

May 16, 2025

Opinion of Board of Directors on Shareholder Proposal

Tokyo, May 16, 2025 --- Wacom Co., Ltd. (the “Company”) has received a letter from a shareholder to the effect that the shareholder will submit a shareholder proposal (the “Shareholder Proposal”) at the 42nd Ordinary Shareholders' Meeting of the Company to be held on June 26, 2025. The Company announces that its Board of Directors today resolved to oppose the relevant Shareholder Proposal, as follows:

1. Proposing Shareholder

AVI JAPAN OPPORTUNITY TRUST PLC

2. Details of the Shareholder Proposal

(1) Agenda

- Proposal No. 4 Election of One Director (Excluding Director Who Are Audit Committee Members)
- Proposal No. 5 Partial Amendment to the Articles of Incorporation (the Business Structure Transformation Supervisory Committee)
- Proposal No. 6 Partial Amendment to the Articles of Incorporation (with Regard to Acquisition Proposals)
- Proposal No. 7 Partial Amendment to the Articles of Incorporation (Decision Organization for Dividends of Surplus, etc.)
- Proposal No. 8 Acquisition of Treasury Shares
- Proposal No. 9 Proposal for Revision of Remuneration for the Granting of Restricted Stock to Directors (Excluding Directors Who Are Audit Committee Members and Outside Directors)

Proposals 1 through 3 are expected to be proposed by the Company at the Ordinary Shareholders' Meeting.

(2) Outline of the Shareholder Proposal

The outline of the Shareholder Proposal is described in Appendix 2. Please note that Appendix 2 contains the relevant contents of the Shareholder Proposal document submitted by the Proposing Shareholder in its original text and translated into English.

3. Opinion of the Board of Directors of the Company on the Shareholder Proposal

The Board of Directors **opposes** Proposals 4 through 9 of the Shareholder Proposal for the following reasons:

Proposal No. 4 Election of One Director (Excluding Director Who Are Audit Committee Members)

(1) Opinion of the Board of Directors

After deliberation based on the report of the Nominating Committee, the Board of Directors **opposes** this Shareholder Proposal.

(2) Reasons for opposition

First, the Company's Board of Directors consists of nine directors, six of whom (including one woman) are Independent Outside Directors. This ensures independence and diversity from the perspective of gender, in addition to a balance of knowledge, experience, and abilities, including corporate management experience and backgrounds as an attorney at law. Furthermore, the chairpersons of the Audit Committee, the Nominating Committee, and the Remuneration Committee are all Independent Outside Directors. We have established an effective corporate governance system to ensure transparency and fairness in the Company's decision-making processes and to enhance its medium- to long-term corporate value.

Under such an effective corporate governance system, the appointment of the Company's Directors is conducted following a process that complies with Japan's Corporate Governance Code. Specifically, upon the inquiry by the Board of Directors, the Nominating Committee, which is chaired by an Independent Outside Director and consists of six Independent Outside Directors out of a total of seven members, deliberates on the candidates for Directors. The Board of Directors makes its resolution based on the report of the Nomination Committee to the inquiry. In selecting candidates for Directors, we make it a basic policy to appoint the most suitable candidates based on the criteria of "understanding and promoting the Company's business vision, management policies, and values, and being able to contribute to the enhancement of corporate value from a long-term perspective," regardless of nationality, gender, or whether they are internal or external to the Company. In that, we strive to ensure that the composition of the Board of Directors reflects diversity.

Given this basic policy, the Nominating Committee selects candidates for Outside Directors based on a comprehensive assessment of their understanding and alignment with the Company's business vision and management strategy, leadership and talents, business promotion capabilities and expertise, and work experience at listed companies and global companies. As a result, regarding the knowledge, experience, and abilities in their respective fields of expertise held by each Director on the Board of Directors, including the candidates for Director of the company proposal, five of the six Independent Outside Directors have experience as representative directors of operating companies or a listed venture capital firm. One of the Directors who are Audit Committee Members is a lawyer with experience as general manager of the legal department of a trust bank. In addition, the candidate for Director to be newly elected in the company proposal and the current CFO has experience as the CFO of a listed firm prior to joining the Company. (Please also refer to the Skills Matrix.)

Based on the above, the Board of Directors believes that the composition of the Board, including the candidates for Director of the company proposal, is highly appropriate in terms of diversity and skill balance, taking into account the perspective of management mindful of capital markets.

Regarding the candidate of the Shareholder Proposal, the Nominating Committee interviewed the candidate in accordance with the above process and carefully deliberated on his suitability as a Director of the Company. As a result, based on the report of the Nomination Committee, we have judged that although the candidate has experience working at an engagement fund and specific expertise in capital market dialogue, he lacks experience in management or supervision at an operating company and therefore it would be difficult for him to perform appropriate management and supervision as a Director of the Company. Additionally, considering that the candidate's expertise overlaps with that of the company-proposed candidates and that the Board structure already maintains an adequate level of expertise with the company-proposed candidates, we concluded that there is no necessity to appoint the candidate as an additional company-proposed candidate.

For the reasons above, the Board of Directors believes that the new Board structure proposed by the Company at this Ordinary Shareholders' Meeting is the most appropriate and sufficient for enhancing the Company's value and the shared interests of its shareholders. As such, we have concluded that appointing the candidate proposed by the shareholder as an Outside Director is not the best option, and we oppose this proposal.

The Company will strive to realize the business restructuring and growth strategy set forth in its new medium-term management plan “Wacom Chapter 4” under the new nine-member Board of Directors proposed by the Company.

(Appendix 1) Skills matrix for candidates proposed by the company at the June 2025 Ordinary Shareholders’ Meeting.

Proposal No. 5 Partial Amendment to the Articles of Incorporation (the Business Structure Transformation Supervisory Committee)

(1) Opinion of the Board of Directors

The Board of Directors **opposes** this Shareholder Proposal.

