For reference (*)

July 12, 2021

Notice of Disposal of Treasury Shares Used for Restricted Stock Compensation

Wacom Co., Ltd. (the “Company”) hereby announces that its Board of Directors resolved at the meeting held today to dispose of treasury shares used for restricted stock compensation (hereinafter, the “Disposal of Treasury Shares”). The details are as follows.

1. Outline of disposition

(1) Payment date	August 2, 2021
(2) Class and number of shares to be disposed of	Ordinary shares of the Company, 42,110 shares
(3) Disposal price	685 yen per share
(4) Total disposal amount	28,845,350 yen
(5) Implementation method of investment	By monetary compensation claims as contributed assets
(6) Planned allottees and number of shares to be allotted	Four (4) directors of the Company (excluding Outside Directors and Directors who are Audit Committee Members): 42,110 shares
(7) Others	A securities notice pursuant to the Financial Instruments and Exchange Act has been submitted for the Disposal of Treasury Shares.

2. Purposes and reasons for the disposal

The Company resolved to introduce a restricted stock compensation plan (hereinafter the “Plan”) at the Board of Directors held on May 8, 2020, to provide Directors of the Company (excluding Outside Directors and Directors who are Audit Committee Members; hereinafter the “Eligible Directors”) with an incentive to commit to sustainable improvement of the Company’s corporate value as well as to promote further value sharing between the Eligible Directors and shareholders. At the Company’s 37th Ordinary Shareholders’ Meeting held on June 26, 2020, it was approved that the total amount of monetary compensation claims to be granted to the Eligible Directors for the issuance of restricted stock under the Plan shall be up to 50 million yen per year, and the total number of restricted stock to be issued shall be up to 200,000.

At the Board of Directors held today, the Company resolved to grant monetary compensation claims as contributed assets totaling 28,845,350 yen to the Eligible Directors, in consideration of the purpose of the Plan, the business performance of the Company, the scope of responsibilities of each of the Eligible Directors, and other miscellaneous matters, and also resolved the “Disposal of Treasury Shares” for the Eligible Directors.

To ensure the purpose of the Plan with an incentive to commit to sustainable improvement of the Company's corporate value as well as to promote further value sharing between the Eligible Directors and shareholders, the transfer restriction period is set from August 2, 2021 to the date of retirement of each of the Eligible Directors, as described below (3. Outline of the restricted stock allotment agreement).

3. Outline of the restricted stock allotment agreement

The Company and the Eligible Directors will individually enter into a restricted stock allotment agreement (hereinafter, the "Allotment Agreement"), the outline of which is as follows:

(1) Restriction period: August 2, 2021 to the date of retirement

The Eligible Directors may not transfer, attach a security interest, or dispose in any other way of the common shares of the Company that has been allotted (hereinafter, the "Allotted Shares") during the above-mentioned period.

(2) Lifting of restrictions

On the condition that the Eligible Director has remained in the position of Director of the Board of the Company during the period between the commencement date of the restriction period and just before the closing of the Ordinary Shareholders' Meeting of the Company first held thereafter (hereinafter, the "Service Period"), the Company shall lift the restrictions for all of the Allotted Shares held by the Eligible Director at the expiry of the restriction period.

(3) Acquisition of the restricted stock without compensation by the Company

If any Eligible Director retires from Director of the Board of the Company before the expiry of the Service Period without any reason the Board of Directors of the Company deems justifiable, or with certain reasons specified in the "Allotment Agreement", the Company shall automatically acquire the Allotted Shares without compensation upon the retirement of the Eligible Director. In addition, in the event there are any Allotted Shares which still remain subject to the restrictions at the expiry of restriction period, the Company shall automatically acquire the Allotted Shares without compensation as of the time immediately after the expiry of restriction period.

(4) Management of shares

The Allotted Shares will be managed in a dedicated account for restricted shares which the Eligible Directors shall open with SMBC Nikko Securities Inc. by the Company's discretion, in order to prevent transfers of, attachment of a security interest to, or disposition in any other way of the Allotted Shares during the restriction period.

(5) Treatment in the event of reorganization, etc.

If a merger agreement in which the Company is the merged company, a share exchange

agreement or an equity transfer plan under which the Company becomes a wholly owned subsidiary, or any other matter concerning reorganization is approved at the Ordinary Shareholders' Meeting of the Company (or at a meeting of its Board of Directors in cases where approval at the Company's Ordinary Shareholders' Meeting is not required in relation to the reorganization, etc.), the restrictions will be lifted for Allotted Shares of which number is defined reasonably in consideration of the period from the commencement date of the restriction period to the effective date of the reorganization, prior to the effective date of the reorganization. In such case, the Company shall automatically acquire, without compensation, all Allotted Shares which still remain subject to the restrictions immediately after the restrictions are lifted.

4. Basis of calculation and details of the paid-in amount

To eliminate any arbitrariness in the disposal price per share for the Disposal of Treasury Shares, the closing price of 685 yen of the Company's ordinary shares on the Tokyo Stock Exchange on July 9, 2021, the business day immediately before the date of resolution by the Board of Directors, is used. The Company deems that the disposal price to be a reasonable and not particularly favorable price for the allottees.

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

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