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# Wacom Story Book

Issue 2

Our Governance



Cover Photo\_Sho Kato (timetise)

# A Board That Challenges Itself to Engage in Serious and Passionate Debate – Our Source of Pride

As of June 2025, Wacom's board of directors comprises nine members, six of whom are outside directors. This is an open and bold composition that embraces a wide range of perspectives. Nobutaka IDE (Nobu), chairman of the board of directors, and President/CEO, takes pride in this well-rounded team of distinguished professionals, each bringing their own specialist expertise, values, and viewpoints. Each one of them is a one-of-a-kind character. Wacom Story Book Issue 2 invites you into the heart of our boardroom. Discover the roles, functions, and contributions of our board of directors, and how they play an active part in corporate governance at Wacom.

Since 2018, I have served as both chairman of the board and CEO for seven years. Yet I take a holistic approach, always asking what is best for the company, without confining myself to two clearly separate roles.

In my role as chairman, I keep two key points in mind, one of which is facilitation. At board meetings, it is sometimes necessary to intervene to break a deadlock in discussions. I may offer a new perspective when members are divided by differing opinions. Or, I may say "we need to act now" to prevent the decision-making momentum from being lost. Each time, I strive to act as a facilitator by summarizing the situation and gently guiding the conversation toward a consensus, while respecting the objectivity and expertise of our outside directors.

Another key point is to make sure that strategic agendas are covered several times a year at board meetings. At times, these topics are also proposed by our outside directors, which I find both valuable and reassuring. Each of our outside directors is wholeheartedly committed to true dialogue, and there are no silent speakers among them. They are unafraid to voice candid opinions to me in my role as chairman and CEO, and they act with autonomy in fulfilling their responsibilities. This is made possible by a trusting relationship built on shared values.

I am aware of my tendency to sound overly pronounced in my own personal thoughts and ideas when reporting to the board as head of the management team. However, it is never my intention to stifle debate by imposing my views. That's why I strive to foster an open atmosphere of free discussion, where no one is forced into a corner by my own enthusiasm. For my part, I take genuine dialogue with our directors very seriously. Being challenged helps me stretch my boundaries and grow. Both Wacom and I need the board of directors as a forum for exchanging unreserved opinions.

It is quite rare for my original proposals to be adopted without modification, especially when it comes to important agendas. Since last year, we have engaged in intense debates over the strategies outlined in the medium-term business plan, Wacom Chapter 4. In fact, discussions began even before we addressed the strategies themselves. Take "instrument craftsperson" as an example, a term coined by Wacom to describe to itself. When it was presented at the board meeting, many questions followed – Is Wacom truly an instrument craftsperson? Is this language easily understood in the market? Does it align with the values of Wacom Chapter 4? Honestly, working through all these questions one by one was a challenging and strenuous process. But as this example shows, thorough discussions with board members help me recognize things I might otherwise overlook. The insights gained through these exchanges feed into stronger agendas and sharpen my thinking. I am convinced that such continuous dialogue is essential to quality decision-making.

One of the pressing issues we currently face is advancing the selection and development of candidates for Wacom's future management team, under the leadership of the Nominating Committee. In short, it is the responsibility of the current board to accelerate the Succession Plan as part of implementing Wacom Chapter 4.

Nobutaka IDE (Nobu)

## Shigeki HIGASHIYAMA Outside Director

The brain of the board of directors, trusted for his rich experience and sharp judgment, on personnel and organizational matters.

He previously served as an executive in business strategy, human resources, and global operations at a leading consulting firm. At Wacom, he chairs both the Audit and Compensation Committees.

Competence: Global Business / HR and Organizational Development / Legal and Compliance / Risk Management

Member of the Nominating Committee, Chair of the Compensation and the Audit Committees

### Impression of Wacom

Everyone's charming – including the management.



## Amane KOJIMA Director

An expert in business management and financial strategy, with prior experience as CFO at a publicly listed company and holding U.S. CPA certification.

Utilizes executive CFO experience to lead business operations, develop and execute financial strategies grounded in a financial perspective.

Competence: Business Management / Global Business / Alliance and Investment / Finance and Accounting / Risk Management

Competence: Business Management / Alliance and Investment / Finance and Accounting / Legal and Compliance / Risk Management

Member of the Nominating, the Compensation, and the Audit Committees

## Osamu HOSOKUBO Outside Director

A director with experience serving as CEO at a publicly listed company. With his multifaceted perspective, he strives to achieve well-balanced governance.