(2) Reasons for opposition

Regarding the supervision of the progress of the “Transformation Plan of Branded Business” pointed out by the shareholder proposer, the Branded Business is being operated by a Task Force team formed directly under the CEO/CFO and which reports directly to the Board of Directors, as disclosed in the Business Report for the third quarter released in January 2024. Moreover, the Board of Directors has six Independent Outside Directors out of a total nine members, by adding one Independent Outside Director to the Board, which already had a majority of Independent Outside Directors, at the Company’s 41st Ordinary Shareholders’ Meeting held on June 26, 2024, and five of the six Independent Outside Directors have experience as a representative director of operating companies or a listed venture capital firm, and the Board has advised and supervised the operation from objective positions based on such experiences. Therefore, we have already established a sufficient system for supervision.

As disclosed in the Business Report released on May 9, 2024, under “Issues Recognition and Transformation of Branded Business” of the former mid-term management policy “Wacom Chapter 3,” a transformation plan for the Branded Business was formulated following thorough discussions by the Board of Directors, including the Independent Outside Directors, based on reports from the Task Force team. Regarding the specific business transformation plan, we aim to achieve the following goals: (1) Increase sales and gross profit by revising the product portfolio; (2) Optimize organizational scale by focusing on specific business areas; (3) Streamline operations by fundamentally integrating and consolidating distributorship functions; and (4) Optimize organizational scale by promoting the integrated development of pen and ink experiences. Through these initiatives, we aim to return the Branded Business to profitability by fiscal 2025 (fiscal year ending March 31, 2026), and to contribute to overall earnings growth through sales expansion from fiscal 2026 (fiscal year ending March 31, 2027) onward. These business transformation initiatives are progressing steadily by the Task Force team directly under the CEO/CFO, with ongoing advice and supervision from the Board of Directors. Thus, in fiscal 2025, the Branded Business is expected to result in an operating profit of ¥0.3 billion with the contribution of reduced fixed costs of approximately ¥2.9 billion by the business transformation initiatives. Management strategies such as business transformation should be considered, examined, and decided based on the circumstances in each case by the Board of Directors, which has the knowledge, capabilities, and information necessary for management decisions. However, the Shareholder Proposal requests the establishment of a business transformation supervisory committee without taking these requirements into consideration. Furthermore, the content of this Shareholder Proposal, which seeks to incorporate certain provisions into the Articles of Incorporation, is not suitable for inclusion in the Articles of Incorporation, which serve as the Company’s fundamental rules, and we believe that such an amendment could lead to rigidity in management decision-making and its processes, thereby undermining the Company’s flexibility and adaptability. For the above reasons, we oppose this Shareholder Proposal.

Proposal No. 6 Partial Amendment to the Articles of Incorporation (with Regard to Acquisition Proposals)

(1) Opinion of the Board of Directors

The Board of Directors **opposes** this Shareholder Proposal.

(2) Reasons for opposition

The content of this Shareholder Proposal, which seeks to incorporate certain provisions into the Articles of Incorporation, is not suitable to include in the Articles of Incorporation, which serve as the Company's fundamental rules. In particular, with regard to acquisition proposals as referenced by the shareholder proposer, the appropriate response by listed companies is varying depending on specific circumstances. We believe that embedding such provisions into the Articles of Incorporation could result in rigid management decision-making and processes, thereby undermining the Company's flexibility and adaptability.

For the above reasons, we oppose this Shareholder Proposal.

The Company's Board of Directors will respond to any acquisition proposal appropriately, in accordance with the Companies Act, other relevant laws and regulations, and guidelines such as the Code of Conduct for Corporate Acquisitions, with the aim of enhancing corporate value and protecting shareholder interests.

Proposal No. 7 Partial Amendment to the Articles of Incorporation (Decision Organization for Dividends of Surplus, etc.)

(1) Opinion of the Board of Directors

The Company's Board of Directors plans to propose content substantially identical to this proposal as a company proposal at the Ordinary Shareholders' Meeting, but the reasons for the proposal by the proposing shareholders differ from those of the Board. Please refer to (2) below for the Board's reasons for proposal.

(2) Reasons for proposal by the Board of Directors (company proposal)

Regarding the distribution of surplus funds, the Company has historically delegated the authority to determine such matters to the Board of Directors, rather than the Shareholders' Meeting. This approach has been adopted to allow for flexible decision-making on dividend amounts, taking into account a comprehensive cash allocation strategy aimed at enhancing the Company's medium- to long-term corporate value and the common interests of its shareholders. However, in light of recent developments in corporate governance practices, the Company proposes to amend Article 39 of its current Articles of Incorporation (Decision Organization for Dividends of Surplus, etc.) to confer decision-making authority concerning the distribution of surplus funds to the Shareholders' Meeting as well.

(Amendment is underlined)

Current	As Amended
(Decision Organization for Dividends of Surplus, etc.) Article 39: The Company <u>shall</u> set forth matters on dividends of surplus and other matters set forth in the items of Paragraph 1, Article 459 of the Companies Act, with the resolution of the Board of Directors, <u>not the resolution of the Shareholders' Meeting</u> , unless otherwise stated by laws and regulations.	(Decision Organization for Dividends of Surplus, etc.) Article 39: The Company <u>may</u> set forth matters on dividends of surplus and other matters set forth in the items of Paragraph 1, Article 459 of the Companies Act, with the resolution of the Board of Directors, unless otherwise stated by laws and regulations.

Proposal No. 8 Acquisition of Treasury Shares

(1) Opinion of the Board of Directors

The Board of Directors **opposes** this Shareholder Proposal.

(2) Reasons for opposition

The Company has formulated its medium-term management plan, “Wacom Chapter 4,” which runs through fiscal 2028 (fiscal year ending March 31, 2029), and is working to enhance corporate value.

