Foundation (current position)	
	April, 1982	Joined Nomura Research Institute, Ltd.	
	October, 2000	President, Nomura Research Institute Hong Kong	
	April, 2005	Head of Corporate Planning Division, Nomura Research Institute, Ltd.	
	April, 2006	Senior Managing Director and Head of Personnel Division.	
	April, 2008	Senior Managing Director and Division Manager of Asia Region	
	April, 2012	Senior Managing Director and Division Manager of China & Asia Region	
	April, 2015	Senior Corporate Managing Director President, Nomura Research Institute Asia Pacific Private Limited	

	April, 2016	Counselor
	June, 2018	Outside Director (Audit Committee Member), Wacom Co., Ltd. (current position)
Takashi Kamura November 16, 1950 -	April, 1975	Legal apprentice
	April, 1977	Appointed as a judge
	May, 1983	Registered as an attorney-at-law
	April, 1985	Established Kamura Law Office (currently Urbantry Law Office), Representative (current position)
	June, 2002	Outside Auditor, Wacom Co., Ltd.
	November, 2014	Outside Director, AZUMA Co., Ltd. (current position)
	June, 2015	Outside Director (Audit Committee Member) (current position)
	April, 1983	Joined Nippon Trust Bank Co., Ltd. (currently Mitsubishi UFJ Trust and Banking Corporation)
Osamu Hosokubo February 3, 1961 1,000 shares	July, 1989	Joined JAPAN-ASEAN Investment Co., Ltd. (currently Japan Asia Investment Co., Limited)
	April, 2005	Executive Officer
	June, 2007	Director
	June, 2012	President & CEO
	July, 2017	CEO, Great Asia Capital & Consulting LLC (current position)
	October, 2017	Outside Director, SHIKIGAKU. Co., Ltd. (current position)
	November, 2017	Outside Director, Saisan Co., Ltd. (current position)
	December, 2018	Outside Auditor, Malignant Tumor Treatment Technologies, Inc. (current position)
	June, 2019	Outside Director (Audit Committee Member), Wacom Co., Ltd. (current position)
	March, 2020	Outside Director, Roland DG Corporation (current position)
	November, 2020	Outside Director, ANSeeN Inc. (current position)

Note: Mr. Ken Inazumi, Ms. Mikako Inamasu, Mr. Shigeki Higashiyama, Mr. Takashi Kamura, and Mr. Osamu Hosokubo are independent outside directors. The Audit Committee is composed of Mr. Shigeki Higashiyama (chairman), Mr. Takashi Kamura (member), and Mr. Osamu Hosokubo (member). The terms of office of Audit Committee members is two years from the Ordinary Shareholders' Meeting on June 28, 2022 for Mr. Shigeki Higashiyama, from the Ordinary Shareholders' Meeting on June 29, 2021 for Mr. Takashi Kamura and Mr. Osamu Hosokubo.

Incentive Policies for Directors

The amount of compensation for each director of the Company is composed of fixed salary, which is paid monthly as basic compensation to all directors, and short-term incentives and long-term incentives, which is paid to directors (excluding outside directors). The total amount of compensation for directors consists of 15%-20% of long-term incentives and 80%-85% of the following allocation, 60%-75% of fixed salary and 25%-40% of short-term incentives, of which composition ratio is defined by each position.

Short-term incentives are performance-linked compensation (bonuses) consisting of company performance and individual performance and are paid once a year at a fixed timing.

The company performance portion is calculated based on the performance targets for a single year, and the individual performance portion is calculated based on the individual performance evaluation. The both portions are paid between 0%-200% depend on the achievement rate.

Long-term incentives for directors are composed of performance-linked compensation and stock price-linked compensation, and the decision of whether or not to implement the program shall be made by the Board of Directors every year. The proportion of each compensation out of total long-term incentives shall be determined by the Board of Directors upon the proposal of the Compensation Committee. As for the performance-linked compensation, the Company shall set the performance evaluation period consisting of multiple fiscal years and its performance targets for the period. After the end of the period, the Company shall pay the compensation based on the payout rate linked to the extent to which the performance targets are achieved. The performance targets are resolved by the Board of Directors following the proposal of the Compensation Committee.

As for the stock price-linked compensation, in the form of a restricted stock compensation plan, the Company shall grant monetary compensation claims to the eligible directors for the allotment of restricted stock, each fiscal year in principle, upon a resolution by the Board of Directors of the Company, and by having them make contribution in kind using all the monetary compensation claims as contributed assets, shall issue or dispose of its shares of common stock to the eligible directors and release the transfer restriction when the directors retire. In addition, the total number of shares of common stock to be issued or disposed of by the Company under the Plan shall be up to 200,000 shares per year. And the amount to be paid in per share shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on a business day prior to the date of each resolution by the Board of Directors. The specific timing of payments and allocation to each eligible director shall be determined by President & representative director of the Board of Directors and the chairperson of the Compensation Committee, which are delegated by the Board of Directors.

Business and Other Risks

The Management of Wacom Group has recognized that the following risks may significantly impact overall financial position, operating results, and cash flow of the Group, among the matters related to the business and accounting conditions described in the securities report. The following descriptions contain forward-looking statements based on currently available information as of March 31, 2022, the end of the current fiscal year.

These descriptions have been translated into English from Japanese solely for reference for non-Japanese readers.

(1) Risks concerning the business environment

Foreign currency exchange rate fluctuations

Wacom Group conducts sales of its products in Japan via Wacom Co., Ltd. and most of its sales outside Japan via foreign subsidiaries. Most manufacturing is outsourced to manufacturers mainly in China. As such, major settlement currencies for those transactions are the U.S. dollar, the euro, and the Japanese yen, of which the U.S. dollar represents the largest proportion. Our basic policy with regard to the U.S. dollar is to maintain a balance between product purchases from China and product sales to the U.S., Asia, and Oceania. However, depending on trends in product lines and exchange rate fluctuations, it may not be possible to sufficiently avoid foreign exchange risk. For the euro and other currencies, the Group is endeavoring to avoid foreign exchange risk through flexible operations including the use of foreign exchange contracts, in consideration of the rates of fluctuations of currencies, and other factors. However, a sudden fluctuation in foreign exchange rates could still have an adverse effect on business results.

(2) Risks concerning the business environment

Seasonal fluctuations in business results

Historical sales trends suggest that the Wacom Group tends to generate more sales in the second half of the fiscal year due to the impact of the year-end sales season. In addition, quarterly business results may change depending on the timing of new product launches.

Furthermore, the recent spread of the global Novel Coronavirus (COVID-19) pandemic has led to an increase in demand in tandem with the expansion of remote learning and remote working, and this, in turn, has impacted sales trends. Similar new events may also impact business performance in each period.