He gained strength in corporate management, Asian markets, and venture capital through his executive experience, while serving as an outside director at multiple companies. He oversees Wacom's management by combining the perspectives of an experienced manager, investor and independent outside director.

Competence: Business Management / Legal and Compliance / Risk Management

Member of the Nominating, the Compensation, and the Audit Committees

## Yuji ONO Outside Director

A bar-licensed lawyer, often credited as a "watchman" for safeguarding companies against legal and financial risks.

With his previous experience as head of the legal department at a leading financial institution, he provides essential support to Wacom's management through his expertise in legal affairs and compliance.

Competence: Business Management / Global Business / Alliance and Investment / HR and Organizational Development / Technology Development and Intellectual Property / Community Engagement / Service Business

## Nobutaka IDE (Nobu) Director

CEO responsible for implementing the medium-term business plan, Wacom Chapter 4

Representative Director, President and CEO. With extensive overseas experience and a proven track record in business partnerships and community engagement through art initiatives, he is also actively involved in use case development.

Competence: Business Management / Global Business / Alliance and Investment / HR and Organizational Development / Technology Development and Intellectual Property / Community Engagement / Service Business



## Sayatake KOMINE Director

Wacom's CRO with a focus on maximizing revenue from business operations

As a certified public accountant, he helps to enhance Wacom's corporate value by leveraging his expertise and experience as head of global business, along with his determined and resilient approach.

Competence: Business Management / Global Business / Finance and Accounting / Environment / Risk Management / Technology Development and Intellectual Property / Service Business

Chair of the Nominating Committee, Member of the Compensation Committee

## Mikako INAMASU Outside Director

A consultant who seeks the right path through calm, thoughtful dialogue, and an advocate for altruism and democratic values in management

Drawing on her solid experience in business strategy planning and corporate training consultancy, she leads the initiative to develop the next-generation management team as chair of the Nominating Committee.

Competence: Business Management / HR and Organizational Development / Diversity and Inclusion

Member of the Nominating and the Compensation Committees

## Ken INAZUMI Outside Director

A trailblazing business leader who actively pursues innovation by leveraging advanced digital services

With logical thinking and a wealth of expertise in managing complex digital services within business operations, he stands as a valued companion on Wacom's path to the future.

Competence: Business Management / Alliance and Investment / Environment / Community Engagement / Service Business

Member of the Nominating Committee

## Takafumi NAKAJIMA Outside Director

An entrepreneur who brings fresh perspective and dynamism to the board of directors

As an entrepreneur in community-based energy and recycling businesses, he contributes valuable insights into corporate sustainability initiatives at Wacom.

Competence: Business Management / Alliance and Investment / Environment / Community Engagement / Service Business

Member of the Nominating Committee

# INSIGHTS FROM OUTSIDE DIRECTORS



## Wacom's Board of Directors – Insights from Outside Directors

One thing both outside directors share is exceptional insight. Their candid opinions get to the heart of matters and are sometimes directed squarely at CEO Nobu IDE. While their straightforward words may sound harsh, they stem from a deep passion for supporting Wacom's growth. Where does Wacom stand today, and what lies ahead for the company? Let's hear their perspectives.

### Contributing through Shared Knowledge and Insights

Mr. INAZUMI joined the board when Nobu assumed the role of CEO in 2018. He is one of the long-serving outside directors who know the company's history well.

Mr. INAZUMI notes, "We now have more outside directors, who make up two-thirds of the board. As a result, input from external members has increased. In addition, heads of business units are attending board meetings more frequently than ever. I believe this increased opportunity for direct dialogue with those responsible team members greatly enhances the board's effectiveness."

Mr. INAZUMI also mentions the positive impact that the board's changed composition has had

on the content of discussions during meetings.

One change is the broader range of topics we now discuss. When I first joined, the company was not particularly proactive in disclosing information related to environmental initiatives or capital efficiency. Today, we are moving toward greater transparency in line with the board's ongoing discussions. I have long emphasized that expanding into applications and services beyond hardware is key to driving higher customer satisfaction and is therefore strategically important. At first, this view did not resonate. Only recently has it been incorporated into our medium-term business plan, Wacom Chapter 4, which includes the development of use cases. This represents one of the positive shifts over the past seven years. Our diverse discussions have helped the company become more forward-looking."

