

Exploring the ultimate drawing and writing
– and beyond, pioneering the broader inking experience

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Chapter 4: Side Story



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Wacom: Then, Now, and Into the Future

Nobutaka IDE (Nobu)
President and CEO
Wacom

Born in Tokyo in 1970. After earning a master's degree from the Division of Public Administration of the International Christian University Graduate School, Nobu joined a Japanese home appliance maker. He was involved in product planning and marketing in the U.S., as well as mobile phone market development in China, before joining Wacom in 2013. He assumed the role of Representative Director, President and CEO in 2018. In February 2021, he was appointed Representative Director of Connected Ink Village – a general incorporated association, which supports various artists, creator communities, and education communities. Nobu is an avid reader with extensive interests. One of his favorite authors is Yukio Mishima. He also relishes and writes poetry, as well as playing musical instruments, and loves Tchaikovsky and SION. Nobu also spends time in creative collaborations with his daughter, performing as a professional dancer in his spare time.



Wacom is turning a new page with Wacom Chapter 4, its medium-term business plan in 2025. As a finance and accounting expert supporting Wacom's transformation, HATAYAMA spoke with CEO Nobu about the company's future vision.



Naoto HATAYAMA
Senior Director, Corporate Finance
Wacom

Joined Wacom in 2009. After taking charge of consolidated financial reporting, he was seconded to an overseas subsidiary, where he supervised the organizational setup and implemented an ERP system. He is currently responsible for group-wide managerial accounting and financial planning.

Q1 Looking back at Wacom Chapter 3, the preceding medium-term business direction that focused on accelerating business through digital ink technology, what would you say were its key achievements?

Q2 What insights have you gained over the past four years? While achieving many milestones, have any new challenges emerged in the process?

Q3 Wacom Chapter 4 was launched in May 2025. It aims to explore the ultimate drawing and writing - and beyond, pioneering a broader inking experience. Tell me more about this vision.

Q4 Wacom Chapter 4 aims to create a broader inking experience across a wide range of use cases. Could you share any projects currently underway?

Q5 After kicking off Wacom Chapter 4, what are the next steps Wacom plans to take toward sustainable growth? Are there any concrete initiatives already in motion?

Q1

What achievements can you share with us after four years of Wacom Chapter 3?

Let me review Wacom Chapter 3 from three different perspectives.

Returning to the technology – this stands out as the primary achievement. Wacom's value lies in its technology; there's no doubt about that. Regrettably, there was a period when this point somehow slipped out of our minds. To my relief, we managed to reclaim this focus. And it is, without question, our greatest accomplishment.

Previously, our technical structure was divided by business unit. With the introduction of the Wacom Workshop concept, a new framework came to life. We transformed our system into a one-stop shop capable of addressing all use cases from a single source within Wacom, enabling us to identify optimal solutions as one team. If you don't work with engineers on a daily basis, the benefits of this new system may not be immediately apparent. But it means that Wacom has gained a solid foundation for continuous innovation by integrating hardware, software, and services into a unified technological ecosystem. No pain, no gain. This reform was certainly strenuous, but it was most definitely worth our full commitment. Laying the foundations to support the next decade of technological advancement and future value creation is an achievement I can take pride in.

Returning to the technology has served as a springboard for Wacom to launch a range of its iconic products including the Wacom Cintiq Pro series, Wacom One, Wacom Movink 13, and Wacom Intuos Pro series. Each one of these is a masterpiece we proudly present to the

world and signals a promising future for Wacom. These products integrate a dozen cutting-edge technologies, and any creator would immediately recognize their true worth. At the same time, we were also successful in enhancing user experience in the Technology Solution Business. As an OEM supplier, we have supported our clients' devices including PCs, tablets, smartphones, and educational devices. I am proud to say that Wacom is now ready to deliver the ultimate drawing and writing experience. We are one step closer to realizing our dream instruments that empower users' most spontaneous and expressive creative strokes.

Wacom Chapter 3 not only led to the renewal of our engineering structure but also fundamentally transformed our approach to product development. A key part of this initiative is the Extended Core (ETC) Team – a temporary, cross-functional task force assembled on a project basis. Each team member collaborates closely with users, bringing deep passion and expertise to the process. Through this new setup, we gained genuine understanding of the real challenges faced by our users. These valuable insights stem from the unique perspectives of ETC members, many of whom come from outside traditional product planning roles, such as sales, marketing, or customer support. Each team member contributed his or her ideas to overcome countless hurdles throughout the product design journey. I would like to once again emphasize this point.

