

1. Ken INAZUMI, Outside Director
2. Yoichi MACHIDA, Director, CFO
3. Osamu HOSOKUBO, Outside Director, Audit Committee
4. Takashi KAMUJRA, Outside Director, Audit Committee
5. Nobutaka IDE, President, CEO
6. Mikako INAMASU, Outside Director
7. Shigeki HIGASHIYAMA, Outside Director, Audit Committee
8. Yukio USUDA, Director & EVP, IT, Legal, IP, Corporate Strategy
9. Sadao YAMAMOTO, Director, CTO



Corporate GOVERNANCE

Wacom Group Governance

Here, we will outline the governance of Wacom Co., Ltd. (hereinafter referred to as “Wacom”), listed under the Prime Market of the Tokyo Stock Exchange, and its overseas subsidiaries together as an integrated group (hereinafter referred to as the “Wacom Group”).

Activities Based on Global Policy

Wacom’s governance is led by the Group CEO and is activated globally in compliance with the local laws and regulations of each relevant country and region. The regulations for Wacom’s more specific activities are also established around a common global policy shared by the Wacom Group, meaning that group members operate under the same policy worldwide.

Each company belonging to the Wacom Group is led by locally hired members, with local team members serving as representatives. While all subsidiaries are operated locally, governance is maintained by a board of directors composed of local representatives along with directors dispatched by Wacom, to ensure alignment with the Group’s overall strategy and policies.

Given the high proportion of overseas sales activities and employees in the Wacom Group, the governance of overseas subsidiaries is regarded as an important management issue.

Decision-making on a Global Scale

The decision-making process at Wacom is led by the Board of Directors, which is entrusted by the shareholders to make decisions on matters pertaining to legal requirements and other matters of high significance. Business activities at Wacom’s overseas subsidiaries are deliberated on by local boards of directors and followed up with deliberations by the Wacom Board of Directors, thus creating a system by which the Board presides over crucial decisions affecting the entire group.

The Wacom Group establishes policies deemed most appropriate for the operation of the Group as a whole, in consideration of both the need to ensure full governance by the Board’s rulings on important decisions, and the need to promote competitiveness, which is supported by delegating a certain degree of authority to business executives for quick and efficient execution.

For executive operations, the Wacom Group has established common rules of authority which determine who makes decisions. These are based on the Group’s shared rules, regardless of which global workplace the operations are performed in. The Wacom Group also promotes flexible and efficient operations by permitting authority to be delegated to lower positions, subject to certain approvals having been obtained.

Strengthening Governance & Competitiveness

Wacom was founded in Japan and is supported by a shareholder base of over

20,000 individuals and numerous domestic and overseas institutional investors. The Company has a General Meeting of Shareholders, a Board of Directors, and an Audit Committee as defined by Japanese Corporate Law. A Nomination Committee and Compensation Committee have also been established voluntarily by the company, with the aim of strengthening governance and enhancing competitiveness through the optimal operation of each committee.

The Board of Directors consists of nine members, with a majority of five being outside directors. In June 2021, Wacom appointed its first female outside director.

The Audit Committee consists of three members, all of whom are also outside directors (including one full-time outside director), and these members participate in the Board of Director’s decision-making process and supervise business execution.

The Nomination Committee, chaired by an outside director, establishes policies for the selection and dismissal of Wacom’s directors and key executives, and provides advice and recommendations to the Board of Directors on selection and dismissal. The current CEO was also selected after consideration by the Committee. The Committee is expected to continue to build important bridges by deliberating over the appointment of the next generation of managers and executives, formulating a plan of succession, and passing on our company’s philosophy and values to the future generation.

The Compensation Committee, chaired by an outside director, examines the framework for director compensation and provides advice and recommendations to the Board of Directors. The Compensation Committee was also responsible for the design of the current restricted stock compensation plan for directors (excluding outside directors). It is expected that the Compensation Committee will continue to review the compensation system to meet the diversifying expectations of directors and to encourage the competitiveness of the Wacom Group.

Characteristics of the Board of Directors

One of the strengths of the Board of Directors is its responsiveness. The market in which Wacom operates is changing rapidly, and prompt decision-making is essential for Wacom to remain competitive. The Board of Directors strives to make and execute on decisions as quickly as possible, after careful risk analysis and consideration of governance. In addition to scheduled meetings, the Board of Directors

meets on an as-needed basis to deliberate and decide on urgent matters, thereby fostering a culture of flexible and speedy decision-making.