“Wacom Chapter 4” sets specific targets, including ¥150.0 billion in net sales, ¥15.0 billion in operating profit, ROE of 20% or more, and ROIC of 18% or more. To achieve the targets set out in “Wacom Chapter 4,” we will pursue business growth by combining enhanced and evolved brand product portfolios, technology modules, and platforms for the four use cases of “Creation,” “Learning / teaching,” “Working / playing and beyond,” and “Well-being.” We aim to accelerate growth from new business fields (such as DX support for education, medical care, and healthcare) while combining hardware, software, and services.

Regarding strategic investments and capital policy, over the four-year period of the medium-term business plan, we plan to allocate ¥62.0 billion out of the ¥94.0 billion in operating cash flow before R&D deductions to growth investments, including R&D and capital expenditures, and ¥12.0 billion or more to technology capital alliances. In particular, we regard returning profits to shareholders as one of our most important management priorities. To further enhance shareholder returns, we plan to maintain a total payout ratio of 50% or more during the “Wacom Chapter 4” period, to implement a progressive dividend policy with an annual dividend of at least ¥22 per share, and to conduct flexible acquisition of own shares. For fiscal 2025, we plan to pay an annual dividend of ¥22 per share and to implement the acquisition of own shares as appropriate to achieve a total payout ratio of 50% or higher.

On the other hand, the Shareholder Proposal requests the acquisition of own shares totaling approximately ¥5.0 billion over one year. However, when combined with the dividends already planned under the Company’s business plan, this would result in a total payout ratio exceeding 90% with the Company’s profit plan for fiscal 2025. The proposed share buyback has not been considered in light of the cash allocation for investment amounts and other strategic uses as set forth in “Wacom Chapter 4.” If the Shareholder Proposal were implemented, we recognize that it would make it difficult to carry out the capital expenditures and growth investments planned in “Wacom Chapter 4,” thereby making it difficult to realize the plan’s goals and impairing the medium- to long-term interests of our shareholders. Therefore, we believe that conducting the acquisition of own shares at the scale proposed in the Shareholder Proposal over the course of one year is not appropriate for ensuring the smooth execution of growth investments. Additionally, regarding the cash and cash equivalents mentioned by the shareholder proposer, we recognize that to be equivalent to approximately two months’ worth of sales and thus an appropriate level.

For the above reasons, we oppose this Shareholder Proposal.

Proposal No. 9 Proposal for Revision of Remuneration for the Granting of Restricted Stock to Directors (Excluding Directors Who Are Audit Committee Members and Outside Directors)

(1) Opinion of the Board of Directors

After deliberation based on the report of the Remuneration Committee, the Board of Directors **opposes** this Shareholder Proposal.

(2) Reasons for opposition

The remuneration of the Company’s Directors is based on a system designed to share value with shareholders, for clearly defining management responsibilities, serving as a sound incentive for the Company’s sustainable growth, and enhancement of its medium- to long-term corporate value. Specifically, Director remuneration consists of fixed monthly payments to all Directors, along with short-term and long-term incentives for Directors

(excluding Outside Directors). Director remuneration is structured based on role, with 15% to 20% of the total consisting of long-term executive incentives. The remaining 80% to 85% comprises fixed remuneration (60% to 75%) and short-term incentives (25% to 40%).

The long-term executive incentive program is designed to promote sustainable improvement of corporate value and to align the Company's vision with that of shareholders. It includes both performance-based and stock-based remuneration, and the Board of Directors determines each year whether to implement it. Performance-based remuneration is calculated based on the Company's performance targets for a given evaluation period, as determined at the time of grant, and the amount is finalized according to the degree of achievement after the end of the final year of the evaluation period. Stock-based remuneration refers to a retirement-type restricted share-based plan, with transfer restrictions lifted upon retirement.

The Shareholder Proposal seeks to revise the restricted share plan for Directors (excluding Audit Committee Members and Outside Directors), and to link share grants to the achievement level of Total Shareholder Return ("TSR"). Among our existing remuneration systems, the retirement-type restricted share-based plan, as described above, enables Directors to share the interests with shareholders by granting restricted shares. If the Shareholder Proposal were adopted, the addition of TSR indicators as a performance requirement to the current restricted share-based plan could make it difficult to grant the subject Director the intended number of shares under certain market conditions, thereby undermining the practicality of the incentive function. As a result, it would disrupt the overall balance of the Directors' remuneration system, which is designed to enhance corporate value. Therefore, we believe this Shareholder Proposal is not appropriate.

For the above reasons, we oppose this Shareholder Proposal.

The Remuneration Committee reviewed the contents of the Shareholder Proposal before the Board of Directors reached this resolution. Based on the Committee's report, the Board of Directors resolved this opinion.

The Company has already been considering the introduction of TSR as a performance requirement, as part of its ongoing review to develop an appropriate Director Remuneration System. Although the Board of Directors opposes this Shareholder Proposal, the Company takes the Shareholder Proposal seriously, and intends to continue considering the design of a specific remuneration framework, enhancing all stakeholders including shareholders and investors, including implementation of TSR, for establishing a remuneration system that serves as a sound incentive for sustainable growth and the enhancement of corporate value over the medium to long term, as part of discussion at Remuneration Committee and the Board of Directors reported by the Committee during the current fiscal year.

