

AVI Urges Wacom To Make Governance Changes

London, 7th May, 2025 - Asset Value Investors Limited ("AVI") launches a campaign on one of AVI Japan Opportunity Trust's ("AJOT") portfolio companies, Wacom Corporation (TSE: 6727), hereinafter "Wacom" calling on them to adopt a more market and governance-conscious approach and announces that AVI has submitted shareholder proposals ahead of Wacom's upcoming Annual General Meeting in June. AVI has published a detailed presentation on a dedicated website (www.DrawWacomsFuture.com).

Since AVI started investing on behalf of the funds it manages in Wacom in August 2021, AVI has sought to engage in dialogue with the company including numerous visits by AVI as well as the AJOT Board meeting senior management in autumn 2023, and sending letters and presentations with the aim of improving corporate value in a sustainable manner. AVI is deeply concerned by the sluggish performance of the Branded Business segment, which has posted a cumulative loss of more than ¥10bn since the fourth quarter of the fiscal year ended 31 March 2022. The company has fallen far short of its mid-term plan targets and significantly underperformed the TOPIX index over this period.

Considering these circumstances, AVI, as the largest shareholder through its holding via AJOT and other funds, has decided to initiate a public campaign and submit shareholder proposals at this year's Annual General Meeting with the aim of supporting the sustainable enhancement of corporate value. AVI's shareholder proposals this year include the following resolutions:

- **Establishment of a Transformation Plan Supervisory Committee**
- **Appointment of one outside director with a capital markets background**
- **Amendment to the Articles of Incorporation regarding the handling of acquisition proposals based on the 'Guidelines for Corporate Takeovers' by the Ministry of Economy, Trade and Industry**

In the event of Wacom establishing a new transformation plan supervisory committee, AVI will be ready to support Wacom's strategic redirection and operational improvement.

Kazunari Sakai, AVI Japan's Head of Research, stated as follows:

"To improve alignment with investor expectations and shareholder interests, Wacom should go beyond the current Board's monitoring role by appointing directors with capital market experience, establishing a supervisory committee, and amending the Articles of Incorporation to align with METI's Guidelines for Corporate Takeovers."

"Although the Branded Business segment continues to face challenges, we are confident that through shortening the product development cycle for entry-level products and strengthening e-commerce channels, Wacom can further reinforce its position as the global leader."

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About Asset Value Investors (AVI):

AVI is an investment management company established in London, United Kingdom, in 1985. AVI has invested in Japanese equities for nearly 40 years. AVI manages AVI Japan Opportunity Trust ("AJOT") and AVI Global Trust ("AGT") and other funds, collectively investing ¥120bn into the Japanese market. AJOT and AGT are public companies whose shares are listed and traded on the main market of the London Stock Exchange.

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