Another key milestone was **the creation of a platform that enriches the user experience through digital ink**

technology. We asked ourselves: how can we process data input from hardware and transform it into output for enhancing the user experience? Wacom Chapter 3 was the phase where we tackled this challenge head-on – and the results speak for themselves. We are proud of innovations like Wacom Yufi, Wacom Bridge, our collaborations with Z-Kai, and the KISEKI ART project, which serves as a basis for configuring learning models for AI and ink. All of these initiatives have broadened the horizons of the digital ink experience. Yet, there remains vast potential. Wacom Chapter 4 is now set to unlock it, building on what we have achieved so far.

Last but not least, **the engagement with diverse communities** matters. Wacom's unique strength lies in its drawing and writing technology – and to fully leverage this asset we opted to directly connect with communities, or to "live together" within communities, as we put it. In addition to our collaborations in business areas, new forms of communities created through Connected Ink event have generated deep trust and a strong sense of cohesion. During Wacom Chapter 3, we laid the groundwork for a trusting relationship with communities, each holding great potential to evolve into new use cases. Community engagement will play a vital role as we move forward with Wacom Chapter 4. I would like to once again emphasize this point.

Q2

What insights did you gain from Wacom Chapter 3?

Wacom offers an unparalleled drawing and writing experience – what I would call the ultimate value in creative inking. Reflecting on the past four years, I've come to realize that this point hasn't been clearly articulated and, as a result, has failed to reach a broader audience. Empowered by our new technical organization, we successfully launched top-notch products that surpassed customer expectations and were well received by users. It is unexpected yet flattering to hear users calling these products a sign of Wacom's revival. Indeed, user experiences in drawing and writing offered by Wacom are highly valued within a selected community. However, we could definitely go even further. There is much more potential to unlock and broader audiences to engage. We still have a long way to go. It's not the destination, but the journey that counts. In the pursuit of ever-better drawing and writing, there's no final destination – just a never-ending journey of trial and error. Sharing our thoughts as we go



will appeal more to our audience. Let's get all audiences – both inside and outside the Company – to join us on our journey. This will eventually lead to business growth. This is the insight I gained in Chapter 3.

While the market is moving increasingly towards multi-use (multi-functional general-purpose) devices, Wacom has remained committed to single-use devices focused on drawing and writing for over forty years. As a result, Wacom has reached the pinnacle of perfection and unsurpassed pen experience. At times, we were unduly criticized that our products were unnecessarily oversophisticated, however we've never compromised on the products and user experiences for which Wacom is renowned. This kind of value cannot be easily replicated. That's why I call it the ultimate value.

Wacom is now seeking to further explore the ultimate drawing and writing, pioneering a broader inking experience. All of this is for users with high expectations of Wacom as a master instrument craftsman. When the two meet, sparks of passion fly. And passion is contagious. Passion inspires users, instantly transforming them into enthusiastic advocates of our ultimate value. With their favorite instruments in hand, they light up with radiant expressions that reflect how deeply that value resonates with them.

On the other hand, when asked whether this passion was widely shared among a broad range of end users, my honest answer would be 'no'. The driving force behind that passion tends to get diluted over time and gets lost between too many layers of interfaces. So far, we have failed to fully leverage our ultimate value to connect with a broader audience. As a next step, Wacom needs to find a common narrative that tells a compelling story about our value. We also need to make sure that this story is embraced across all business categories and shared by everyone at Wacom. This mission only became clear after completing Wacom Chapter 3.

Our journey begins with a single question: What is Wacom's ultimate value? By sharing this story with the world – through words and images – we hope to connect with our audience on a deeper level. An authentic story can only be told by focusing on the ultimate value of Wacom's technologies. I'm confident that this is the right path to drive further business growth.

Telling the story of our ultimate value is a must. Now that Wacom Chapter 3 is behind us, we are moving forward into a new stage of communication. When we succeed in touching the hearts of our audience with our story in Chapter 4, our business will reach new heights.

Q3

Wacom Chapter 4 focuses on exploring the ultimate drawing and writing – and beyond, pioneering a broader inking experience. Tell me more about this vision.

Wacom Chapter 4's strategy, as I dare to call it, revolves around delivering Wacom's unique value by addressing a wide range of community-driven use cases. And there is more than one way to deliver this kind of value – through products, components, platforms, or other avenues. By bringing hardware, software, services, and UX/UI design together, Wacom delivers an integrated pen-and-ink experience to users as its unique value.

