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PRESS RELEASE

Portfolio managers of three GAM-managed special situations funds call for shareholder vote on Yutaka Giken tender offer

Albert Saporta and Randel Freeman send second open letter citing absence of minority shareholder protections and questions potential Honda-SAMIL ancillary transactions

On 21 January 2026 the portfolio managers of the **GAM Japan Special Situations Fund**, the **GAM Special Situations Fund** and the **GAM Global Opportunities Fund** published a second open letter to the Board of Directors of Yutaka Giken Co., Ltd., escalating their concerns regarding the proposed tender offer by Samvardhana Motherson International ('SAMIL').

This second letter follows the portfolio managers' initial open letter of 22 December 2025, in which they called for full transparency on the fairness analysis and urged Yutaka Giken to either abandon the transaction or seek a materially higher price. The December letter characterised the SAMIL tender offer as '*the most egregious takeover offer*' witnessed in several decades of Japanese market participation, highlighting that the offer price represents only a 6.4% premium to the undisturbed share price, compared with an average premium of 28.7% across comparable transactions, and values the company below its net cash position.

Board response deemed insufficient

In the **second letter**, the portfolio managers state that whilst they appreciate receiving a reply from Yutaka Giken's Board, the response was '*totally insufficient*.' Critically, nowhere in the Board's reply did it justify how the company could be sold for '*essentially a zero economic value*,' nor did it address the detailed valuation criteria provided in the December letter.

Critical Re-Determination juncture

The tender offer is structured as a two-step transaction intended to result in the delisting of Yutaka Giken and a subsequent squeeze-out of remaining minority shareholders. According to the company's disclosures, the Board of Directors is required to re-approve the transaction immediately prior to commencement of the tender offer (the 'Re-determination'). This Re-determination represents a critical decision point at which the Board must independently reassess the fairness of both the price and the process.

The portfolio managers urge the Board to carefully re-read the December letter and reconsider the merits of this transaction at the current valuation. They identify four critical issues requiring immediate attention in connection with the Re-determination:

1. Absence of a Majority-of-Minority Safeguard in a Controller-Initiated Transaction

This transaction was initiated by Honda Motor Co., Ltd. Although Honda is not tendering its shares and formally interested directors are excluded from the decision-making process, Honda's substantive influence over Yutaka remains significant. Honda is expected to retain approximately 19% of Yutaka's shares following the transaction and continues to be the company's most important commercial counterparty. The tender offer does not include a Majority-of-Minority ('MoM') condition, nor do the company's disclosures provide a sufficiently robust explanation as to why such a safeguard is unnecessary in these circumstances.

2. Tender Offer Structure Does Not Meaningfully Test Minority Shareholder Will

The tender offer is structured as an all-cash offer with **no minimum acceptance condition**. As a result, the transaction may proceed even if only a small fraction of minority shareholders tenders their shares. In a transaction explicitly designed to culminate in a squeeze-out, merely providing an exit opportunity is not equivalent to respecting minority shareholder intent. The absence of any mechanism to confirm minority support raises serious concerns regarding the adequacy of minority shareholder protections.

3. Closed Price-Setting Process in a Two-Step Squeeze-Out

Under the proposed structure, even if the tender offer does not acquire all outstanding shares, Yutaka intends to proceed with a subsequent share consolidation to eliminate remaining minority shareholders. In practice, the tender offer price therefore becomes the de facto final price for all minority shareholders. This outcome is particularly problematic given that the price is determined through a non-participatory process, without any direct validation by minority shareholders. The combination of this squeeze-out structure and the absence of mechanisms to test minority consent raises concerns regarding procedural fairness and transparency.

4. Consideration of Measures to Confirm Minority Shareholder Intent

Given that this transaction results in delisting and a squeeze-out, lacks a MoM condition, and raises material questions regarding the fairness of the process, it is incumbent on the Board as fiduciaries to all shareholders to take additional steps to confirm minority shareholder intent. In this context, convening an extraordinary general meeting to solicit minority shareholder views would materially enhance the legitimacy and defensibility of the Board's Re-determination decision and would be consistent with the Board's duty of care.

