

September 11, 2007

To whom it may concern

Wacom Co., Ltd.  
Representative: Masahiko Yamada, CEO  
(Company Code: 6727 TSE1)  
Contact: Wataru Hasegawa, CFO  
(TEL: 03-5309-1500)

## **Re: Patent Infringement Lawsuits in China and USA**

We, Wacom Co., Ltd., have initiated lawsuits against Hanwang both in China and USA for infringement of our several patents by multiple models of pen tablet manufactured and sold by Hanwang and to seek remedies including injunction against Hanwang's infringement. As the possibility of settlement has become remote and such lawsuits may be developed into full-scale, Wacom informs as follows:

### 1. Cause and Backgrounds of Lawsuit:

In November/December 2006, Wacom initiated lawsuits against Hanwang both in China and USA for infringement of our several patents by manufacturing and selling pen tablets and to seek remedies including injunction against Hanwang's series of infringement activities. Hanwang has manufactured multiple models of pen tablet in China and sold them in China and USA. Through evaluation of the pen tablets available in the market, we came to the conclusion that Hanwang's series of acts have infringed our patent rights in a number of invention patents regarding our cordless and battery-less technologies. In the lawsuit in USA, we alleged that Hanwang had made misrepresentations that its cordless and battery-less technology was patented by Hanwang, which is false and contrary to the truth because Hanwang did not and does not have any U.S. patents on these technologies. In addition, Hanwang has filed request for invalidating Wacom's patents in China in relation to the lawsuit initiated by Wacom in China.

In the two decades since its foundation, Wacom has been engaged in its research and development (R&D) and developed innovative technologies such as "cordless", "battery-less" pen technologies (make it possible to remove code and battery from pen for user's easy operation), and "pressure-sensitive pen" technology (make it possible to enhance drawer's expression by detecting pressure applied to pen) and thereby contributed to the development of graphic industry in the world. Moreover, Wacom secured the fruits of its R&D as intellectual property rights, recouped R&D expenditure by commercializing such technologies and promoted continuously

innovative technologies. Wacom believes that in order to promote continuously innovative technologies, it is imperative to protect its own intellectual property rights as well as to respect valid intellectual property rights owned by third parties.

**China:** Plaintiff: Wacom Co., Ltd.

Defendants: Hanwang Technology Co., Limited. (located in Beijing, China)

Hanwang Manufacturing Co., Limited. (located in Sanhe City, Hebei Province)

(Subsidiary of Hanwang, engaging in manufacturing)

Shanghai Hongtu Sanbao Computer Development Co., Ltd

(located in Shanghai, China and Dealer of Hanwang pen tablets)

Court: Shanghai No.1 Intermediate People's Court

Date of Filing: November 29, 2006

Remedies sought by Wacom: Injunction against manufacture, sale and export by Hanwang of pen tablet products infringing Wacom patents and recovery of damage incurred by Hanwang infringement activities

**USA:** Plaintiffs: Wacom Co., Ltd.

Wacom Technology Corporation

Defendants: Hanwang Technology Co., Limited. (located in Beijing, China)

Hanvon Corporation (located in California)

(Distributor in the US of Hanwang pen tablets)

Court: United States District Court Western District of Washington

Date of Filing: December 11, 2006

Remedies sought by Wacom: Injunction against import and sale by Hanwang of pen tablet products infringing Wacom US patents and recovery of damage incurred by Hanwang infringement activities, and injunction against misrepresentation by Hanwang referred to above and recovery of damages.

## 2. Future Prospect

China: Pre-hearing for evidence submission and proof is under progress and formal hearing would be held this year.

US: The discovery of evidence will conclude in February 2008, and the trial is scheduled for May 2008.

3. Influence on the Latest forecast:

We observe no financial influence on our latest business forecast for the fiscal year ending March 31, 2008.

concluded