First come the use cases. From now on, Wacom will actively seek out value-creation across a wide range of use cases. The expertise we have gained in developing digital pens holds far-reaching potential, much greater than we previously imagined. Naturally, not all use cases can be effectively addressed by Wacom alone. That's why we will be collaborating with partners who can provide significant leverage in specific areas of our new mindset to actively invest in use cases.

In other words, we are pursuing a comprehensive solution that encompasses multi-faceted offerings including products, components, and platforms. Whether it's Wacom-branded products, OEM digital pens for partner companies, or platforms yet to be developed, we aim to draw strength from all of them to maximize value creation. Cross-domain collaboration free of barriers is the basic idea.

We aim to provide a solution for every use case, one that delivers an integrated pen-and-ink experience to users. Wacom Chapter 4's strategy is designed to this end. To support it, our organization must also evolve. That's why Wacom Chapter 4 includes an organizational reform, transitioning from conventional business units to a more flexible operational structure that can drive this strategy forward with greater strength and flexibility.



broaden our perspective, shifting from Wacom's viewpoint to that of society. This will allow us to cultivate new business areas where our ultimate value delivers results. Expanding use cases will lead directly to greater value creation in a larger playground for Wacom.



Wacom Movink 13, our thinnest and lightest pen display yet, reflects our renewed focus on technology – just 4 mm at its thinnest point and weighing only 420 g. It is ready to ink whenever inspiration strikes.

Q4

Are there any projects currently underway to explore inking experiences?

Among the various projects now coming to life, I would like to highlight two examples.

One example is a use case in the domain of Work/Play & Beyond. Here, our focus is not on the creators, but on the users who utilize Wacom's digital pens in their everyday work. What kind of scenarios can we expect from them? We explored possible answers and summarized them as 10 Stories of Working Days. Drawing pictures is not their use case. They use our pens to doodle sketches to organize ideas, jot down handwritten notes during meetings, or co-author ideas with teammates in cloud-based files. Wacom aims to deliver an integrated pen-and-ink experience to support these use cases beyond drawing in collaboration with our OEM partners.

In the past, PC manufacturers gained an added value just by offering a digital pen along with their products. From now on, they should also cater to use cases relevant to their users. This is where Wacom sees its opportunity.

In today's society, technology that visualizes physical and mental states in order to accurately monitor health before the onset of a full-blown condition is highly sought after. Wacom aims to leverage its technology to detect early signs and symptoms of illness. By analyzing individual handwriting characteristics and subtle changes in stroke patterns, we can provide additional insights into the writer's health conditions to complement conventional medical approaches. To achieve this, Wacom is developing an entirely new inking experience. Our

technology can capture handwriting data, which is then analyzed using deep learning algorithms developed through the KISEKI ART project. As part of our commitment to enhancing human well-being, we support use cases that address societal challenges and offer corresponding solutions to communities and healthcare professionals in need. We are thinking ahead.

We are pioneering a broader inking experience that goes beyond drawing and writing. These two examples are merely a foretaste of what is yet to come, revealing the incredible potential ahead. In Wacom Chapter 4, we aim to reach 150 billion yen in revenue by March 2029 by steadily enhancing the overall value of the experiences we can offer in each use case.

Q5

What are the next steps Wacom plans to take toward sustainable growth?

Delivering an integrated pen-and-ink experience by Wacom alone is not realistic. However, Wacom has been attempting exactly this – entirely on its own. An abstract idea of pursuing M&A and strategic partnerships to efficiently expand use cases has existed for some time. However, I felt very strongly that the timing wasn't right. We needed to wait until our core technologies were fully in place. Seeking external opportunities to invest in use cases without having absolute confidence in our own technology? I couldn't envision any success story coming from that.

Now, after four years of Wacom Chapter 3, we have built a rock-solid technology portfolio. With a robust set of technologies gained through our "Return to Technology", Wacom's growth strategy is now ready to evolve toward investing in use cases. The very existence of these core technologies necessary for our business continuation in the coming decade speaks for us in securing promising partners and strategic investment. Partners should also feel attracted to our ultimate value in order to team up with us. Needless to say, continuous technical innovation is the lifeblood of any tech company. We will never stand still and will continue to accelerate our R&D activities to come up with new core technologies.