Mr. HOSOKUBO, on the other hand, is always mindful of maintaining the right balance within the board of directors. "As a member of the Audit Committee, I take a position that differs from that of Mr. INAZUMI and other directors, who tend to view matters more from a management perspective. My role is to step back and see the bigger picture."

Throughout its journey of corporate growth, Wacom has undergone numerous changes, both minor and major. Yet one thing remains constant – the open, non-restrictive atmosphere that encourages everyone to speak freely. This affirms Nobu's statement on page 2 that "there is no silent speaker on Wacom's board of directors".

Mr. INAZUMI remarks, "This is largely thanks to Nobu's deliberate efforts to foster such an

### Mr. Osamu HOSOKUBO

From the perspective of investors and managing directors of listed companies, he exercises a supervisory function over Wacom's management.

open atmosphere. When I joined the board, it consisted of four internal and four outside directors. Even back then, I recall that all outside directors consistently voiced their opinions on every topic."

Mr. HOSOKUBO says "Listening to the outside directors' view first – that's Nobu's basic style. Well, I tend to be the one who speaks up first (smiles). In addition, we hold separate free discussion sessions outside of formal board meetings, which you could call part of Wacom's board culture. The board thoroughly explores ideas presented by the management team and engages in in-depth discussions. This allows us to build consensus to a certain extent at this stage, meaning we're rarely forced to make hasty decisions on unexpected topics that arise during board meetings.

Mr. HOSOKUBO affirms the present practice of discussing topics at critical stages of the decision-making process, including how final decisions are reached. "We allocate three hours for each board meeting or free discussion session. If needed, the board sets aside an additional day to review revised versions of the initial proposals. This approach allows us to formulate a final plan that respects the intentions of the management team. Initially, some may hold negative opinions. But through sufficient debate, we are able to reach a good landing point that is acceptable to everyone."



Mr. INAZUMI also agrees that the depth and duration of discussions are characteristic of Wacom's corporate culture. Superficial board meetings simply do not exist. The openness encourages board members to engage in passionate debate while fostering professional awareness and a strong sense of accountability.

"Out of respect for the role of board member, I want to put my skills and ideas to use for the management. My desire to share my values with Wacom remains as strong as ever. That's why I continue to speak up for what I truly believe is right, even when facing opposition during board meetings."

Needless to say, Mr. HOSOKUBO shares the same passion for making meaningful contributions to Wacom. "In developing use cases, we may need

to form alliances with communities and external partners or even consider M&A. Especially when capital participation is involved, I always request a clear quantification of the expected benefits from the investment. This is where my expertise and insights from the capital markets prove valuable. It is rewarding work, as my involvement at Wacom contributes not only to the company but also to my personal growth.

### Management Challenges and Growth Potential as Seen by Outside Directors

Let's take a closer look at the agenda being discussed in board meetings. Mr. INAZUMI continues to offer incisive commentary on Wacom's future business direction. "In my activities outside of Wacom as well, I frequently work on management reform – but typically with a much shorter time horizon. Wacom was streamlining its operations through structural reforms, yet I found the timeframe for deliberating on how to grow the top line (gross revenues) to be rather long. In response to my comment on the need to move both wheels forward simultaneously, countermeasures were discussed and formulated."

He does not try to conceal the reservations he initially had about Wacom Chapter 4. "From a quantitative perspective, I noticed some inconsistencies, for example in the figures calculated for each business area, and I pointed them out. On the qualitative side, I was initially uneasy with the phrase 'the instrument craftsperson' used to describe Wacom. My questioning of its appropriateness sparked lively debate and brought forth a range of perspectives."

In this connection, Mr. HOSOKUBO adds his comment. "As with the term 'instrument craftsperson,' Wacom's language tends to be abstract. Personally, I appreciate these unique expressions. However, from an investor's standpoint, I felt it was important to adopt more concrete and quantitatively identifiable language. Therefore, I initiated discussions on that point."

Mr. INAZUMI also shares the view that investors' existence must be kept in mind. "While respecting the intentions of the management team, board members must remain accountable to shareholders and investors. To enhance the quality of decision-making at board meetings, it is essential to include external perspectives alongside internal logic. That is precisely why we, as outside directors, are here."

