For reference (*)

December 23, 2024

Notice of Investment in Preferred Networks

Tokyo, December 23, 2024 ----- Wacom Co., Ltd. (“Wacom” ,or the “Company”), today announced a capital investment of 1,000 million Japanese yen in Preferred Networks, Inc. (“PFN”) through a third-party allocation.

1. Purpose and Reason for the Investment

Wacom is a “Technology Company” that provides customers with a unique digital pen and ink experience – digital writing and drawing. Under the “Life-long Ink” vision, which aims to deliver the value created by digital ink technology to customers throughout their lives, Wacom delivers the ultimate in digital drawing and writing experiences.

PFN, founded in 2014, is a startup that develops and provides hardware and software in a vertically integrated manner for practical use of AI (artificial intelligence). PFN designs AI semiconductors, develops software for them, builds supercomputers using the AI semiconductors, and develops applications using these technologies, all in-house.

Wacom and PFN, together with Celsys, Inc., have been jointly promoting the "KISEKI ART" project since 2021. This project aims to explore new possibilities of artistic expression by using technology to digitally capture an intrinsic part of the creative process: the movements as "trajectory" of the pen. The project is committed to understanding the profound nature of human creativity and developing research that provides meaningful experiences for humans. Importantly, the project has never used any of the captured data as training data for generative AI and has no intention to ever do so. In 2023, the project successfully used PFN’s technology to analyze trajectory data in 3D and visualize changes in the feature values as "Emon" (pictorial patterns) that can only be produced through the creativity of the human hand.

Wacom’s decision to make a capital investment in PFN is aimed at deepening the existing collaboration between the two companies to explore the meaning of "human hand drawing/writing" in our community. In "Wacom Chapter 4”, Wacom’s next medium-term management policy which will start in the fiscal year ending March 2026, the Company aims to build a new business growth engine by using technology development and innovation to provide society with the human-centric “integrated pen and ink experience”, while actively exploring applications in the Technology Solution Business for education, medical care and other business fields.

2. Overview of investment

The overview of the third-party allocation is as follows. For further details, please refer to the news release issued by PFN today.

① Amount of Investment	1,000 million Japanese yen
② Date of payment for the Third-Party Share Allocation	November 29, 2024

3. Others

The Company expects that the impact of the investment on the Company's consolidated business performance for the fiscal year ending March 31, 2025, will be minimal. However, if there are any matters that should be disclosed in the future, the Company will promptly announce them as soon as they become known. The Company will provide updates on specific initiatives and projects related to the launch of commercial services in collaboration with PFN through the company's news releases.

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

For inquiries:

IR, Wacom Co., Ltd.

Telephone: +81-3-5337-6502

IR Website:

https://investors.wacom.com/en-jp/