By investing in use cases, Wacom will gain quick access to untapped opportunities that would otherwise remain out of reach. Over the next four years, I plan to dedicate more of

my resources to identifying use cases worthy of our investment. On top of that, I will not shy away from strategic investments to find shortcuts and accelerate our business plan. This is an essential part of Wacom Chapter 4. But don't get me wrong here. Acquiring use cases per se is not the end goal. What really matters is discovering use cases where Wacom's ultimate value proves its worth. This will require constant trial-and-error. Without exaggerating, I wouldn't be surprised to see Wacom owning or operating studios and schools in the future.

As well as our investment in use cases, we place great importance on our capital participation in Preferred Networks Inc. (hereafter PFN) prior to the start of Wacom Chapter 4. PFN is widely recognized as Japan's leading AI development house. Bringing their top-tier AI engineers into Wacom's ecosystem brings us significantly closer to a business vision that would be unattainable on our own. PFN's powerful community is another plus for us. It will undoubtedly accelerate the implementation of our technologies in both society and the market. I am convinced that this partnership will deliver value beyond our expectations. Come to think of it, it was the KISEKI ART project that brought us together in the first place.

Through it, we discovered common ground in each other's philosophies and PFN then invited us to join Connected Ink as one of the panelists. This also shows how vital community engagement is to us, especially in fueling our growth.

In this regard, let's also address Wacom's approach to the use of AI. What Wacom values most is the profound and often complex aspects of individual human beings. They manifest differently depending on the individual contexts, minds, intentions, etc. AI can be meaningfully used to study and shed light on their depth. This may seem to run counter to generative AI or general-purpose AI, which process all data indifferently based on machine learning algorithms. On the other hand, as an instrument craftsman, Wacom sees no reason to exclude generative or general-purpose AI from our toolbox. These technologies deserve the same consideration as any other tools. Ultimately, it all depends on the intentions of the individual when it comes to dealing with AI. Whether to use it or not – the decision rests entirely with the user. That's how we view the use of AI.

Based on the achievements and lessons in Wacom Chapter 3, we want to uncover even more inking potential by collaborating with strategic partners in Wacom Chapter 4. To do that, we will invest in use cases and enter into the stage of Living Together with Communities beyond the horizon of user engagement. Hopefully, this booklet will allow you a glimpse into the promising future that lies ahead for Wacom.



The Wacom Intuos Pro features Wacom's cutting-edge technology which integrates the fruit of extensive research into user characteristics. It comes with a new IC that enables precise coordinate detection for a more intuitive creative experience.

Partners made for each other

Why the AI Industry's Front-Runner Sees
Wacom as Its Perfect Partner



Preferred Networks (PFN), one of Japan's top-tier AI development houses, has become a highly sought-after strategic partner for prominent large corporations keen to integrate deep tech into their business innovations. In December 2024, following five years of collaboration, Wacom acquired shares in PFN through a third-party allocation, establishing a capital relationship. At the heart of their collaboration lies the shared idea of a human-first approach. Let's explore their vision in a one-on-one between Nobu and Mr. Masaaki FUKUDA, VP of Engineering / VP of Products and Services / VP of Business Strategy, Corporate Strategy and Planning at PFN.

A human-first approach when dealing with AI

Nobu: Five years ago, I came across Preferred Networks (PFN) for the first time. Our collaboration began with the KISEKI ART project, an initiative to visualize creative track records using PFN's AI technology by capturing subtle changes in strokes made by the artist's pen. PFN, the masterminds behind Japan's AI innovation, responded quite positively to our proposal: Interesting! Let's do it. Their fighting spirit was not deterred by mundane concerns such as immediate commercialization or monetization. That was what surprised and impressed me the most. I still vividly remember the excitement I felt in hearing their response.

FUKUDA: Having worked in the creative industry before, I was quite familiar with Wacom. When I read Nobu's idea in the mass media, I felt a certain affinity between Wacom's vision and PFN's strategy.

Nobu: Today's AI landscape is worlds apart from what it was ten years ago when PFN was born. Did you ever imagine such a technological evolution when you started the

company?

FUKUDA: PFN has had a strong AI focus since its early days. After a long season of AI winter, the business environment has completely changed over the past few years. What AI is capable of today far surpasses anything we once imagined. To be honest, I didn't expect such a radical evolution.

Nobu: We have come a long way, particularly in the last few years. Business-oriented topics such as automation, greater efficiency, time-saving, and machine learning now dominate the latest AI research. PFN, on the other hand, stands apart with its human-oriented approach. I can sense the breath of humanity in your work.