Both Mr. INAZUMI and Mr. HOSOKUBO value

Wacom's culture of respecting and giving due consideration to the opinions of outside directors.

Mr. INAZUMI remarks, "The true value creators are our team members, Wacom's employees. What really matters is customer satisfaction at the end of the value chain. Our goal is to establish an ideal cycle – generating profits from satisfied customers and returning a portion of those profits to shareholders."



Mr. HOSOKUBO also serves as a member of the Audit Committee. We asked him about the effectiveness of its monitoring function. "Previously, all reporting to the board was handled solely by Nobu. We have since changed the system to have business heads report periodically. I review financial reports carefully and whenever a figure catches my attention, I raise questions and request explanations. My monitoring activities with regard to compliance include monthly checks conducted by the Audit Committee and internal audits. Communication during these audits often leads to new insights. In my view, the system enables supervising individuals to voice concerns and take action to address them."

Finally, when asked about the concerns currently facing the board, Mr. HOSOKUBO continues to cast his sharp eye on the pressing matters ahead. "First of all, our priority should be the successful implementation of Wacom Chapter 4. The key challenge lies in getting back on the growth curve. As the board of directors, we want to duly fulfill our supervisory role toward this shared objective."

By contrast, Mr. INAZUMI's response comes as a bit of a surprise. "I can think of business issues, but not specific concerns facing the board of directors. If you like, you could call it a concern for me to come up with an immediate answer," he says with a smile.

One thing is clear, outside directors at Wacom do not settle for being mere outsiders. They identify with the company and really feel as if they are in the same boat as management.

# Talks by the New Faces on the Board – How They Wish to Contribute to Wacom

In 2024, Takafumi NAKAJIMA and Yuji ONO were newly appointed as outside directors of Wacom and brought fresh perspective to the board. We asked them to share their views on Wacom's board of directors by reflecting on the past year. Each brings a unique set of experiences and perspectives.



## Appointment as Outside Directors

**Why did you accept the position of outside director at Wacom?**

**ONO:** One of the reasons I was attracted to Wacom is that it is a technology company. Another reason is more personal. I have been a great fan of pens since childhood (smiles). That's why I was happy to work for a business that unlocks more potential from pens.

**NAKAJIMA:** While reading Wacom Story Book, Issue 1, I was fascinated by the narrative Wacom has woven through its co-creation with and for communities. In my core business, I have been involved in projects addressing environmental and energy challenges at a local community level. I accepted the position because I felt I could contribute to Wacom by drawing on these experiences.

**Can you tell us about at the first time you attended a Wacom board meeting?**

**ONO:** I was a little surprised that all the outside directors voiced their opinions. Their comments

were not solely critical. Rather, they were very constructive, and they often came with suggestions such as "How about trying it this way?"

**NAKAJIMA:** It was quite different from what I had expected of a board meeting. The free atmosphere encouraged everyone to speak up without hesitation. I recall Ms. INAMASU acting as a facilitator by casually inviting me to share my thoughts. What impressed me most was the intensity of the discussion. Starting with the CEO, everyone spoke with remarkable energy. I felt that making superficial comments was the last thing I should do there.

## Gaining a Deeper Insight into Wacom

**After assuming the role of outside directors, were you required to attend any trainings?**

**ONO, NAKAJIMA:** No, none at all (they replied with a laugh).

**NAKAJIMA:** Before accepting the role, I attended quite a few meetings that gave me a clear understanding of the situation.

**ONO:** I had many opportunities to join activities

## Dr. Takafumi NAKAJIMA

Focusing on co-creative initiatives within communities, he contributes to strengthening sustainability management at Wacom.



## Mr. Yuji ONO

Serving on both the Compensation Committee and the Audit Committee, he brings his expertise in legal affairs and risk management to the board.

**NAKAJIMA:** During the so-called in-house tech show, we had a chance to see hands-on demonstrations featuring Wacom technology and products.

**ONO:** As a member of the Audit Committee, I visited the head office in Kazo City during inventory taking. The visit offered a glimpse into Wacom's deep commitment to manufacturing and craftsmanship. On this occasion, I also learned about the strategic importance of intellectual property for the company.