Changes in the market environment

The Wacom Group conducts sales activities globally, and the main customers of its Creative Solution and Technology Solution Business are professional creators working at design production sites and manufacturers of smartphones, tablet and note PCs, respectively. As a result, factors such as changes in the global economy, the graphics industry, and the PC market could have an adverse effect on business results. Wacom Group's main products are supported by the Windows, Mac, and other OSs. In terms of product portfolio, hardware is compatible across various OSs, but driver software is unique to each OS. In the event that the Group could not respond in a timely manner to technological updates to platforms using the prevailing OSs or CPUs, or to the emergence of new platforms, and, as a result, could not ensure compatibility adequately with them, this could have an adverse effect on business results.

In addition, in the case that the Group records an impairment loss resulting from decline in profitability of its non-current assets due to deterioration of the business environment, this could have an adverse effect on our business results.

Global business activities

Because Wacom Group conducts production and sales activities globally, issues such as regional conflicts resulting from geopolitical risks and labor-management problems in local communities could have an adverse effect on production at outsourced manufacturing companies, and the logistics and sales operations of local subsidiaries through the supply chain network. In addition, deterioration of economic conditions, intensification of competition, and materialization of the risk in international tax affairs such as transfer price taxation in main overseas market, these factors could have an adverse effect on our business results.

Dependence on certain customers

While Wacom Group has a wide range of customers, sales to Samsung Group, the Group's largest customer in the Technology Solution Business, represented 21.5% of consolidated net sales in the previous fiscal year ended March 31, 2021, and 21.8% in the current fiscal year ended March 31, 2022.

Sales to Samsung Group may be indirectly affected by shifting demand for Samsung Group products. In addition, changes in the Samsung Group's management strategies might have an adverse effect on business results.

Wacom Group shall continue to strive to achieve maximum customer satisfaction by best responding to customer needs and to minimize risks by diversifying our customer base.

Competition from other companies

Wacom Group engages in product development and marketing operations aimed at the global market as its basic strategy. Within the IT industry where relationships based on competition and alliances have been dynamically changing on a global scale, the Group's competitors, regardless of new entrants or existing players, may take advantage of changes in technology trends and customer preferences both globally and regionally and take extreme strategies to expand market share. Moreover, some competitors may gain a competitive advantage over Wacom Group by taking advantage of the benefits of protectionist policies, etc. These factors could have an adverse effect on business results.

In addition, Wacom Group considers it necessary to continue technological development while paying attention to technology trends and actively evaluating other companies' technologies, without limiting itself to current pen tablet technology. In the case the Group's technology becomes obsolete quickly or other types of input technology which are completely different from current pen tablet technology emerge and grow rapidly in popularity, this could have an adverse effect on business results.

In case the profitability of the fixed assets held by the Group declines due to significant deterioration of the technological environment, this could have an adverse effect on business results by recording an impairment loss.

Wacom Group shall continue to focus on technological innovation which is the source of our value propositions by promoting "Technology Leadership".

Dependence of manufacturing on external companies

Wacom Group's outsourced manufacturing companies have flexible supply capability for sudden changes in demand in addition to mass production capacity and cost competitiveness, and play a very important role in our business strategy. As mentioned above, while most products are manufactured mainly in China by outsourced manufacturing companies, we have been proceeding with optimization and decentralization in our production system in consideration of cost management by transferring some production lines out of China, as a measure to reduce risk related to tariffs caused by US-China trade friction. However, in the case that outsourced manufacturing companies incur problems related to management issues, experience difficulties in continuous production due to unexpected accidents such as natu

ral disasters, or require additional training time to raise technical proficiency due to changes to or expansion of production bases, these factors could have an adverse effect on our business results.

Supply and pricing of key components

Our business performance will likely be affected by either an increase in the cost of plastic cases and general-purpose components, or a shortage of key general-purpose components such as ICs, printed circuit boards, and LCDs. Similarly, supply chain issues relating to our core components (ceramic components for pen switches and custom IC), such as disruption of the supply chain as the result of natural disaster, will have an influence on Wacom's business performance. The Group strives to quickly secure secondary sources and develop alternative parts for key components, but for general-purpose components, it is necessary to reduce risks and costs through timely arrangement of supply based on long-term demand forecasts. In the event that there are changes made to rules concerning the usage or permitted amounts of heavy metals, plastics, or other materials contained in components procured by the Wacom Group or by contractors under national laws and regulations or the standards of the companies to which our products are sold, it may be necessary to make changes to parts and designs, which may increase manufacturing and administrative costs and impact the Group's business performance. In addition, if changes are made to such regulations or standards after products containing the components in question have been sold, our business performance might be affected by the need to replace these products.

More recently, Wacom Group has been making advance arrangements and strengthening the management of delivery dates for key parts given that delivery dates for electronic components and materials, particularly semiconductors, have become longer, increasing the risk of not meeting our deadlines. Wacom Group shall continue to endeavor to secure its supply lines in anticipation of increased global competition for semiconductor products.

Product defects and serious quality control issues

Wacom Group takes all possible measures to maintain product quality because the emergence of a serious defect can lead to product liability compensation or a large-scale recall, seriously undermining the trust and reputation of the Group and its products and potentially incurring significant costs relating to compensation and other expenses, all of which would have an impact on business performance.

To manage these issues, Wacom Group shall continue to monitor the production status of contract manufacturers and to enhance internal management processes and the shared database for quality issues found in the market.

Securing human resources

Wacom Group strives to globally secure human resources necessary for each function such as planning, development, design, manufacturing, sales, service, etc. However, in the case that there are difficulties related to hiring or maintaining of talented human resources due to intensified competition in the labor market, which may cause a decline in the competitiveness of products due to insufficient investment of resources into research and development or hinder the stable supply of products due to labor shortages, this could have an adverse effect on our business results. In addition, the loss of talented human resources may restrict future business development and have an adverse effect on our business results.

Information security

Wacom Group is committed to continuously improving and strengthening the security of its IT environment and provides regular education programs to enhance the information literacy of its employees as a means for defending against cyberattacks. However, the Group acknowledges that it faces constant risk of attack – including external infiltration that can lead to data theft or leakage. Incidents of this

nature, depending on their scale, could have an adverse effect on our business results.

Wacom Group shall continue its efforts to respond to external cybersecurity assessments, establish a company-wide information classification and management system, respond to internal and external technical information management, improve company-wide training, and continue to migrate local servers to the cloud.

Natural disasters and accidents

Although Wacom Group conducts risk management for natural disasters and accidents, a large-scale natural disaster such as a large earthquake or a sudden accident such as a fire may cause damage to manufacturing equipment resulting in disruption to the whole supply chain and an adverse effect on our business results, depending on the scale of the damage. In addition, the spread of new type of infectious disease may cause an adverse effect on business results. At present, it is difficult to reasonably quantify the negative impact of the global spread of COVID-19 on business results as it is not possible to predict when it will be curbed.