Concerns regarding ancillary transactions

The letter raises serious concerns regarding potential ancillary transactions between SAMIL, Yutaka and Honda post-closing. The portfolio managers note they were '*appalled*' to read in the tender offer document of 'the possibility of transactions ancillary to this transaction' and question the legality of 'depriving Yutaka's minority shareholders of the true fair value of the company, whilst on the other hand using Yutaka's assets to benefit the majority owner, Honda, post-closing of the transaction in side deals with SAMIL.'

The portfolio managers state: 'Failure to address these concerns will only confirm our view that the only justification for this deal at that price are sweet and side deals between Honda and SAMIL that will come after the transaction closes, and which will only benefit Honda and deprive Yutaka's minority shareholders of any value.'

Albert Saporta and Randel Freeman, Co-Heads of GAM Alternatives, said:

'The Board has a critical fiduciary responsibility at this re-determination juncture. The combination of an inadequately tested process and a price that has not been convincingly demonstrated to be fair requires heightened scrutiny. We strongly urge the Board to take these considerations into account in discharging its responsibilities to all shareholders.'

'As we stated in our December letter, if this transaction proceeds in its current form, it will not only hurt Yutaka's minority shareholders, Yutaka's employees, and Honda's minority shareholders, but will damage the reputation of Japan Inc. and impede the strong progress made over the last decade which has helped transform Japan into a top destination for foreign and domestic capital. We remain prepared to use all means at our disposal to protect our investors' interests and to achieve fair value for Yutaka, which we believe is materially higher.'

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About the GAM Global Special Situations Strategies

The investment managers of the GAM Special Situations Strategies have long held the fundamental belief that markets can be inefficient, and securities go through distinct periods of mispricing, especially in complex corporate situations and when related securities are traded across different markets.

We believe by incorporating these securities in a thoughtfully structured portfolio and employing sophisticated hedging strategies we can achieve superior uncorrelated risk-adjusted returns across all market cycles.

The GAM Global Special Situations Strategies invest globally long and short in securities of companies, intra and across markets and within complex corporate capital structures, which are often undergoing significant corporate change. Rigorous quantitative modelling and screening is combined with fundamental analysis and our deep understanding of event-driven dynamics.

The investment strategies are co-managed by Albert Saporta and Randel Freeman – two of the pioneers in global event-driven and special situations investing with over 70 years combined experience.

About GAM

GAM is an independent investment manager that is listed in Switzerland. It is an active, independent global asset manager that delivers distinctive and differentiated investment solutions for its clients across its Investment and Wealth Management Businesses. Its purpose is to protect and enhance its clients' financial future. It attracts and empowers the brightest minds to provide investment leadership, innovation and a positive impact on society and the environment.

Total assets under management were CHF 12.7 billion as of 30 June 2025. GAM has global distribution with offices in 15 countries and is geographically diverse with clients in almost every continent. Headquartered in Zurich, GAM Investments was founded in 1983 and its registered office is at Hardstrasse 201 Zurich, 8005 Switzerland.

Other important information

This press release is issued by the portfolio managers of the funds referenced above for information purposes only. It does not constitute investment advice, an offer, or a solicitation to buy or sell any security. Views expressed are those of the portfolio managers as at the date of publication and are subject to change. References to specific securities or transactions are for illustrative purposes only and do not constitute a recommendation. Past performance is not a reliable indicator of future results.

This release contains or may contain statements that constitute forward-looking statements. Any such statements in this release speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice. Any forward-looking statements in this release are not indications, guarantees, assurances or predictions of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the person making such statements. You are strongly cautioned not to place undue reliance on forward-looking statements.

The two full open letters, dated 21 January 2026 and 22 December 2025, follow below:

Important information

This communication relates solely to the investment activities of the mentioned Special Situations Investment funds. Activist engagement is undertaken by the fund's investment managers in pursuit of the fund's stated investment objective. It should not be interpreted as a statement of corporate policy or opinion by GAM Investments.