## Annual Calendar of Events Open to Directors

2024 June: Shareholders' Meeting  
July: Summer Festival  
August: Morning Town Hall Meeting (attended by ONO)  
September: Morning Town Hall Meeting (attended by NAKAJIMA)  
October: Watch and Talk – Internal Screening Event  
November: Connected Ink, Tokyo

2025 January: New Year's Celebration with Suppliers  
In-house Tech Show  
March: Visit to Head Office in Kazo City

In addition to these events, you are given plenty of opportunities for personal contact, including monthly board meetings, free discussion sessions, and dialogues with investors.

**NAKAJIMA:** Yes, that's right. In terms of our annual time requirement, I would estimate that roughly 15-20% of our time goes on Wacom.

**ONO:** There is always something – at least once a week – that I need to attend to at Wacom. Nowadays, Wacom feels so close to my heart that I find myself riding the emotional highs and lows whenever I hear good or bad news about the company (laughs).



## Inside the Boardroom: Unique Features and Challenges

**After serving in the role for a year, how would you describe Wacom's board of directors?**

**ONO:** I believe Wacom's board functions

effectively as a governance body. Decision-making is not driven solely by internal forces. Under the CEO's leadership, a solid structure has been built to incorporate external perspectives. I wonder how many other companies have such a robust decision-making process grounded in close communication.

**NAKAJIMA:** Outside directors openly speak up to Nobu when they sense something is amiss. Most likely, none of them hesitates to voice their candid opinions for fear of offending senior management.

**ONO:** The fact that all board members can speak on an equal footing is partly thanks to Nobu's own efforts. As you can see also from his behaviour, he is not a stereotypical CEO, which I find to be a good thing. I find it pointless to have outside directors who remain silent. I also disagree that someone with a longer tenure should automatically have a greater say.

**NAKAJIMA:** Let me give you an example: I proposed "communities" as an agenda topic for free discussion.

**ONO:** During the discussion, Mr. HOSOKUBO pointed out that the concept of communities slightly differs between Dr. NAKAJIMA and Nobu. I found his comment to be spot-on, and it is a good example of how useful open discussions can be. Even if you don't reach an immediate answer, they help build a shared understanding that goes beyond superficial agreement. That said, I always feel completely drained afterwards. That's the price you pay for good discussions (laughs).

**Are there any issues that still need to be addressed, in your opinion?**

**NAKAJIMA:** I wouldn't call it an issue, but at times I find myself wanting to better understand the discussion process behind the management team's reports. I plan to ask for an opportunity to sit in on management meetings as an observer.

**ONO:** I feel that Nobu's workload is disproportionately heavy. For medium-to-long-term risk management, I believe it is essential to develop the next generation of management to ensure business continuity.

## Future Approach to Contributing Expertise

**Dr. NAKAJIMA proposed discussing communities as part of the agenda. How did the discussion unfold?**

**NAKAJIMA:** I believe we need to move beyond the conventional mindset that Wacom engages with communities. As long as we view things solely from our own perspective, we are stuck



with our version of the story. In this way, we never fully understand why others perceive certain things as problems. To find the next use cases, Wacom needs to be a part of communities and not a mere observer. Use cases are not something you simply discover. Instead, they reveal themselves when you become part of these communities. I suggested considering this new approach. The free discussion on this point ran long and I nearly missed my flight (smiles).

**Mr. ONO, what kind of contributions are you aiming to make from a legal and compliance perspective?**

**ONO:** As an Audit Committee member, I constantly watch for potential risks while listening to discussions during board meetings and keeping the bigger picture in mind. As a company with overseas subsidiaries, Wacom must also consider the legal requirements of the countries in which it operates. My role is to remind the board of this point during meetings and to request reports as necessary. I feel my competence is especially called for when discussing investment contracts at board meetings. There, I make sure that no issue of risk management is overlooked. While I am not directly involved in management, my voice should not remain just an armchair theory. It is up to Nobu and the management team to decide how they incorporate our perspectives into day-to-day business activities. My duty as an outside director is to ensure that this counter-check process is firmly embedded in the company's governance framework. As an outside director, I hope to continue making meaningful contributions to Wacom, a company I personally see as having tremendous potential.

# Nominating Committee

## Status Update: The Succession Plan at Wacom

We asked Mikako INAMASU, outside director and chair of the Nominating Committee, to provide an update on the Succession Plan – an initiative aimed at developing Wacom's future CEO and the next generation of board members.