Wacom Group has maintained a flexible work system (including remote working) across our global workforce to ensure the safety of all employees and examined how new ways of working after COVID-19 should be, in respect to fulfill our responsibility as a corporate citizen to help prevent the spread of COVID-19.

(3) Risks concerning legislation and litigation

Intellectual property right conflict and infringement

When developing and launching new products, Wacom Group takes all possible precautions to prevent potential conflicts and infringements of intellectual property rights – such as patent rights and trademark rights held by other companies or individuals – through means that include, but are not limited to, preliminary investigations by local patent offices, taking preventive measures if infringement is deemed likely. However, we can never completely exclude the possibility of patent infringements, which can emerge as the result of unforeseen circumstances that include differences in the legal systems of each country or limitations on database surveys or even cases where patent rights were obtained after our product has been launched. In such cases, the Group is at risk of receiving a complaint or being sued by a company or individual for infringement of patents or other intellectual property rights. In the event that Group patents or other intellectual property rights are infringed upon by other parties, the Group takes firm measures that include filing claims and lawsuits. These actions notwithstanding, our business performance may be adversely affected by the outcome of these measures.

Our business performance may also be adversely impacted if the term of the Group's patents and other intellectual property rights expires, or if a decision is made to change the scope of or invalidate our patent rights as the result of legal challenges.

Wacom Group will continue to review and implement measures to prevent infringement of the intellectual property rights of third parties and to protect the intellectual property rights of the Group.

Legal restrictions

In countries where Wacom products are sold there is legislation in relation to electromagnetic waves, safety, and product liability (PL). Wacom Group makes every effort to pay attention to legal trends to make its products and services meet these requirements in a timely manner. However, insufficient response to new legal restrictions or changes to existing restrictions could have an adverse effect on business results. In Japan or countries where outsourced manufacturing companies operate for export or Wacom products are imported and sold, changes in legal restrictions or interpretations by regulatory authorities relating to export, import, or tariffs, could have an adverse effect on business results.

Application of antitrust laws

Should the market share of Wacom pen tablet products grow further in major regions (for reference: market share in Japan in terms of sales volume was 94.0% from January 1 to December 31, 2021, according to BCN Inc.*), a national government may judge this to be preventing the technological development and free competition in the industry of the country and, as a result, damaging to market development and against the customer's interests. Such a decision may result in the application of the antitrust laws of the country which could have an adverse effect on business results.

* World market share is not described in this report because there is no third-party published data. the technological development and free competition in the industry of the country and, as a result, damaging to market development and against the customer's interests. Such a decision may result in the application of the antitrust laws of the country which could have an adverse effect on business results.

* World market share is not described in this report because there is no third-party published data.

Management of confidential information and personal information

Wacom Group retains material information on business and personal information obtained during the course of its business activities and confidential information relating to customers, suppliers, and business partners, etc. Recent progress globally in the enactment of laws and regulations to protect this information, especially personal information, through regimes such as GDPR (General Data Protection Regulation) and CCPA (California Consumer Privacy Act) requires companies to establish compliance schemes in line with those laws and regulations and to enhance their information systems. The Group discloses its own privacy policy, maintains and implements internal regulations, and educates employees on these topics. However, in the unlikely event that the above-mentioned information is leaked, or the Group must pay fines imposed by authorities for violations or damages due to lawsuits, these factors could have an adverse effect on business results, depending on the scale of the damage.

Recent growth in the number of webinars, precipitated by the global Novel Coronavirus (COVID-19) pandemic, and approaches to new fields, such as education, have increased opportunities for the collection of personal information. We are actively taking steps to adapt our privacy policy to the laws and regulations of each country, comply with the CCPA, introduce cookie management tools, and provide project support. The Group will continue to develop policies for each country, comply with China's Personal Data Privacy Law, deal with cross-border data, and conduct inhouse training on data and privacy security.

Compliance risk

Wacom Group conducts business activities globally necessitating a wide range of legal and regulatory compliance including compliance in relation to corporate law, tax law, financial transactions-related law, antitrust law, intellectual property law, personal information protection law, labor law, and trade/environment regulation in multiple countries.

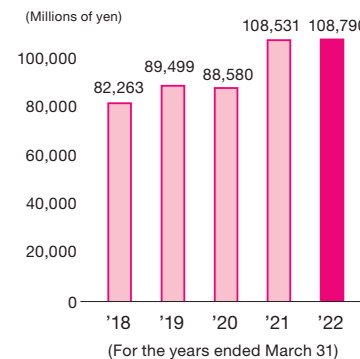
Wacom Group has established a framework to enhance compliance by operating the Compliance and Risk Committee and the Wacom Speak-up Line. In addition, Wacom Group strives to deepen the understanding and awareness of compliance of every director and employee by posting the Wacom Code of Ethics on our portal site and holding regular online education sessions and in-house seminars.

However, it is difficult to completely eliminate compliance risks and compliance failure could have an adverse effect on business results.

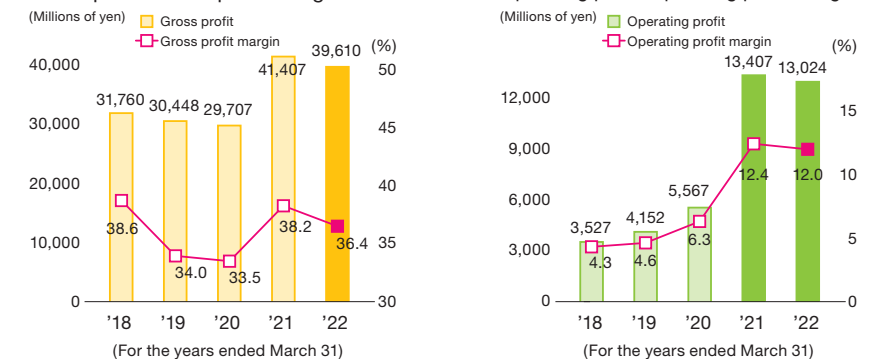
	Thousands of yen					Thousands of U.S. dollars
	Years ended March 31					Year ended March 31
	2018	2019	2020	2021	2022	2022
For the fiscal year:						
Net sales	¥82,262,867	¥89,498,505	¥88,579,866	¥108,531,067	¥108,789,859	\$888,879
Gross profit	31,759,775	30,447,827	29,707,044	41,407,394	39,610,017	565,241
Operating profit	3,526,717	4,151,959	5,566,709	13,407,240	13,023,871	106,413
Profit before income taxes	4,178,745	4,022,326	4,859,512	14,032,795	14,560,678	118,970
Profit attributable to owners of parent	2,361,885	3,851,242	3,917,486	10,225,669	10,954,987	89,509
Comprehensive income	2,387,356	3,730,372	3,283,285	11,077,235	11,871,888	97,000
At fiscal year-end:						
Cash and deposits	¥19,157,127	¥16,762,726	¥21,541,467	¥32,042,603	¥21,788,861	178,028
Total assets	50,909,513	51,551,107	51,155,703	71,181,334	73,332,474	599,170
Total net assets	22,668,481	25,427,954	27,734,774	37,688,817	43,503,052	355,446
Net profit per share:						
Basic	14.55	23.71	24.12	62.95	67.98	0.56
Diluted	14.54	23.71	-	-	-	-
Capital ratio(%)	44.5	49.3	54.2	52.9	59.3	-
Return on invested capital (%)	9.6	11.1	15.6	39.4	29.7	-
Return on equity (%)	10.8	16.0	14.7	31.3	27.0	-
The number of employee(person)	1,036	1,031	1,012	1,007	1,069	-

Note 1: The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of the readers outside Japan and has been calculated at the rate of JPY 122.39 = U.S. dollar 1.00, the approximate rate of exchange on March 31, 2022.