**Takao Aoshima Chairman
Yutaka Giken Co. Ltd.**

Open letter to the Board of Directors January 21, 2026

Dear Aoshima San,

Almost a month ago to the day, we wrote to you to express our dismay and possible irregularities in the transaction in which you are engaged with Samvardhana Motherson International (“SAMIL”) and a tender offer that is supposed to start imminently and which we encouraged you to stop and revise terms. While we appreciate your reply, it was totally insufficient. In particular, nowhere in your reply did you justify how you could sell the company for essentially a zero economic value, not to mention the other valuation criteria we detailed (our December 22 letter is attached at the end of this letter).

This Tender Offer is intended to result in the delisting of the Company and a subsequent squeeze-out through a two-step transaction. According to the Company’s disclosures, the Board of Directors is required to re-approve the transaction immediately prior to commencement of the Tender Offer (the “Re-determination”). This Re-determination represents a **critical decision point** at which the Board must independently reassess **the fairness of both the price and the process**. We urge the Board to carefully re-read our December 22 letter and reconsider the merits of this transaction at the current valuation. Furthermore, the following issues require immediate attention in connection with the Re- determination.

1. Absence of a Majority-of-Minority Safeguard in a Controller-Initiated Transaction

This transaction was initiated by Honda Motor Co., Ltd. Although Honda is not tendering its shares and formally interested directors are excluded from the decision-making process, Honda’s substantive influence over the Company remains significant. Honda is expected to retain approximately 19% of the Company’s shares following the transaction and continues to be the Company’s most important commercial counterparty.

Considering this ongoing economic and strategic influence, this transaction falls squarely within the category of

situations where enhanced minority shareholder protections are warranted. It is clear that minority shareholder interests have not been taken into consideration. In particular, the Tender Offer does not include a Majority-of-Minority (“MoM”) condition, nor do the Company’s disclosures provide a sufficiently robust explanation as to why such a safeguard is unnecessary in these circumstances. Given the structure and context of this transaction, a MoM condition is required.

2. Tender Offer Structure Does Not Meaningfully Test Minority Shareholder Will

The Tender Offer is structured as an all-cash offer with no minimum acceptance condition. As a result, the transaction may proceed even if only a small fraction of minority shareholders tenders their shares.

In a transaction explicitly designed to culminate in a squeeze-out, merely providing an exit opportunity is not equivalent to respecting minority shareholder intent. The absence of any mechanism - such as a minimum acceptance threshold, MoM condition, or shareholder vote - to confirm minority support raises serious concerns regarding the adequacy of minority shareholder protections.

3. Closed Price-Setting Process in a Two-Step Squeeze-Out

Under the proposed structure, even if the Tender Offer does not acquire all outstanding shares, the Company intends to proceed with a subsequent share consolidation to eliminate remaining minority shareholders. In practice, the Tender Offer price therefore becomes the de facto final price for all minority shareholders.

This outcome is particularly problematic given that the price is determined through a non-participatory process, without any direct validation by minority shareholders. The combination of a two-step squeeze-out structure and the absence of mechanisms to test minority consent raises concerns regarding procedural fairness and transparency.

In addition, as we detailed in our prior correspondence to the Company, the Tender Offer price itself appears materially inadequate when assessed against objective valuation benchmarks, some of them supposedly having been used by the company, most likely erroneously (we are still to be shown the full details of the valuation methodology that the company used). The offer represents only a minimal premium to the undisturbed market price and remains well below the Company’s net cash, tangible book value, and valuation levels implied by comparable transactions.

In a transaction structure where the tender offer price effectively becomes the final and binding price for all remaining minority shareholders, unresolved concerns regarding price adequacy further exacerbate the procedural deficiencies discussed above. Absent meaningful minority validation, there is a clear risk that an unfairly low price is imposed through a closed process.

This interaction between an inadequately tested process and a price that has not been convincingly demonstrated to be fair is precisely why heightened scrutiny at the time of the Re-determination is essential.

4. Consideration of Measures to Confirm Minority Shareholder Intent

Given that this transaction results in delisting and a squeeze-out, lacks a MoM condition, and raises material questions regarding the fairness of this process, it is incumbent on for the Board as fiduciaries to all shareholders to take additional steps to confirm minority shareholder intent.