**Ms. Mikako INAMASU**

With extensive expertise in business consultancy to the role, she chairs the Nominating Committee.

■ Meeting Frequency  
In FY 2024, the Committee held eleven meetings.

■ Members (\*as of June 2025, the Committee is composed exclusively of outside directors.)  
Mikako INAMASU, Ken INAZUMI, Takafumi NAKAJIMA, Shigeki HIGASHIYAMA, Osamu HOSOKUBO, Yuji ONO

### Q Can you share Wacom's basic policy on the Succession Plan?

The Nominating Committee is composed of six outside directors and the CEO is not included. Given the importance of this topic, all outside directors serve on the committee. Planning for management succession is currently one of Wacom's top priorities, and we dedicate substantial time to this initiative. In addition to regular monthly meetings, we hold in-person sessions focused specifically on the Succession Plan twice a year

in spring and fall. These sessions are attended by all Committee members, along with key stakeholders such as CEO and HR members. Each meeting lasts half a day to a full day, allowing for in-depth discussions. During these sessions, we work on shortlisting potential CEO candidates and developing plans for upcoming skill-building and assessment.

### Q Can you explain the process for choosing the next-generation management team?

For board appointments, we have established clear criteria. In parallel, we apply a separate set of criteria to the selection of a CEO, in line with Wacom's vision of an ideal leader. Based on these parameters, we are compiling a list of candidates, followed by the development and execution of tailored training plans, along with evaluations of their outcomes. This cycle is repeated to gradually narrow down the candidate pool and ultimately arrive at a final decision. However, we do not rely on simplistic scoring systems using checklists. The matter is not as simple as ticking Yes or No to questions such as "Motivated to grow?" or "Sufficient experience and track record?" Wacom operates in a fast-evolving technological landscape, including the growing presence of generative AI. As a company rooted in creativity, Wacom needs an agile and adaptive succession plan to remain aligned with the times. The right candidate cannot be identified simply by completing a checklist of desired qualities.

But the criteria for selecting board member candidates and our vision of the ideal CEO are not the only decisive factors. They serve as reference points, but our deliberations must go deeper. In this process, we ask ourselves whether our perspective is sufficiently forward-looking and aligned with the times, and which human capabilities are most needed at any given moment. Equally important is the ability to envision Wacom's future and decisively lead the organization toward that vision. These are the foundational questions that guide our succession deliberations. In today's unpredictable business climate, adaptability in decision-making and judgment is becoming an increasingly critical quality for any CEO. Beyond that, the ideal candidate must be a keen observer of external factors and possess extensive global management experience to navigate evolving dynamics. To address these requirements, the Nominating Committee is considering not only internal but also external candidates for the role, as well as the possibility of appointing co-CEOs.

### Q What career paths are being considered as training for candidates?

In my roles at other companies, I gained experience in monitoring the progress of training future CEOs. At Wacom, however, we distance ourselves from conventional HR training programs tied to specific job levels or qualifications within the corporate hierarchy. Instead, we prioritize practical, project-based, on-the-job training (OJT), which gives candidates opportunities to join actual project teams developing new businesses or products, for example. In line with this idea, Mr. INAZUMI opened the Inazumi School for those interested in management, while Dr. NAKAJIMA led seminars focused on sustainability.

At the heart of all these initiatives, we believe that understanding Wacom's core identity is the very foundation for any worthy candidate. If there are gaps in a candidate's job history or experience at Wacom, the Nominating Committee steps in to propose measures to bridge them. One approach is to assign candidates to projects that bring them into direct contact with colleagues across diverse business areas. Following these assignments,

we gather peer feedback as part of the evaluation process. Ultimately, leadership is defined by the extent to which a leader can inspire teammates to follow him or her.

The Nominating Committee designs career paths tailored to each candidate, taking into account their individual qualities and personality to support their growth. As outside directors, including myself, are not full-time members, we have limited opportunities to gain a comprehensive understanding of each candidate's attributes. To compensate for this, the Committee allocates dedicated time for one-on-one dialogues. Getting to know individual candidates through direct contact is essential before appointing them as board members. These face-to-face meetings are requested by every member of the Nominating Committee. At the same time, they serve as valuable opportunities to enhance candidates' awareness of future leadership responsibilities.