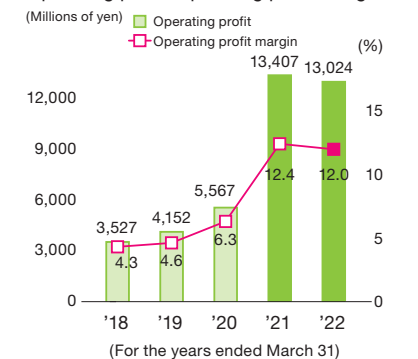
Net sales



Gross profit/Gross profit margin



Operating profit/Operating profit margin



Overview of Business Performance

Wacom Co., Ltd. And Its Subsidiaries

Our Consolidated results for the fiscal year ended March 2021

For the current fiscal year ended March 31, 2022, consolidated net sales increased 0.2% to 108,790 million yen. Operating profit decreased 2.9% to 13,024 million yen, due to the decrease of gross profit margin to 36.4% (1.8 points lower than the previous year) mainly resulting from the recording of inventory valuation losses. Ordinary profit increased 1.8% to 14,351 million yen, and net profit attributable to owners of parent increased 7.1% to 10,955 million yen, after recording 1,260 million yen of foreign exchange gains (98.8% higher than the previous year) in non-operating income.

We announced our Medium-Term Business Direction: "Wacom Chapter 3" on May 12, 2021 and promoted growth strategies for the future, collaborating with partner companies to further develop our business model in growing fields such as education, VR (Virtual Reality), MR (Mixed Reality), 3D printing, AI (Artificial Intelligence), and data security.

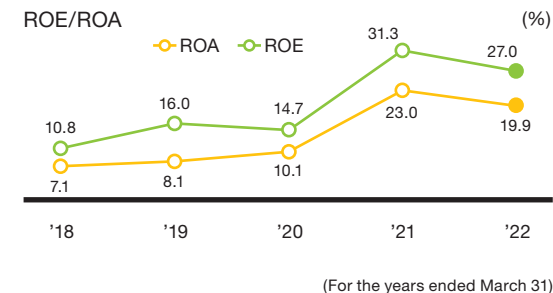
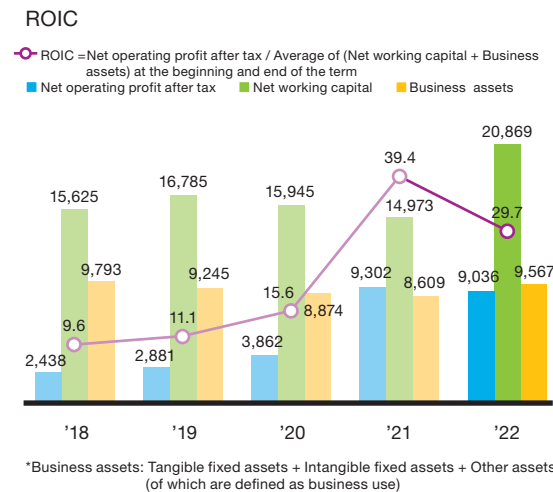
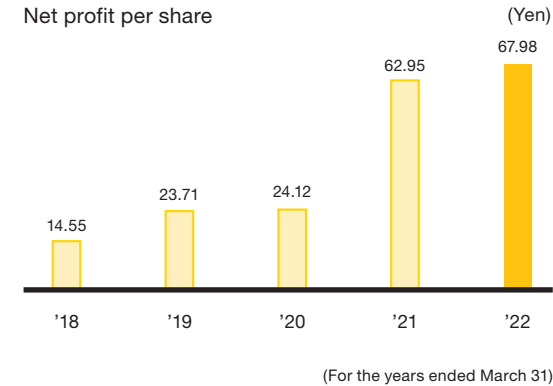
In the Branded Business segment, we worked to enhance technological innovation and improve customer service to deliver the ultimate creative experience to each customer.

In the Technology Solution Business segment, in addition to continuing efforts to position our digital pen technologies with Active-ES (electrostatic) and EMR (Electromagnetic Resonance) as the de facto standard, we undertook to expand the adoption of digital pen technologies for tablet and notebook PC devices and develop business opportunities in the educational market.

The impact of the Novel Coronavirus Disease 2019 (COVID-19) pandemic

The impact of the COVID-19 pandemic on Wacom Group's business activities of the current fiscal year and our COVID-19 related initiatives are as follows: In the Branded Business segment in the current fiscal year (April 2021 to March 22), economic activity had generally resumed in many markets and sales activities were robust. As a result, sales recovery was seen in the Creative Solution (mainly display and pen tablet products for professionals) and Business Solution categories.

Sales of medium-priced pen tablet products in the Creative Solution category were negatively impacted by a drop in demand. In the Technology Solution Business segment, constraints on manufacturing and supply chain operations had a negative impact on sales of AES technology solutions in the current fiscal year, reflecting resurgence of the COVID-19 pandemic in South-east Asia, China's zero-COVID strategy, and global shortage of semiconductors. In respect to company-wide initiatives to fulfill our responsibility as a corporate citizen to help prevent the spread of COVID-19, we have maintained a flexible work system (including remote working) across our global



workforce to ensure the safety of all employees while seeking a new style of work system after COVID-19.

The impact of the situation of Russia and Ukraine

The impact of the situation of Russia and Ukraine on Wacom Group's business activities of the current fiscal year and our related initiatives are as follows: Wacom group has no business bases in Russia and Ukraine, and with sales in both countries approximately 1% of consolidated net sales for the fiscal year ended March 2022 (unchanged from the previous fiscal year), there has been no material impact. In view of difficult financial and logistics situations, we have halted direct shipments to the region. In addition, as a gesture of support for the humanitarian crisis in Ukraine, we donated 30 million yen through the UNHCR (The Office of the United Nations High Commissioner for Refugees). We also resolved to establish a budget of 20 million yen for the fiscal year ending March 2023 for a "Stand Together Fund" to carry out efficient and proper support activities in the region.