Skill Matrix of Board Members of Wacom

(After company proposals are resolved at the 42nd ordinary shareholders' meeting on June 26, 2025)

	Title	Years	Business Manage ment	Global Business	Co- operaion Investment	Finance Accounting	Human Organization	Diversity & Inclusion
Nobutaka Ide	President & CEO	8	●	●	●		●	
Sayatake Komine	Director	1	●	●		●		
Amane Kojima ※1	Director	—	●	●	●	●		
Ken Inazumi	Outside Director	7	●		●			
Mikako Inamasu	Outside Director	4	●				●	●
Takafumi Nakajima	Outside Director	1	●		●			
Shigeki Higashiyama	Outside Director ※2	7		●			●	
Osamu Hosokubo	Outside Director ※2	6	●		●	●		
Yuji Ono	Outside Director ※2	1						

	Environ ment	Legal Compliance	Risk Manage ment	Technol ogy IP	Community Engagement	Service Business	Experience, Knowledge
Nobutaka Ide				●	●	●	Global Business, Art Community Engagement
Sayatake Komine	●		●	●		●	CPA, Global Business
Amane Kojima ※1			●				CFO of Listed Company, USCPA
Ken Inazumi			●		●	●	Active Executive, Service Business Operation
Mikako Inamasu							Talent Development Company Management
Takafumi Nakajima	●				●	●	Active Executive, Environment & Recycling
Shigeki Higashiyama		●	●				Global Business, Talent Development
Osamu Hosokubo		●	●				Listed Investment Company Management
Yuji Ono		●	●				Lawyer, Responsible for Compliance

※ 1 Amane Kojima will be proposed as a candidate for the director of Wacom at the ordinary shareholders' meeting on June 26, 2025.

※ 2 Audit Committee

Details

1. Proposed Agenda

- (1) Election of one (1) Director (Excluding Directors Who Are Audit Committee Members)
- (2) Amendment to the Articles of Incorporation (Business Restructuring Supervisory Committee)
- (3) Amendment to the Articles of Incorporation (Handling of acquisition proposals)
- (4) Amendment to the Articles of Incorporation (Organizational Body to Determine Dividends of Surplus, Etc.)
- (5) Acquisition of Treasury Stock
- (6) Revision of remuneration to grant restricted shares to Directors (excluding Directors who are Audit and Supervisory Committee Members)

2. Summary of Agenda Items and Reasons for Proposals

- (1) Election of one (1) Director (Excluding Directors Who Are Audit Committee Members)

① Summary of the Proposal

Appoint Mr. Nao Makino as a Director who is not an Audit and Supervisory Committee Member.

② Reasons for the Proposal

Mr. Makino began his career as an equity research analyst at Morgan Stanley MUFG Securities, then transitioned to the buy-side, where he has been involved in listed stock investment for over 10 years. At Misaki Capital Inc., a Japanese asset management company that operates under the investment philosophy that shareholders, as “working shareholders,” contribute to enhancing corporate value alongside management and employees, he has served as an engagement investment manager, making long-term investments in Japanese listed companies. At the company, he contributed to the sustainable enhancement of corporate value through purposeful dialogue with the management of investee companies. Additionally, during his tenure at the company, he was invited as a guest speaker at the Financial Services Agency’s Financial System Council “Disclosure Working Group,” and served as a specialist committee member for revenue recognition at the Accounting Standards Board of Japan (ASBJ), a Public Interest Incorporated Foundation under the jurisdiction of the Financial Services Agency, from 2019 to 2023. His expertise in financial markets, gained through his experience in listed equity investment, has been highly valued, and he has been actively involved in various fields. After that, he worked at Kaname Capital, an investment management company in Boston, USA, as a partner and head of research, focusing on long-term investments in Japanese listed companies. Recently, he has contributed articles such as “Financial Capital Market Outlook: Issues in Partial TOBs in Japan from the Perspective of US Investors” and “Mizuho Securities Capital Market Update: Governance of Companies with High Founding Family Shareholdings,” providing a wide range of insights from the perspective of an overseas investor. Mr. Makino is able to devote sufficient time and effort to his duties as an outside director of the Company.

Mr. Makino holds an MBA from Columbia University in the United States and, in his current position, communicates with overseas asset owners and investment management companies, demonstrating a global perspective. He is fluent in both Japanese and English.

Drawing on his extensive experience analyzing and investing in numerous listed companies from the perspective of an institutional investor, Mr. Makino is expected to oversee management with a strong focus on the collective interests of shareholders, deepen dialogue with shareholders and the capital markets, and provide advice on best practices to enhance the Company’s evaluation by investors. For these reasons, the Proposer believes that Mr. Makino is well qualified to serve as an outside director of the Company.

Mr. Makino is in a relationship with the Proposer as an investor, engaging in discussions and

exchanging information. However, he has never had any business relationship, employment, agency, or other relationship with the proposer, nor has he received remuneration from the Proposer. In addition, Mr. Makino has not entered into any agreement or contract with the Proposer regarding the details of his duties or the exchange of information in the event that he is appointed as a Director, and he has no obligations or responsibilities to the Proposer.

The Proposer has never entered into any agreement with Kaname Capital, of which Mr. Makino is an officer, regarding joint investment or the exercise of shareholder rights, and has no plans to do so in the future. The Proposer hopes that Mr. Makino will fulfill his duties for the benefit of the Company's shareholders in general, utilizing his knowledge and expertise.

③ Candidate's name, career summary, etc.

Candidate	Nao Makino	Date of birth: July 21, 1989
		Number of shares held of the Company: 0 shares
Career summary, position and responsibility in the Company and significant concurrent positions outside the Company		
Apr. 2012	Joined Morgan Stanley MUFG Securities (Tokyo Office, Japan)	
June 2014	Joined Misaki Capital Inc.	
Apr. 2016	Misaki Capital Inc. Engagement Investment Manager	
June 2022	Associate Partner and Head of Research of Kaname Capital	
Dec. 2024	Partner and Head of Research of Kaname Capital (current position)	
	Significant concurrent positions outside the Company	
	Partner and Head of Research of Kaname Capital	
	*Kaname Capital, of which Nao Makino is a partner, holds 0.07% of the Company's shares on behalf of its clients.	

(Note) 1. The candidate is a candidate for outside Director.