### Q What do you see important in the Upcoming CEO Succession?

We are systematically implementing the Succession Plan as a priority initiative to ensure the sustainable growth of our corporate value. Given that the current CEO plays a symbolic and pivotal role in steering Wacom, it is all the more important to prepare for a smooth leadership transition. Accordingly, our selection scope extends beyond the next CEO to include the wider board team that can effectively support him or her.

Another point we value is a proper understanding of Wacom's corporate culture. This uniqueness is reflected in the company's internal communication

language. Even in board meetings, we often go beyond conventional management theories and frameworks to explore the deeper meaning behind language in order to get to the core of an issue. Personally, I feel an attachment to this culture, and I believe Wacom's distinct character could be diluted if its corporate language were streamlined into something more conventional. That said, we must remain vigilant. There is a fine line between honouring our uniqueness and becoming self-congratulatory. Wacom must not become complacent about its cultural uniqueness. Otherwise, it can easily be perceived as self-indulgent.

### Q How far along the succession trail are we?

If the final selection corresponds to Camp 9 or even the summit push, we are still traversing the middle slopes between Camps 6 and 7. At this stage, it is not yet clear whether a candidate will develop the necessary skills in response to expectations. In some cases, we may have to conclude that a candidate is simply not yet ready for the role.

At the same time, we must be prepared for unforeseen circumstances that may require the sudden appointment of an interim CEO. Naturally, we currently have potential candidates in mind. This makeshift measure is just a part of our business contingency plan and should be considered separately from the formal CEO appointment process. The next CEO is expected to ensure a smooth transition into Chapter 5. Who would be the best choice for that? Further discussion will be required to answer this question.

Enhancing corporate value is essential for securing stakeholder confidence. And in this process, we must never lose sight of a clear timeline. Are we working within a two to three-year horizon? Or should we adopt a more forward-looking, long-term perspective? My answer is a medium to long-term vision. Based on this, we are developing a roadmap for research and development. I can assure you that we discuss all necessary matters thoroughly in our board meetings, while keeping this time frame in mind.



## Compensation Committee



Mr. Shigeki HIGASHIYAMA

He chairs both the Audit Committee and the Compensation Committee as well as serves as a member of the Compensation and the Nominating Committees.

## Wacom's Policy on Board Members' Compensation and Performance Evaluation

The incentive aspect of board members' compensation has become a focus of public attention. As the chair of the Compensation Committee, Mr. Shigeki HIGASHIYAMA can explain Wacom's policy on board members' compensation, as well as the system's framework and evaluation process.

### Two Incentives Driving Business Results

At the request of the board of directors, the Compensation Committee thoroughly deliberates how to reward individual board member's performance and proposes a compensation plan. Based on this plan, board members receive monetary remuneration in line with their roles, business results, and performance. This forms a fundamental and integral part of Wacom's incentive structure.

However, Wacom's board members find other incentives beyond monetary compensation. For seasoned board members, Wacom serves

as a platform for them to use their skills and experiences to contribute to society. They find it highly rewarding and view working at Wacom as an opportunity for personal growth.

In my view, both incentives are indispensable for enhancing Wacom's corporate value and achieving stronger business results.

Our team members feel close to and proud of Wacom's products and technology. They dedicate themselves to their work by nurturing relationships with customers and communities.

I believe this mindset is a pillar of Wacom's success as a profitable company.

Outside directors are no exception. They are equally inspired by Wacom's unique business operation and the CEO's passion and share the same desire to contribute to Wacom's growth.

- Meeting Frequency  
In FY2024, the Committee held three meetings.
- Members of the Committee is composed exclusively of outside directors  
Shigeki HIGASHIYAMA, Ken INAZUMI, Mikako INAMASU, Osamu HOSOKUBO, Yuji ONO

### In Pursuit of the Best Compensation Framework

Currently, board members' compensation consists of fixed monthly remuneration, along with short-term and long-term incentives (whereas outside directors receive only fixed remuneration). Taking into account legal changes, societal trends, and industry standards, we continue to refine the compensation

framework through extensive consultation and deliberation.

As a result, we introduced a Restricted Stock (RS) compensation plan for board members, linking rewards to performance and stock prices to align with shareholder interests. We

also increased the proportion of short and long-term incentives that form the variable portion of director compensation.

The Compensation Committee continues to discuss optimizing its framework and enhancing transparency in its disclosure.