Our results by business segment

Branded Business

Overall sales in the Branded Business segment for the current fiscal year ended March 31, 2022 decreased 7.1% to 52,641 million yen, and segment profit decreased 4.2% to 8,712 million yen.

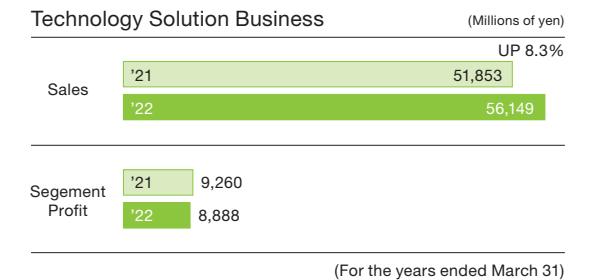
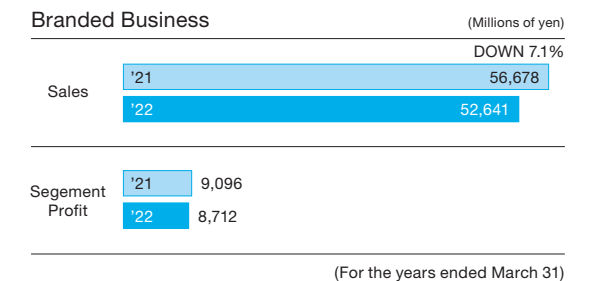
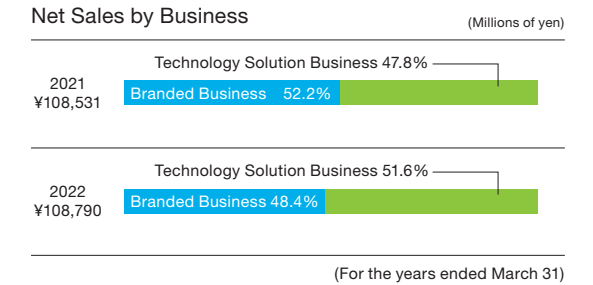
By product line, in the core Creative Solution category, overall sales slightly decreased due to decreased sales of pen tablet products, despite higher sales of display products for professionals. In addition, some products have been made compatible with Android OS and Chrome OS since the fiscal year ended March 31, 2021. Business Solution sales increased as a result of active marketing that led to significantly higher sales of LCD pen tablets.

Technology Solution Business

As a result of the above, overall sales in the Technology Solution Business segment for the current fiscal year ended March 31, 2022, increased 8.3% to 56,149 million yen, and segment profit decreased 4.0% to 8,888 million yen.

By technology-wise category, sales in the AES technology solution category increased year on year despite production and supply chain-related operational constraints. AES digital pen products continue to be well received by OEM partner manufacturers.

Overall sales of our EMR technology solution were slightly higher, due to increased sales to OEM partner manufacturers, despite a change in the product portfolio of an OEM partner manufacturer and supply chain-related operational constraints in the production process.



	FY ended March 2021		FY ended March 2022		Related segment
	Sales	Ratio(%)	Sales	Ratio(%)	
Samsung Group	23,327	21.5	23,722	21.8	Technology Solution Business

Note: Consumption tax is not included. Samsung Group includes Samsung Electronics Japan Co., Ltd. and Samsung Electronics Co., Ltd.

Consolidated Balance Sheet

Wacom Co., Ltd. and its subsidiaries

Consolidated Financial Position

Assets, Liabilities, and Net Assets

Total assets as of March 31, 2022 increased by 2,151 million yen to 73,332 million yen compared to the end of the previous fiscal year. The main factors contributing to this were increases of 3,434 million yen in raw materials and supplies, 3,213 million yen in accounts receivable – trade, 2,479 million yen in merchandise and finished goods, and 2,147 million yen in other current assets, and a decrease of 10,254 million yen in cash and deposits.

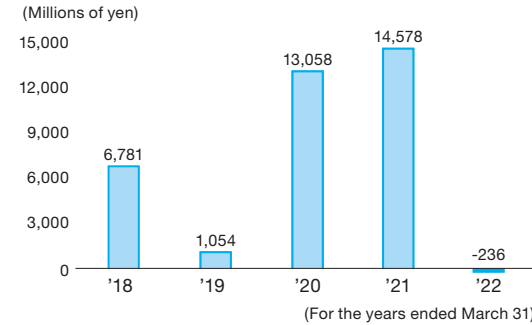
Total liabilities as of March 31, 2022 decreased by 3,663 million yen to 29,829 million yen compared to the end of the previous fiscal year. The main factors contributing to this were increases of 2,231 million yen in notes and accounts payable-trade and 1,726 million yen in other current liabilities, and decreases of 4,000 million yen in current portion of long-term borrowings, 2,690 million yen in provision for bonuses, and 1,522 million yen in income taxes payable. Total net assets as of March 31, 2022 increased by 5,814 million yen to 43,503 million yen compared to the end of the previous fiscal year. The main contributing factors were an increase of 10,955 million yen due to net profit attributable to owners of parent, and decreases of 3,087 million yen due to the payment of shareholder's dividends and 2,981 million yen due to an increase in treasury stock.

As a result, the capital ratio increased by 6.4 points to 59.3% compared to the end of the previous fiscal year.

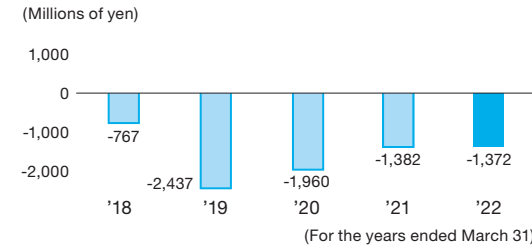
Cash Flow

Consolidated cash and cash equivalents as of March 31, 2022 totaled 21,789 million yen, a 10,254 million yen decrease from the end of the previous fiscal year (compared to a 10,501 million yen increase in the previous fiscal year). Cash flow used from operating activities for the current fiscal year ended March 31, 2022, was 236 million yen (compared to 14,578 million yen gained in the previous fiscal year). The main factor contributing to cash inflow was 14,561 million yen of profit before income taxes. The main factors contributing to cash outflow were 6,263 million yen in income taxes paid, an increase of 5,347 million yen in inventories, an increase of 2,898 million yen in trade payables, and a decrease of 2,793 million yen in provision for bonuses. Cash flow used for investing activities for the current fiscal year ended March 31, 2022, was 1,372 million yen (compared to 1,382 million yen used in the previous fiscal year). The main contributing factors was 1,331 million yen of purchase of property, plant and equipment, 197 million yen of purchase of intangible fixed assets, and 288 million yen of proceeds from sales of investment securities. Cash flow used for financing activities for the current fiscal year ended March 31, 2022, was 10,516 million yen (compared to 4,053 million yen used in the previous fiscal year). The main contributing factors were 4,000 million yen of repayments of long-term borrowings, 3,079 million yen of payment for shareholders' dividends, and 3,006 million yen of purchase of treasury stock.