2. The candidate meets the requirements for independent officers stipulated by the Tokyo Stock Exchange. Each candidate has agreed that, if appointed, the Company will notify the relevant authorities of their appointment as an independent officer.

3. The Company has entered into agreements with each outside Director pursuant to Article 427, Paragraph 1 of the Companies Act to limit their liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under these agreements is 1 million yen or the minimum amount of liability specified by laws and regulations, whichever is higher. The Proposer requests that the Company enter into similar liability limitation agreements with each candidate if their appointment is approved.

4. The candidate has not been involved in the management of the Company in any capacity other than as an outside Director, but the Proposer believes that the candidate is capable of properly performing the duties of an outside Director for the reasons stated above.

(2) Amendment to the Articles of Incorporation (Business Restructuring Supervisory Committee)

① Summary of the Proposal

Add the following chapter to the current Articles of Incorporation, rename the current Chapter 6 "Accounting" to Chapter 7 "Accounting," and shift Articles 38 and subsequent articles downward by five articles each. Note that if the adoption of other resolutions (including those proposed by the company) at this Annual General Meeting of Shareholders requires formal adjustments (including, but not limited to, corrections to article numbers) to the provisions set forth in this

resolution, the relevant provisions of this resolution shall be deemed to be replaced by the provisions as adjusted.

Chapter VI Business Restructuring Supervisory Committee

(Establishment of the Business Restructuring Supervisory Committee)

Article 38 The Company shall establish a Business Restructuring Supervisory Committee without delay after the date of the 42nd Ordinary General Meeting of Shareholders, for a term ending on March 31, 2027.

(Organization of the Business Restructuring Supervisory Committee)

Article 39

1. The Business Restructuring Supervisory Committee shall consist of no less than three and no more than five members who are outside Directors. The Company shall always maintain the number of outside Directors necessary to form the Strategy Review Committee.
2. A chairperson shall be appointed to the Business Restructuring Supervisory Committee. If any outside Directors have advanced knowledge and extensive experience in business restructuring from an investor's perspective, that person (or, if there are two or more such persons, a person selected by mutual vote from among them) shall serve as chairperson. If there is no such person, the chairperson shall be selected by mutual vote of the members.
3. Members of the Business Restructuring Supervisory Committee shall be appointed by mutual vote of the outside Directors.
4. A secretariat shall be established within the Business Restructuring Supervisory Committee. Under the direction of the chairperson, the secretariat shall convene meetings of the Business Restructuring Supervisory Committee, handle administrative matters, and prepare minutes of meetings.

(Duties of the Business Restructuring Supervisory Committee)

Article 40 The Business Restructuring Supervisory Committee shall, from the perspective of maximizing the corporate value of the Company and the common interests of its shareholders, perform the following duties from a position independent of management.

- (1) Based on the contents of the "Brand Product Business Restructuring Plan" announced by the Company on May 9, 2024, and the "Company-wide Organizational and Brand Product Business Restructuring toward Wacom Chapter 4" announced on October 30, 2024, the Company shall oversee the timely and appropriate implementation of initiatives aimed at transforming the Company's business structure (including initiatives described in the aforementioned reports) to ensure the achievement of the following business plans:
 - (a) Achieving operating profitability in the brand products business (after allocation of head office expenses)
 - (b) Strengthening the product portfolio in the volume segment (recovering market share through the proactive introduction of products in the low- to mid-price range and updates to existing products)
 - (c) Optimizing organizational scale and related costs associated with the structural reform of the brand products business
 - (d) Disclosure of capital costs
- (2) If there are external or internal risk factors (including, but not limited to, exchange rate fluctuations, fluctuations in raw material prices, wage fluctuations, geopolitical risks, and risks related to the succession of key management personnel) that can be reasonably anticipated in advance in achieving the plan set forth in the preceding paragraph, and if there are measures that are deemed to have a certain effect, supervise the timely and appropriate implementation of reasonable measures by

management, taking into account the cost-effectiveness perspective.

- (3) If it is determined that the initiatives in (1) or the measures in the preceding item are not being implemented in a timely and appropriate manner, or if the Business Restructuring Supervisory Committee deems it appropriate, make necessary recommendations to the Board of Directors.
- (4) Take all other actions necessary to perform the duties listed in each of the above items.

(Authority of the Business Restructuring Supervisory Committee)

Article 41

1. The Business Restructuring Supervisory Committee may, when deemed necessary for the execution of its duties, request reports or the submission of materials from Directors, managers, and other employees, or request their cooperation in other necessary matters, or express its opinions.
2. The Business Restructuring Supervisory Committee may, when deemed necessary for the execution of its duties, invite persons other than members to attend meetings of the Business Restructuring Supervisory Committee and request their opinions or explanations.
3. The Business Restructuring Supervisory Committee may, when deemed necessary to perform its duties, engage lawyers, consultants, or other external experts at the expense of the Company to receive their advice or assistance.
4. The Board of Directors shall respect the recommendations and opinions of the Business Restructuring Supervisory Committee.

(Disclosure of the Activities of the Business Restructuring Supervisory Committee)

Article 42 During the term of the Business Restructuring Supervisory Committee, the Company shall disclose the activities of the Business Restructuring Supervisory Committee to the public at least once every six months.

② Reasons for the Proposal

89.7 billion yen has impaired the Company's enterprise value, or a staggering 60%, over the past three years (calculated by comparing the enterprise value as of May 18, 2022, and April 7, 2025, based on the definition of "enterprise value" in the Ministry of Economy, Trade and Industry's "Guidelines for Corporate Takeovers"). Although the significant decline in operating profit is considered a contributing factor (consolidated operating profit, which stood at 13.4 billion yen as of March 2021, decreased by 27.9% to 9.4 billion yen over the 12 months ending March 2025), the factors contributing to the expansion and prolongation of the impairment of corporate value include: the lack of understanding and trust from the stock market regarding our efforts to restructure the brand product business, which is central to the Company's efforts to restore corporate value.