The Board of Directors remains constantly aware of the need for close engagement with the team members who work for the Wacom Group. Team members in Japan and abroad have many opportunities to express their opinions to the Board, and the Board responds to them in a cordial manner, asking questions and offering advice. Outside directors are encouraged to share their knowledge and experience with team members, which we believe reflects our company’s flat structure and open corporate culture.

Initiatives for the Board’s Evolution

Wacom conducts annual evaluations of the effectiveness of the Board of Directors, with the aim of enhancing the Board’s activities. All directors respond to a questionnaire prepared by administrative staff, and all directors are interviewed about their answers. The results of this survey are analyzed and discussed by the Board of Directors to identify problems, which become topics for subsequent Board of Directors meetings and are also helpful for management. These evaluations support our response to vital issues as well as promote discussion on management succession planning, and we intend to continue conducting these evaluations on an annual basis.

We recognize the importance of addressing sustainability, and Wacom’s ESG Task Force team will continue to regularly report its activities to the Board of Directors for input.

Developing & Appointing Successors

The development and appointment of managerial successors is a crucial issue for Wacom’s medium- and long-term development. In addition to performing their usual duties, the Board of Directors is keenly aware of the importance of nurturing successors and building bridges to the future. As an example of this, outside directors hold regular study sessions with the goal of passing on their knowledge and experience to team members.

We support the development of future Wacom Group leaders by entrusting our people with tasks involving a high level of responsibility within the organization. Looking ahead, the Board of Directors will continue to have more opportunities to assess the character and capabilities of different candidates, and discussing the qualities we look for in a successor and sharing specific candidate information. In addition to scheduled meetings, the Board of Directors

Q&A WITH Our DIRECTORS

In accordance with Wacom Group's medium-term business direction, we aim to create valuable experiences based on technology, deliver them to our customers, learn together with diverse communities, and contribute to the realization of a sustainable world through technological innovation. We believe that collectively these efforts will bring about the growth of numerous partners and contribute to a diverse and multi-dimensional society. Here, through a Q&A session led by our President and CEO Nobutaka Ide, we introduce the directors who, as of March 2023, are responsible for planning and executing these initiatives.



Nobutaka IDE
President,
Chief Executive Officer



Yoichi MACHIDA
Director, Chief Financial Officer

Q: Of the new business projects that Wacom is planning, which are you most drawn to personally?
A: If you were to ask the lead character of a popular cooking program whether they preferred sushi, soba, or tempura, all of which have been created through the culmination of sophisticated techniques, I think they would immediately answer: all of them! What I'm interested in are the mechanisms of the brain. I believe that there is meta-logic occurring in the background of the mind—even with things like emotions—by which I mean that the workings of the brain can be explained monistically through logic. What's so interesting about Wacom's new projects is that they have potential to be used as an approach to unraveling the mysterious mechanisms of the brain, or alternatively as a complementary technology for such an approach. Which is to say, each new business project may have its own best season, but I am personally drawn to all of them!



Yukio USUDA
Director, EVP
IT, Legal, IP, Corporate Strategy

Q: With IT systems evolving every day, what is your biggest focus point?
A: IT systems are constantly changing, and I believe it is important to fully understand the technological trends and introduce services that match the company with just the right timing. The evolution of revolutionary AI is something that draws my attention on a personal level, and while it is important to balance investments in offensive and defensive IT, I have recently been focusing more on the defensive side. Last year, the unauthorized access of our online store caused great inconvenience and concern. Cyber-attacks continue to become more sophisticated and dangerous, and I believe that by layering on the latest security measures to our internal and external networks, we can detect signs of cyber-attacks at an early stage, prevent them, and reduce overall risk.



Sadao YAMAMOTO
Director, Chief Technology Officer

Q: If you had to select one a piece of Wacom technology that no one could ever surpass, what would it be?
A: The competitive edges against our competitors include our low power-consumption IC technologies and coordinate calculation algorithms in our EMR products, and the high S/N sensing and original protocol/extension technologies in our Active ES products. However, what really makes us stand out is the fact that we have been specializing in pens since our startup. We are not just trying to make the specs look good; we're developing the technology and products with the sincere aim of achieving real performance and delivering the best products to users—products that make them happy every time they use them. As long as we continue to manufacture products with this philosophy, I believe that Wacom can outperform any competitor company.