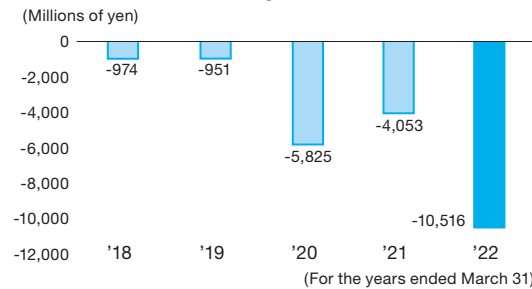
Cash flows from operating activities



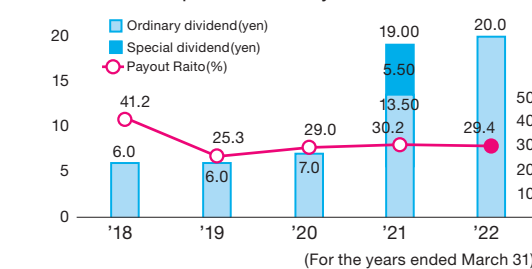
Cash flows from investing activities



Cash flows from financing activities



Cash Dividends per Share / Payout Ratio



	Thousands of yen		Thousands of U.S. dollars
	March 31	2022	March 31
	2021	2022	2022
Assets:			
Current assets -			
Cash and deposits	¥32,042,603	¥21,788,861	\$178,028
Accounts receivable - trade	10,807,775	14,020,339	114,555
Merchandise and finished goods	12,217,001	14,695,630	120,072
Work in process	192,564	542,522	4,433
Raw materials and supplies	2,095,489	5,529,876	45,182
Others	3,649,870	5,796,377	47,360
Allowance for doubtful accounts	(31,991)	(47,062)	(385)
Total current assets	60,973,311	62,326,543	509,245
Non-current assets -			
Property, plant and equipment:			
Buildings and structures	3,196,922	3,332,269	27,227
Accumulated depreciation	(2,134,345)	(2,297,617)	(18,773)
Buildings and structures, net	1,062,577	1,034,652	8,454
Machinery, equipment and vehicles	1,789,281	2,287,220	18,688
Accumulated depreciation	(852,914)	(1,094,096)	(8,939)
Machinery, equipment and vehicles, net	936,367	1,193,124	9,749
Land	1,063,061	1,063,061	8,686
Other	8,360,649	8,858,849	72,382
Accumulated depreciation	(6,485,850)	(6,746,823)	(55,126)
Other, net	1,874,799	2,112,026	17,257
Total property, plant and equipment	4,936,804	5,402,863	44,145
Intangible assets:			
Others	1,531,827	1,449,714	11,845
Total intangible assets	1,531,827	1,449,714	11,845
Investments and other assets:			
Investment securities	178,418	233,800	1,910
Deferred tax assets	2,709,884	3,107,652	25,391
Others	909,411	811,902	6,634
Allowance for doubtful accounts	(58,321)	-	-
Total investments and other assets	3,739,392	4,153,354	33,935
Total non-current assets	10,208,023	11,005,931	89,925
Total assets	¥71,181,334	¥73,332,474	\$599,170

Consolidated Profit & Loss Statement

Wacom Co., Ltd. and Its Subsidiaries

	Thousands of yen		Thousands of U.S. dollars
	March 31		March 31
	2021	2022	2022
Liabilities:			
Current liabilities -			
Accounts payable - trade	¥10,880,110	¥13,111,375	\$107,128
Current portion of long-term borrowings	4,000,000	-	-
Income taxes payable	3,984,039	2,462,412	20,119
Contract liabilities	-	439,109	3,588
Provision for bonuses	4,140,060	1,450,344	11,850
Provision for bonuses for directors (and other officers)	110,926	54,060	442
Provision for product warranties	443,863	410,438	3,354
Asset retirement obligations	-	5,007	41
Other	6,047,010	7,773,007	63,510
Total current liabilities	29,606,008	25,705,752	210,031
Non-current liabilities -			
Long-term borrowings	2,000,000	2,000,000	16,341
Retirement benefit liability	933,859	1,022,531	8,355
Asset retirement obligations	262,557	294,590	2,407
Other	690,093	806,549	6,590
Total non-current liabilities	3,886,509	4,123,670	33,693
Total liabilities	33,492,517	29,829,422	243,724
Net Assets:			
Shareholders' equity -			
Share capital	4,203,469	4,203,469	34,345
Capital surplus	6,103,758	6,113,437	49,950
Retained earnings	29,430,675	37,299,126	304,756
Treasury shares	(1,864,850)	(4,845,646)	(39,592)
Total shareholders' equity	37,873,052	42,770,386	349,460
Accumulated other comprehensive income -			
Valuation difference on available-for-sale securities	114	-	-
Foreign currency translation adjustment	(183,303)	752,614	6,149
Remeasurements of defined benefit plans	(1,046)	(19,948)	(163)
Total accumulated other comprehensive income	(184,235)	732,666	5,986
Total net assets	37,688,817	43,503,052	355,446
Total liabilities and net assets	¥71,181,334	¥73,332,474	\$599,170

	Thousands of yen		Thousands of U.S. dollars
	Years ended March 31		Year ended March 31
	2021	2022	2022
Net Sales	¥108,531,067	¥108,789,859	\$888,879
Cost of sales	67,123,673	69,179,842	565,241
Gross profit	41,407,394	39,610,017	323,638
Selling, general and administrative expenses	28,000,154	26,586,146	217,225
Operating profit	13,407,240	13,023,871	106,413
Non-operating income:			
Interest income	57,853	30,070	246
Foreign exchange gains	633,703	1,259,855	10,294
Other	83,545	155,721	1,272
Total non-operating income	775,101	1,445,646	11,812
Non-operating expenses:			
Interest expenses	40,029	29,893	244
Settlement payments	42,648	13,000	106
Theft loss	8,418	64,847	530
Others	443	10,773	88
Total non-operating expenses	91,538	118,513	968
Ordinary profit	14,090,803	14,351,004	117,256
Extraordinary income:			
Gain on sales of non-current assets	1,826	1,896	15
Gain on sale of investment securities	-	231,405	1,891
Total extraordinary income	1,826	233,301	1,906
Extraordinary losses:			
Loss on sales of non-current assets	1,633	6,377	52
Loss on retirement of non-current assets	8,030	17,250	141
Loss on valuation of investment securities	50,171	-	-
Total extraordinary losses	59,834	23,627	193
Profit before income taxes	14,032,795	14,560,678	118,970
Income taxes - current	5,096,465	3,932,046	32,127
Income taxes - refund	-	(5,342)	(44)
Income taxes - deferred	(1,289,339)	(321,013)	(2,623)
Total income taxes	3,807,126	3,605,691	29,461
Profit	10,225,669	10,954,987	89,509
Profit attributable to owners of parent	¥10,225,669	¥10,954,987	\$89,509