In response to the performance downturn, the Company has disclosed specific business plans, including a target operating profit of approximately 10.0 to 15.0 billion yen for the fiscal year ending March 2026 through the fiscal year ending March 2029, as well as details of initiatives aimed at transforming the business structure (see "Medium-term Business Direction, Wacom Chapter 3 Update Second Report" dated May 11, 2023). Furthermore, on May 9, 2024, we announced the "Brand Product Business Restructuring Plan." On October 30, 2024, we disclosed the "Company-wide Organizational and Brand Product Business Restructuring toward Wacom Chapter 4," providing more detailed disclosures regarding our efforts to reform the structure of the brand product business. To restore the impaired corporate value, it is essential to make every effort to achieve these business restructuring initiatives and regain understanding and trust from the stock market. However, given the current situation in which impairment of corporate value is expanding and becoming prolonged, it must be said that the stock market harbors deep-seated

distrust regarding management's sense of urgency toward restoring corporate value and its commitment to achieving business plans.

Therefore, we believe it is desirable to establish a Supervisory Committee composed solely of outside Directors to supervise the timely and appropriate implementation of measures for business restructuring and various risks, enhance the feasibility of the business plan, and increase the confidence of the stock market in this regard, to restore the impaired corporate value quickly.

In addition, the Company is a leading manufacturer of graphic tablets with a global market share of approximately 60%. Given the unique appeal of this business in Japan, we believe that the Company should be recognized for its significant intrinsic value. However, we think that this intrinsic value has not been reflected in the Company's stock price, and that the Company's corporate value has been significantly undervalued in the stock market. Under the supervision of the Supervisory Committee, if efforts to reform the business structure are appropriately implemented, we believe that this will not only restore the impaired corporate value but also contribute to the broader recognition of the Company's intrinsic value in the stock market and the realization of the latent value that has not been properly evaluated to date.

Furthermore, considering the significant benefits that the establishment of the Business Restructuring Supervisory Committee will bring to shareholders, the costs associated with its establishment are expected to be minimal. Additionally, the committee will enable effective supervision of efforts toward business restructuring, and therefore, we believe that there are no disadvantages to establishing the Business Restructuring Supervisory Committee.

(3) Amendment to the Articles of Incorporation (Handling of acquisition proposals)

① Summary of the Proposal

The following article shall be added as Article 33 to Chapter 4, "Directors and Board of Directors," of the Articles of Incorporation, and the current Articles 33 et seq. shall be renumbered accordingly. Note that if the adoption of other resolutions (including those proposed by the company) at this Annual General Meeting of Shareholders requires formal adjustments (including, but not limited to, corrections to article numbers) to the provisions set forth in this resolution, the relevant provisions of this resolution shall be deemed to be replaced by the provisions as adjusted.

(Handling of Acquisition Proposals)

Article 33

1. If the Directors, managers, or other employees of the Company receive a proposal to acquire management control of the Company through the acquisition of shares issued by the Company or a similar proposal (including proposals related to the delisting of the Company; hereinafter referred to as an "Acquisition Proposal" in this Article), they shall promptly submit the proposal to the Board of Directors for discussion or report it to the Board of Directors. However, this shall not apply if it is clear that the Acquisition Proposal is not made in good faith.
2. The Board of Directors of the Company shall immediately and earnestly consider any Acquisition Proposal submitted for deliberation or reported following the provisions of the preceding paragraph.
3. In conducting the deliberations set forth in the preceding paragraph, the Company shall establish a special committee composed solely of outside Directors, hold a meeting attended solely by outside Directors, or take other fair procedures.

② Reasons for the Proposal

The Ministry of Economy, Trade and Industry (METI) established the "Guidelines for Corporate Takeovers—Enhancing Corporate Value and Securing Shareholders' Interests—" on August 31, 2023. As pointed out in Article 3 of the Guidelines, desirable acquisitions (those that contribute to

both enhancing corporate value and safeguarding shareholder interests) are conducive to the growth of acquired companies through acquisitions, and also contribute to ensuring opportunities for target companies to select optimal management strategies and enhancing external oversight of management. Therefore, when an Acquisition Proposal is made, it is important to take appropriate measures to enhance corporate value and safeguard shareholder interests. The guidelines recommend the following matters regarding the handling of acquisition proposals:

- “In principle, upon receipt of an acquisition proposal to acquire corporate control, management or directors should promptly submit or report such matter to the board of directors. If an acquisition proposal has a certain degree of credibility in addition to its specifics, the potential opportunity for a desirable acquisition to materialize should not be lost by not submitting the matter to the board of directors.” (page 14)
- “The board of directors to which the matter is submitted shall in general give ‘sincere consideration’ to a ‘bona fide offer’.” (page 15)
- “In connection with a target company taking these actions (Proposer’s note: To determine the appropriateness of an acquisition from the perspective of whether it will enhance the company’s corporate value, and to make reasonable efforts to ensure that the acquisition is conducted under terms and conditions that secure the interests that shareholders should enjoy.), outside directors play an important role in addressing any conflict of interest issues at the management level and improving transaction terms. In addition, depending on the degree of conflicts of interest or information asymmetry issues, as well as circumstances relating to the target company or its transaction structure, fair procedures (i.e. ‘Fairness Ensuring Measures’), such as establishing a special committee, or obtaining outside advisor’s advice, may be taken.” (page 10)

In the event of an Acquisition Proposal, from the perspective of enhancing the Company’s corporate value and securing shareholder interests, it is important that appropriate handling as recommended by the Guidelines be institutionally guaranteed. Therefore, we propose establishing provisions in the Articles of Incorporation per the recommendations of the Guidelines.