### Examining the Evaluation System from Multiple Angles

At Wacom, compensation for internal directors, including the CEO, is evaluated by all outside directors. The CEO's remuneration is assessed in a face-to-face meeting attended by all six outside directors, during which the CEO undergoes an evaluation interview. The Compensation Committee, consisting of five outside directors, then finalizes the compensation plan which is subject to the approval of the board.

Evaluation metrics include qualitative aspects in addition to quantitative benchmarks tied to business results. For example, we also take into account the CEO's ability to monitor team members and guide them toward Wacom's goal of Meaningful Growth in any situation. Beyond the interview, the Compensation Committee conducts extensive analyses, including evaluations of the CEO's comments at monthly board meetings and other key meetings, customer

interactions, and team member feedback. Even when the Compensation Committee unanimously agrees on the evaluation results, the path each outside director takes to reach that conclusion may differ. When submitting the final proposal, the Committee places importance on transparency by clarifying any differences in the outside directors' evaluation perspectives.

Compensation plan for directors (excluding CEO) drafted by the Compensation Committee

CEO interview conducted by all six outside directors



Compensation plan for directors (including CEO) adopted by the Compensation Committee

Resolution by the board of directors

## Internal Audit / Audit Committee

### Is the Audit System Working?

We now turn our attention to Wacom's internal audit system, asking the head of Internal Audit and three outside directors serving on the Audit Committee: Is the audit system functioning effectively?

Ryoji TAKAHARA

Vice President, Internal Audit, Wacom

### Future-Focused Audits That Empower the Organization

Wacom is transforming its internal audit system with a forward-looking perspective. It should not only review past records but also support the company's future.

Audits may sometimes be perceived as policing, if they focus only on uncovering non-compliance with laws and internal rules. Such an approach risks discouraging motivation and autonomous actions. That is why we go beyond simply reporting findings. We also act as advisors, working together to identify root causes, define future directions, and guide improvements to prevent recurrence.

Given the rapidly changing business climate for enterprises, retrospective reviews alone will not

drive forward corporate growth. In addition to traditional audits conducted on themes selected through a risk-based approach, we now validate operational effectiveness in near real-time by combining frequent data analysis with anomaly detection. This helps us identify and mitigate latent risks early.

On top of that, we have adopted a consistent dual reporting system that further reinforces governance and risk management. Audit Committee members attend CEO reporting sessions and receive monthly reports to monitor audit activities, governance evaluations, and changes in key metrics. As the Audit Committee is composed entirely of outside directors, we place particular emphasis on

ensuring accessibility to internal data. Wacom has also established a framework that, when necessary, allows audits to be conducted independently from executive management, under the direction of the Audit Committee.

We believe that by embracing a future-oriented approach, we can continuously evolve and contribute to the company's growth and the strengthening of its governance.

■ Meeting Frequency  
In FY2024, the Committee held 13 meetings.

■ Members of the Committee is composed exclusively of outside directors  
Shigeki HIGASHIYAMA, Osamu HOSOKUBO, Yuji ONO

### Audit Practice at Wacom: Voices from the Audit Committee Members

Wacom has a qualified audit system as a mid-tier company in the Prime Market. The internal audit team submits monthly reports to the Audit Committee, and selected items are reported to the board for further discussion. I occasionally request specific data in list form where necessary. I believe that the system is functioning effectively, not just on paper.

Mr. Shigeki HIGASHIYAMA



As the result of ongoing internal audits, we regularly check reported figures to monitor key metrics such as stock levels. Irregularities may arise, but corrective actions are taken swiftly – an indicator of sound risk management.

Mr. Osamu HOSOKUBO



In addition to monthly meetings, the internal audit team provides real-time updates via email and other means. In response to any requests for further clarification, the necessary information is provided promptly.

Mr. Yuji ONO



Akiko TOU  
Director, Investor Relations, Wacom

With this issue of the Wacom Story Book, we aim to illustrate our governance system in action, not just its framework and mechanisms, but also how it is practiced and demonstrates its effectiveness. I interviewed all six outside directors and was deeply inspired and encouraged by their warm dedication: their expectations, their desire to contribute, and their positive drive to grow. I hope this edition allows readers to sense where we stand today and the possibilities that lie ahead.

(For more information on our governance system, please refer to our Corporate Governance Report and annual securities report.)