

Asset Value Investors (AVI): Our views on NC Holdings' response to our shareholder proposal (High level summary of the original Japanese response)

London, June 16, 2023 - Asset Value Investors Limited ("AVI") submitted a shareholder proposal to NC Holdings (TSE: 6236, "NCHD") with the aim of unlocking value for all of the Company's long-suffering shareholders.

More information on AVI's public campaign can be found here: www.enhancingNCHD.com

NCHD has announced that it has decided to publish a breakdown of the votes excluding those of AVI and "persons in concert or coordination with AVI's intention".

AVI would like to clarify the following points:

- There are no "persons in concert or coordination with AVI's intention." AVI has made this clear in communications with the Board and in all its required filings regarding its shareholding in the Company.
- The criteria to be used by the Company determining which shareholders will be excluded from the distorted published vote tally is highly subjective and arbitrary.
- NCHD's announcement has the potential to sow seeds of fear across the shareholder register and impede proper shareholder engagement. We expect some shareholders may have concerns that the Company may decide to exclude them from the vote tally simply for engaging in entirely legitimate behaviour such as requesting supplementary explanations from AVI to better understand our shareholder proposal, or for discussing their views with AVI.
- As such, NCHD's actions risk obstructing entirely lawful shareholder engagement and interaction, and unfairly treats some shareholders as second-class citizens. It also contradicts the aim of Japan's Stewardship Code, which encourages collaborative engagement.

Joe Bauernfreund, CEO of AVI, stated: "AVI is appalled at the behaviour of the Board and its refusal to engage constructively with our proposal; its plans to publish a misleading vote tally; and its flagrant disregard for basic norms of corporate governance."

"Despite the Company's actions, AVI is determined to exercise its voting rights to serve the best interests of all shareholders, including our votes in regard to the re-election of Company's incumbent directors. We urge all shareholders to take into consideration the Board's actions when casting their votes."

- End-

Contact:

Asset Value Investors Limited

Kaz Sakai

kaz.sakai@assetvalueinvestors.com