(4) Amendment to the Articles of Incorporation (Organizational Body to Determine Dividends of Surplus, Etc.)

① Summary of the Proposal

Article 39 of the Articles of Incorporation shall be amended as follows. Note that if the adoption of other resolutions (including those proposed by the company) at this Annual General Meeting of Shareholders requires formal adjustments (including, but not limited to, corrections to article numbers) to the provisions set forth in this resolution, the relevant provisions of this resolution shall be deemed to be replaced by the provisions as adjusted.

Furthermore, this proposal shall be resolved prior to proposal (5) “Acquisition of Treasury Stock” and shall take effect upon approval at this Annual General Meeting of Shareholders.

(Underlined sections indicate the changes.)

Current Articles of Incorporation	Proposed Amendments
(Organizational Body to Determine Dividends of Surplus, Etc.) Article 39 Unless otherwise provided for by laws and regulations, the Company shall determine matters concerning the distribution of surplus, etc., as specified in each item of Article 459, Paragraph 1 of the Companies Act by resolution of the Board of Directors, without resolution of the General Meeting of Shareholders.	(Organizational Body to Determine Dividends of Surplus, Etc.) Article 39 Unless otherwise provided for by laws and regulations, the Company shall, by resolution of the Board of Directors, determine dividends of surplus and other items set forth in the items of Article 459, paragraph (1) of the Companies Act.

② Reasons for the Proposal

Article 39 of the current Articles of Incorporation excludes the General Meeting of Shareholders from the authority to decide on the dividend of surplus, granting such authority exclusively to the Board of Directors.

However, under the Companies Act, the authority to decide on the dividend of surplus profits is generally vested in the General Meetings of Shareholders (Article 454, Paragraph 1 of the same Act). This is based on the principle that the allocation of profits generated through the company's business activities, i.e., capital allocation, should be subject to the discipline of the shareholders who contributed the original capital, as this contributes to the implementation of appropriate capital policies. Although there is a certain degree of rationality in the Board of Directors having the authority to decide on the dividend of surplus, etc. from the perspective of implementing a flexible dividend policy and capital policy, we see no reasonable grounds for excluding the authority to decide on the dividend of surplus, etc. from the General Meeting of Shareholders. From this perspective, we believe that it is not desirable for the Company to have a system in which the General Meeting of Shareholders has no authority to decide on the dividend of surplus, etc.

Additionally, among Japanese listed companies, excluding those that no dividend, approximately 90% have either undergone approval procedures at a shareholders' meeting or adopted a system where the shareholders' meeting holds the authority to decide on the distribution of surplus profits, as indicated in the "Shareholders' Meeting White Paper 2024 Edition" compiled by the Commercial Law Center, Inc. (Commercial law review No. 2376, 2024, p. 42). It can be inferred that such a corporate governance structure has become the standard for listed companies in Japan.

Article 39 of the Company's current Articles of Incorporation was introduced in 2006. The amendment to the Articles of Incorporation in the same year was made in conjunction with implementing the Companies Act. As a result, various amendments to the Articles of Incorporation totaling more than 30 articles were submitted to the General Meetings of Shareholders as a single resolution. Therefore, it is difficult to say that Article 39 of the current Articles of Incorporation was introduced after obtaining individual specific approval at the General Meetings of Shareholders.

Therefore, we believe that it is desirable to grant the same authority to the General Meeting of Shareholders while maintaining the authority of the Board of Directors to decide on the dividend of surplus.

(5) Acquisition of Treasury Stock

① Summary of the Proposal

Pursuant to Article 156, Paragraph 1 of the Companies Act, the Company shall acquire its common shares during the period from the conclusion of this Annual General Meeting of Shareholders until March 31, 2026, at a total acquisition price of 5.0 billion yen, with the total number of shares to be acquired being 12,000,000 shares. However, if the total acquisition price permitted under the Companies Act (the "distributable amount" as defined in Article 461 of the Companies Act) is less than the aforementioned amount, the maximum amount of the total acquisition price permitted under the Companies Act as the limit, and shall acquire such shares by payment of cash.

Note that this resolution shall be adopted subject to the approval of the resolution on the proposal "(4) Amendment to the Articles of Incorporation (Determination of the Authority for Dividend Distribution, etc.)."

② Reasons for the Proposal

The Company stated in its disclosure of “Notice Regarding the Acquisition of Treasury Stock” on January 31, 2025, that it “recognizes shareholder returns as an important management issue.” According to the Corporate Governance Report published on November 11, 2024, the Company “indicates its intention to pursue shareholder returns while also considering capital efficiency through the use of leverage.” As such, the Company regards shareholder returns as an important management strategy and intends to pursue shareholder returns, including the repurchase of treasury shares utilizing interest-bearing debt, to improve capital efficiency.

However, as of December 31, 2024, the Company’s cash and cash equivalents amounted to 18.2 billion yen, exceeding the amount of interest-bearing debt, resulting in a so-called “net cash” position. This means that the Company is failing to utilize leverage to achieve capital efficiency and has no leverage at all, resulting in a situation where the weighted average cost of capital is equal to the cost of equity, known as an inverted yield curve.

The Company has continued to operate under significantly impaired corporate value, with corporate value decreasing by approximately 60% over the past three years. It has not adequately addressed the Tokyo Stock Exchange’s request for “management that considers capital costs and stock prices.” Under these circumstances, it is clear that the Board of Directors does not fully understand the concept of optimal capital structure and has neglected to address the issue of capital efficiency, and that this governance structure and capital policy are contributing factors to the decline in corporate value.

On the other hand, given the current undervaluation of shareholder value, improving corporate value through share buybacks is considered a reasonable measure not only for its signaling effect of strengthening shareholder returns at the current depressed stock price level but also from the perspective of capital efficiency.