Consolidated Comprehensive Income Statement

Wacom Co., Ltd. and Its Subsidiaries

	Thousands of yen		Thousands of U.S. dollars
	Years ended March 31		Year ended March 31
	2021	2022	2022
Profit	¥10,225,669	¥10,954,987	\$89,509
Other comprehensive income			
Valuation difference on available-for-sale securities	5,263	(114)	(1)
Foreign currency translation adjustment	858,895	935,917	7,647
Remeasurements of defined benefit plans, net of tax	(12,592)	(18,902)	(154)
Total other comprehensive income	851,566	916,901	7,492
Comprehensive income	¥11,077,235	¥11,871,888	\$97,000
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of parent	¥11,077,235	¥11,871,888	\$97,000
Comprehensive income attributable to non-controlling interests	-	-	-

Consolidated Statements of Changes in Net Assets

Wacom Co., Ltd. and Its Subsidiaries

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at March 31,2020	¥4,203,469	¥6,100,962	¥20,341,982	(¥1,875,838)	¥28,770,575
Dividends of surplus			(1,136,976)		(1,136,976)
Profit attributable to owners of parent			10,225,669		10,225,669
Disposal of treasury shares		2,796		10,988	13,784
Net changes of items other than shareholders' equity					
Balance at March 31,2021	¥4,203,469	¥6,103,758	¥29,430,675	(¥1,864,850)	¥37,873,052
Dividends of surplus			(3,086,536)		(3,086,536)
Profit attributable to owners of parent			10,954,987		10,954,987
Purchase of treasury shares				(2,999,963)	(2,999,963)
Disposal of treasury shares		9,679		19,167	28,846
Net changes of items other than shareholders' equity					
Balance at March 31,2022	¥4,203,469	¥6,113,437	¥37,299,126	(¥4,845,646)	¥42,770,386

(Thousands of yen)

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sales securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at March 31,2020	(¥5,149)	(¥1,042,198)	¥11,546	(¥1,035,801)	¥27,734,774
Dividends of surplus					(1,136,976)
Profit attributable to owners of parent					10,225,669
Disposal of treasury shares					13,784
Net changes of items other than shareholders' equity	5,263	858,895	(12,592)	851,566	851,566
Balance at March 31,2021	¥114	(¥183,303)	(¥1,046)	(¥184,235)	¥37,688,817
Dividends of surplus					(3,086,536)
Profit attributable to owners of parent					10,954,987
Purchase of treasury shares					(2,999,963)
Disposal of treasury shares					28,846
Net changes of items other than shareholders' equity	(114)	935,917	(18,902)	916,901	916,901
Balance at March 31,2022	-	¥752,614	(¥19,948)	¥732,666	¥43,503,052

Consolidated Statements of Cash Flows

Wacom Co., Ltd. and Its Subsidiaries

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at March 31,2021	\$34,345	\$49,871	\$240,466	(\$15,237)	\$309,446
Dividends of surplus			(25,219)		(25,219)
Profit attributable to owners of parent			89,509		89,509
Purchase of treasury shares				(24,512)	(24,512)
Disposal of treasury shares		79		157	236
Net changes of items other than shareholders' equity					
Balance at March 31,2022	\$34,345	\$49,950	\$304,756	(\$39,592)	\$349,460

(Thousands of U.S. dollars)

	Accumulated other comprehensive income				
	Valuation difference on available-for-sales securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
Balance at March 31,2021	\$1	(\$1,498)	(\$9)	(\$1,505)	\$307,940
Dividends of surplus					(25,219)
Profit attributable to owners of parent					89,509
Purchase of treasury shares					(24,512)
Disposal of treasury shares					236
Net changes of items other than shareholders' equity	(1)	7,647	(154)	7,492	7,492
Balance at March 31,2022	-	\$6,149	(\$163)	\$5,986	\$355,446

	Thousands of yen		Thousands of U.S. dollars
	Years ended March 31		Year ended March 31
	2021	2022	2022
Cash flows from operating activities:			
Profit before income taxes	¥14,032,795	¥14,560,678	\$118,970
Depreciation	2,288,342	1,866,949	15,254
Share-based payment expenses	10,025	24,738	202
Increase (decrease) in allowance for doubtful accounts	4,374	(44,844)	(366)
Increase (decrease) in provision for bonuses	2,931,923	(2,793,355)	(22,823)
Increase (decrease) in provision for bonuses for directors (and other officers)	74,869	(56,866)	(465)
Increase (decrease) in retirement benefit liability	17,223	61,028	499
Interest and dividend income	(57,853)	(30,070)	(246)
Interest expenses	40,029	29,893	244
Foreign exchange losses (gains)	(164,857)	(1,214,047)	(9,919)
Loss (gain) on sale of property, plant and equipment	(141)	4,481	37
Loss (gain) on sale of intangible assets	(52)	-	-
Loss on retirement of property, plant and equipment	3,449	15,647	128
Loss on retirement of intangible assets	4,581	1,603	13
Loss (gain) on sale of investment securities	-	(231,405)	(1,891)
Loss (gain) on valuation of investment securities	50,171	-	-
Decrease (increase) in trade receivables	(2,332,657)	(2,898,176)	(23,680)
Decrease (increase) in inventories	(5,177,812)	(5,347,475)	(43,692)
Increase (decrease) in trade payables	3,933,683	1,629,564	13,315
Increase (decrease) in accrued consumption taxes	(290,780)	(481,948)	(3,938)
Other, net	734,737	919,819	7,515
Subtotal	16,102,049	6,016,214	49,156
Interest and dividends received	58,193	39,248	321
Interest paid	(37,468)	(27,708)	(226)
Income taxes paid	(1,544,570)	(6,263,280)	(51,175)
Net cash provided by (used in) operating activities	14,578,204	(235,526)	(1,924)
Cash flows from investing activities:			
Payments into time deposits	(3,138,000)	-	-
Proceeds from withdrawal of time deposits	3,138,000	-	-
Purchase of property, plant and equipment	(1,052,891)	(1,331,469)	(10,879)
Purchase of intangible assets	(179,418)	(196,834)	(1,608)
Purchase of investment securities	(118,800)	(112,000)	(915)
Proceeds from sale of property, plant and equipment	1,995	2,556	21
Proceeds from sale of intangible assets	312	-	-
Proceeds from sale of investment securities	-	287,860	2,352
Payments of leasehold and guarantee deposits	(38,545)	(28,107)	(230)
Proceeds from refund of leasehold and guarantee deposits	5,387	5,515	45
Net cash provided by (used in) investing activities	(1,381,960)	(1,372,479)	(11,214)
Cash flows from financing activities:			
Repayments of short-term borrowings	(500,000)	-	-
Repayments of long-term borrowings	(2,000,000)	(4,000,000)	(32,682)
Purchase of treasury shares	-	(3,005,964)	(24,561)
Repayments of lease liabilities	(416,376)	(430,714)	(3,519)
Dividends paid	(1,136,716)	(3,079,406)	(25,161)
Net cash provided by (used in) financing activities	(4,053,092)	(10,516,084)	(85,923)
Effect of exchange rate change on cash and cash equivalents	1,357,984	1,870,347	15,282
Net increase (decrease) in cash and cash equivalents	10,501,136	(10,253,742)	(83,779)
Cash and cash equivalents at beginning of period	21,541,467	32,042,603	261,807
Cash and cash equivalents at end of period	¥32,042,603	¥21,788,861	\$178,028