FUKUDA: Yes, that's right. PFN is an AI-driven technology company committed to contributing to humanity and enriching human life through its technologies and products. Given that mission, how could we ever lose sight of the human perspective when working with AI? Human emotions

matter in AI development. In this sense, we are proud advocates of a human-first approach.

Nobu: Over the past forty years, Wacom has achieved the highest level of technological excellence in its products – devices dedicated to unparalleled drawing and writing experiences. This is what sets Wacom

Trailblazers with Relentless Confidence

Nobu: Over the past forty years, Wacom has achieved the highest level of technological excellence in its products – devices dedicated to unparalleled drawing and writing experiences. This is what sets Wacom

apart from the competition in today's world where almost everyone is seeking general-purpose devices capable of multiple tasks. I get the impression that PFN is similarly determined. You have relentlessly pursued your calling in AI algorithm development – even during the dawn of AI when future prospects remained uncertain. This level of confidence shared by us borders on insanity, I would say.

FUKUDA: Exactly. When we decided to venture into semiconductor development to take ground on the AI battlefield, many people asked us: Why should PFN start with chip production? For us, it was an inevitable step forward to realize the ideal kind of AI we had in mind. Sure, we're a little crazy.

Nobu: We have been through a similar journey, haven't we?

FUKUDA: A slow but steady paradigm shift is unfolding on a global scale with regard to our perception of AI. In this context, it is essential to deliver services and solutions that genuinely address users' needs. By partnering with Wacom, PFN hopes to showcase new possibilities for AI applications that serve humanity.

Wacom x PFN:

Essential Values of our Partnership

Nobu: Having established a capital partnership in 2024, I am very excited to go ahead with multiple joint projects. What impact do you anticipate our cooperation will have on the AI industry?

FUKUDA: Now that generative AI has already entered the implementation stage, our next step is to move from virtual solutions to physical ones. AI is making its way into the real world, and Wacom thrives in that real world as a true jewel of Japanese manufacturing with unparalleled technical excellence. The partnership allows us access to Wacom's unique technology for transforming analog input into digital data. PFN's teamwork with Wacom, a global leader in digital pen technology with a popular product portfolio worldwide, has great significance not only for PFN but also for the AI industry as a whole.

As the development of AI technologies accelerates, sooner or later we will enter a realm where PFN cannot gain a foothold on its own. At this crucial moment, we were lucky to find Wacom as an ideal partner for in-depth collaboration. We could

not be happier about this. PFN is widely recognized for its solutions across a range of industrial sectors, particularly in process optimization and automation technologies for factories and manufacturing sites. Actually, the focus of our AI applications also includes entertainment, education, and healthcare. In these areas, I see great potential for synergy with Wacom.

Nobu: We should begin with the medical field, where early detection of potential diseases and addressing dementia are both in high demand in today's society. Such challenges are truly worth our efforts. Just as the traces of brush strokes are highly individual to each creator, so too is human biophysical data. Take blood vessels, for example – the way they run through our bodies is said to differ from person to person. The algorithm for capturing changes specific to individuals was established in the KISEKI ART project. Could it also be a key to success in this field?

FUKUDA: We are witnessing a pivotal moment in which the performance of algorithms and devices is finally aligning. This allows us to tackle the complex challenge of acquiring and analyzing intricate features that have

so far remained undetectable. As people start to recognize its potential to benefit society, competition will surely intensify. Even so, I believe our chances of success are high.

Nobu: I believe in unique values and a future that can only be achieved together.

FUKUDA: We admire Wacom for its excellent products that are loved by creators all around the world. In addition to sharing many areas of common interest, Wacom was very attentive in listening to PFN's vision during the discussions on capital participation. At the end of the day, you can't make an ally without sharing core values. I am sure that we can learn a lot from this collaboration.

Nobu: For sure, we greatly appreciate the chance to tap into PFN's latest AI expertise. But that is not all we seek. AI is attracting significant attention from many sectors. By partnering with PFN,



when it comes to uncovering new business opportunities with these engineers – and that is priceless. Countless integrated pen-and-ink experiences will surely emerge from this collaboration in Wacom Chapter 4.



Masaaki FUKUDA

Masaaki Fukuda serves as the VP of Engineering, VP of Products and Services, VP of Business Strategy overseeing corporate planning at Preferred Networks (PFN). Prior to joining PFN, he was responsible for planning, development and operation of social games at a tech company where he built and executed business strategies. Fukuda previously worked at a major electronics company where he developed a gaming console and network as an engineer.