Regarding other investment opportunities besides share buybacks, given the current situation where stock prices are significantly undervalued, investment opportunities that could yield capital efficiency improvements exceeding those of share buybacks are inherently limited. Furthermore, given that the recovery of operating profits, which have sharply declined, particularly in the brand product business, is the Company’s top priority at present, there are also issues with making investments that could result in significant depreciation expenses or goodwill. Furthermore, considering the current level of cash and cash equivalents, the flexibility in utilizing interest-bearing debt, and the potential for equity financing after the recovery of corporate value, we believe that even if we actively pursue share buybacks, this will not unduly restrict future investment opportunities.

- (6) Revision of remuneration to grant restricted shares to Directors (excluding Directors who are Audit and Supervisory Committee Members)

① Summary of the Proposal

At the 32nd Annual General Meeting of Shareholders held on June 26, 2015, the remuneration for Directors (excluding Audit and Supervisory Committee Member) was approved to be within 300,000 thousand yen per year (of which 50,000 thousand yen is for outside Directors, excluding the portion of employee salaries of directors who concurrently serve as employees). The remuneration for Directors who are the Audit and Supervisory Committee Members was approved to be within 50,000 thousand yen per year. However, at the 37th Annual General Meeting of Shareholders held on June 26, 2020, the Company’s Directors (excluding outside Directors and Directors who are Audit and Supervisory Committee Members) (hereinafter referred to as the “Target Directors”) were approved to receive remuneration for the allocation of restricted shares separately from the aforementioned remuneration framework (hereinafter, the revised share-based remuneration plan is referred to as the “Share-Based Remuneration Plan”).

We have now revised the Share-Based Remuneration Plan and added the following valuation

system (hereinafter referred to as the new “Evaluation Plan”)

[Evaluation Plan]

The initial evaluation period shall be the three business years from the business year ending March 31, 2026, to the business year ending March 31, 2028, and thereafter, the evaluation period shall be the three consecutive business years, including the relevant business year.

The number of shares of common stock of the Company to be delivered to the Eligible Directors after the end of each evaluation period based on this evaluation plan (hereinafter referred to as the “Number of Shares to be Delivered”) shall be calculated using the following formula: (i) the number of shares determined by the Board of Directors of the Company in accordance with the position, etc., of the Eligible Directors (hereinafter referred to as the “Base Number of Shares to be Delivered”) multiplied by (ii) the performance target achievement ratio (hereinafter referred to as the “performance target achievement ratio”) related to the Company’s total shareholder return (Total Shareholder Return, hereinafter referred to as “TSR”) during the evaluation period.

The specific calculation formula is as follows. However, reasonable adjustments shall be made in accordance with the percentage of the term of office of the Eligible Director during the evaluation period.

- Number of shares to be delivered = Number of shares to be delivered as a base × Degree of achievement of performance targets
- Number of shares to be delivered as a base: Number of shares determined by the Board of Directors of the Company in accordance with the position of the Eligible Director
- Degree of achievement of performance targets: $\text{TSR (\%)} \text{ at the end of the evaluation period} \div 200 (\%)$

*However, if the TSR as of the end of the evaluation period exceeds 200%, the TSR as of the end of the evaluation period shall be deemed to be 200 % for the purpose of calculating the performance target achievement rate.

- TSR as of the end of the evaluation period: Calculated in accordance with the following formula:

$$\text{TSR} = (A + B) \div C (\%)$$

- A: The closing price of the Company’s common stock on the Tokyo Stock Exchange on the last day of the valuation period (if no trading took place on that day, the closing price of the Company on the most recent trading day prior to that day)
- B: The cumulative amount of dividends per share of the Company’s common stock for the valuation period
- C: The closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day prior to the first day of the valuation period (if no trading took place on that day, the closing price on the most recent trading day prior to that day)

② Reasons for the Proposal

According to the Company’s 41st Securities Report and the Corporate Governance Report disclosed on November 11, 2024, the specific timing and allocation of payments under the Share - based Remuneration Plan shall be determined by the Representative Director and President and the Chairman of the Remuneration Committee, who are delegated by the Board of Directors. Even when payments are made, only a vague explanation is provided, stating that they are made

“taking into consideration the purpose of the Plan, the Company’s business performance, the scope of responsibilities of each Eligible Director, and various circumstances” (Notice Concerning Disposal of Treasury Shares as Restricted Shares Remuneration dated July 11, 2024).

In this regard, the Financial Services Agency’s “Best Practices for Disclosure of Descriptive Information 2021” notes that “it is useful to set KPIs from the perspective of alignment with investors, such as TSR (total shareholder return) or EPS (earnings per share), and to disclose their content in a specific manner.” Furthermore, the proportion of listed companies introducing TSR as an indicator for determining the long-term remuneration amounts for top management has been increasing, with 29% of the top 100 listed companies adopting TSR as an indicator for determining long-term remuneration amounts in 2023, an increase of five percentage points from the previous year (Nikkei Newspaper, “Shareholder-Focused Remuneration for Corporate Leaders: TSR Adoption Expands to 30%” (May 21, 2024)).

In addition, in the notice of convocation of the 37th Annual General Meeting of Shareholders held on June 26, 2020, the Company explained that it proposed the introduction of a restricted share-based remuneration plan “to provide incentives to sustainably enhance the Company’s corporate value and further promote value sharing between the Target Directors and shareholders.” Given the current heightened awareness of the importance of returning profits to shareholders and the original rationale for introducing restricted share-based remuneration, we believe that introducing this evaluation system aligns with our Company’s philosophy in securing consistency in the incentives for value sharing with shareholders.

Therefore, we propose adopting the Company’s TSR as an indicator for restricted share-based remuneration to deepen value sharing between management and shareholders.

(*) This is translated to English from a Japanese announcement solely for convenience of non-Japanese readers.

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