Basis of Presenting Consolidated Financial Statements

Wacom Co., Ltd. and Its Subsidiaries

The accompanying consolidated financial statements have been prepared from the consolidated financial statements of Wacom Co., Ltd. (the “Company”) and its subsidiaries filed with the Director of the Kanto Local Finance Bureau in accordance with the Financial Instruments and Exchange Law of Japan and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Investor Information

Stock Exchange Listing

Tokyo Stock Exchange Prime Market (Securities code: 6727)

Share Data (As of March 31, 2022)

Total number of Authorized Shares	552,000,000
Total number of issued shares	166,546,400
Total number of shareholders	22,509

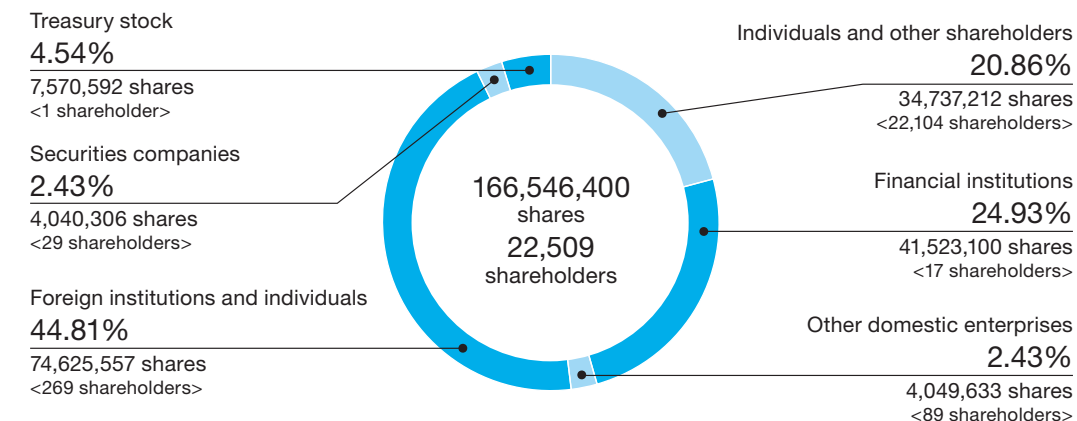
Major Shareholders (As of March 31, 2022)

Name of shareholder	Number of shares	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,452,700	17.89
The Bank Of New York Mellon 140051	12,858,200	8.08
Custody Bank of Japan, Ltd. (Trust Account)	10,586,900	6.65
Samsung Electronics Singapore Pte. Ltd.	8,398,400	5.28
AVI Global Trust PLC	6,687,900	4.20
The Bank Of New York Mellon (International) Limited 131800	4,834,900	3.04
State Street Bank And Trust Client Omnibus Account OM02 505002	4,417,800	2.77
State Street Bank And Trust Company 505103	4,223,507	2.65
Masahiko Yamada	3,768,000	2.37
Wilnau Co	3,050,000	1.91

* Wacom Co., Ltd. has 7,570,592 shares of treasury stock at the end of the fiscal year, which isn't included in the above list.

* Shareholding ratio is calculated after deduction of treasury stock.

Shareholder Distribution (As of March 31, 2022)



Corporate Data

Trade Name	Wacom Co., Ltd.	Branch/ Offices	Tokyo Branch Sumitomo Fudosan Shinjuku Grand Tower 31F, 35F, 8-17-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-6131, Japan
Established	July 12, 1983		
Share Capital	¥4,203 million (As of March 31, 2022)		
Number of Shares Outstanding	166,546,400 (As of March 31, 2022)		Osaka Office Shogyo 2nd Bldg. 6th Floor, 5-4-9 Toyosaki, Kita-ku, Osaka-shi, Osaka 531-0072, Japan
Employees	Consolidated: 1,069 (As of Mach 31, 2022)	International Affiliates	Wacom Europe GmbH (Germany) Zollhof 11-15 40221 Dusseldorf Germany
Business Segments	<p>1. Branded Business Development, manufacturing, and sales of electronic devices and related software</p> <ul style="list-style-type: none"> • Creative Solution • Business Solution <p>2. Technology Solution Business Development, manufacturing, and sales of input components and sensor systems for manufacturers of smartphones, tablets, and notebook PCs</p> <ul style="list-style-type: none"> • AES technology solution • EMR® technology solution 		<p>Wacom Technology Corporation (U.S.A.) 1455 NW Irving Street, Suite 800 Portland, OR 97209, U.S.A.</p> <p>Wacom China Corporation (China) 518, West Wing Office, China World Trade Center, No.1 Jianguomenwai Avenue, Chaoyang District, Beijing 100004, China</p> <p>Wacom Korea Co., Ltd. (Korea) Rm #1211, 12F, KGIT Sangam Center, 402 Worldcup Bukro, Mapo-gu, Seoul 03925, Korea</p> <p>Wacom Australia Pty. Ltd. (Australia) Ground floor, Building 1, 3 Richardson Place, North Ryde, NSW, 2113, Australia</p> <p>Wacom Hong Kong Limited (Hong Kong) Unit 1610, 16/F., Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong</p> <p>Wacom Singapore Pte. Ltd. (Singapore) #12-09 Suntec Tower Five, 5 Temasek Boulevard, 038985 Singapore</p> <p>Wacom Taiwan Information Co., Ltd. (Taiwan) 9F-1, No. 237 Songjiang Rd., Zhongshan Dist. Taipei 104, Taiwan</p> <p>Wacom India Private Limited (India) 426, Tower B, DLF Building, Jasola District Centre, Mathura Road, New Delhi 110025, India</p>
Banks	Mizuho Bank, Ltd. MUFG Bank, Ltd. Saitama Resona Bank, Limited Sumitomo Mitsui Trust Bank, Limited		
Head Office/ Factory	2-510-1 Toyonodai Kazo-shi, Saitama 349-1148, Japan		

(As of June 29, 2022)



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Certification Authority : Bureau Veritas Japan Co., Ltd.
Applied Offices : Head Office, Tokyo Branch
ISO9001 Certification Number : 4073518
ISO14001 Certification Number : 4073517



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