Ken INAZUMI
Outside Director

Q: As an executive working for another company, what would you say makes Wacom distinct?
A: Although Wacom is a tech firm specializing in hardware for digital *drawing and writing*, I think its culture of friendliness and closeness to its stakeholders is exemplary. To list a few examples, there's the way management and Wacom team members are able to discuss topics openly, the way the company goes out of its way to support its customers' creative inclinations, the way the company works together with partners in various fields to improve the customer experience (Connected Ink is a key symbol of this), the way the company actively engages in dialogue with investors, and the way each external director has opportunities to interact with WACOM team members according to their particular capabilities. I feel that Wacom's strength lies in the way that it spurs evolution through friendly co-creation.



Mikako INAMASU
Outside Director

Q: As an expert in organizations, in what ways do you think Wacom still needs to grow?
A: When a company sets its vision for the future, it communicates quantitative and qualitative goals both internally and externally for the business. To realize these goals, what kind of organizational design, culture, and management styles should the company adopt? They'll need to think about their organizational vision. This is an era where there is no single right answer. There are various styles depending on your goals, such as a teal organization, green, orange, amber, red and more. That is why the question to ask yourself is, "What kind of organization do we want to be in the future?" I am looking forward to witnessing the evolution of "Wacom Style," a management style that is unique to Wacom, and to the growth of an organization that is self-propelled by its team members.



Takashi KAMURA
Outside Director
Audit Committee

Q: Being the most experienced of the outside directors, how do you see the changes at Wacom?
A: I am reminded of the old Chinese saying, "It is easy to start a business, but difficult to maintain it." I have witnessed the company, through a process of trial and error, evolve from global management during a period of strong leadership under which the founder's spirit still lingered, to a company with a market capitalization of over 100 billion yen under the current executive team. Today, the external environment for both low- and mid-tier products is changing rapidly, while the parts business has become a sturdy pillar of the company. Our drive, our effort to win, has shown no signs of faltering. We must comply with the global SDGs, and there are regional differences in thinking we must face as a global company. But I want us to realize these "differences" as diversity, a jumping off point from which we can build an environment of greater effort and ultimately greater appeal.



Shigeki HIGASHIYAMA
Outside Director
Audit Committee

Q: As someone who spends a lot of time at the company, what is your impression of the team members?
A: I am a member of the Audit Committee, and what I feel in my daily contact with Wacom team members in the office is their love for Wacom. First and foremost, they love Wacom's products. There is also the love the team members have for each other and their families as well as for their customers and the communities. The Wacom team members love their products and they love the people who work alongside them—they love using digital pens to pursue their own creative projects, and they love working with customers to explore the potential of digital pens and tablets. We, the board members, consider it our mission to link the love of Wacom's team members to the enhancement of Wacom's corporate value.



Osamu HOSOKUBO
Outside Director
Audit Committee

Q: With your prior experience managing an investment firm, on what areas of Wacom would you place your bets?
A: I see Wacom's strengths as market leadership, global management, and community engagement, and if I were an investor, I would place my bet on these three points. In other words, Wacom is one of the few Japanese manufacturers who for many years has continued to introduce appealing products to the global market on a foundation of advanced technology, and as a Japanese citizen, I would certainly give them my support. What's more, I've always highly respected the way Wacom has maintained a close relationship with the user community while continuing to create new technologies, products, and services—never halting progress in order to cling to their current position. Looking ahead, I hope that Wacom will realize a more diverse and robust corporate structure, and continue to be a company that looks several steps ahead of the times to go head to head with the challenges of the future.

The strengths and characteristics of each member of the Board of Directors are laid out in this skills matrix. The matrix is balanced as to highlight knowledge and experience in various fields, including specific skills uniquely valued by Wacom such as Community Engagement—defined by the knowledge of community building and ecosystem development in areas vital to the medium-term business direction "Wacom Chapter 3"—and Digital Services—defined by the knowledge of technology and the industry in addition to IT experience at Wacom.

Board of Directors Skill Matrix

Name	Management	Overseas Business	Finance & Accounting	HR & OD	Diversity & Inclusion ¹⁾	Legal & Compliance	Risk Management	Proprietary Technologies	Community Engagement ²⁾	Digital Services ³⁾
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.