In this context, convening an extraordinary general meeting to solicit minority shareholder views would materially enhance the legitimacy and defensibility of the Board’s Re-determination decision and would be consistent with the Board’s duty of care.

We strongly urge the Board to take these considerations into account in discharging its fiduciary responsibilities to all shareholders. Failure to do so will only confirm our view that the only justification for this deal at that price are sweet and side deals between Honda and SAMIL that will come after the transaction closes, and which will only benefit Honda and deprive Yutaka's minority shareholders of any value. In fact, we were appalled to read in the tender offer document "the possibility of transactions ancillary to this transaction occurring between the Tender Offeror [SAMIL], the Target Company [Yutaka] and Honda." The Board would be well inspired to test the legality of depriving Yutaka's minority shareholders of the true fair value of the company, while on the other hand using Yutaka's assets to benefit the majority owner, Honda, post-closing of the transaction in side deals with SAMIL.

Looking forward to hearing from you,

Best regards,

Albert Saporta

Group CEO

GAM Holding AG

Co-CIO GAM Alternatives [GAM Investments](#)

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Takao Aoshima Chairman

Yutaka Giken Co. Ltd.

Open letter to Bloomberg, Financial Times, Nikkei

December 22, 2025

Dear Aoshima San,

We are the managers of the GAM Japan Special Situations Fund, the GAM Special Situations Fund and the GAM Global Opportunities Fund and have been shareholders in Yutaka Giken Co., Ltd. ("Yutaka") since before the Samvardhana Motherson International ("SAMIL") tender offer was announced. As value-orientated investors we were initially attracted by the large discount Yutaka had been trading at versus what we considered to be fair value. Additionally, we have been active participants in the Japanese market for several decades and as such we were not surprised that Yutaka attracted takeover interest by a third party given its extreme undervaluation, high potential for cost synergies and cross selling opportunities within the Japanese OEM market. However, in all these years we have never witnessed such an egregious takeover offer, with a paltry takeover premium of only 6.4% to Yutaka's undisturbed price, which compares to the average premium of 28.7% on "similar deals" per Plutus, the independent valuation firm hired by Yutaka's independent Special Committee. On this metric alone a tender of price of ¥3,659 per share would be justified.

What is especially disturbing to us (and should be to others as well), despite the huge strides made in corporate governance in the Japanese market over the last decade, is that a Japanese company as prominent as Honda Motor Co., Ltd ("Honda") could demonstrate such a blatant disregard for minority shareholders' rights. Numerous parties are being disadvantaged by this derisory takeover offer: i) Yutaka Giken's minorities shareholders, ii) Yutaka Giken's employees via their collective ownership in the company's ESOP plan and iii) all Honda's shareholders who are being denied fair value for their holding in Yutaka.

The only party who wins here is the buyer, SAMIL, who is acquiring an established, profitable and cash rich Japanese company for free. In fact, if you look at SAMIL's share price reaction in the days after the takeover was announced SAMIL's market cap grew by more than three times the ¥27bn it is paying for its 81% shareholding in Yutaka while India's Sensex index was unchanged. Looking out two weeks after the takeover announcement, SAMIL's market cap grew by almost six times their ¥27bn cash outlay.

Why?

It is simple...SAMIL is buying Yutaka for less than the net cash on Yutaka's balance sheet, **so it's getting PAID** to own the entire profitable operating business of Yutaka!

What is SAMIL paying?

- A) ¥3,024/sh for the 30.34% stake of minority shareholders
- B) ¥1,470/sh for the 50.65% of Honda's stake (leaving Honda's with a 19% stake post deal)
- C) Total blended price for SAMIL's 81% stake of ¥2,052/sh
- D) In monetary terms, SAMIL's total cash outlay will be ¥24.6bn to buy its 81% stake in Yutaka
- E) Implying that 100% of Yutaka is worth ¥30.4bn...a company with net cash of ¥42.2bn!

SAMIL is effectively **getting PAID ¥2.6bn** for the control of Yutaka and getting...

- Revenue of ¥162.0bn – FY 3/26 (Yutaka's forecast)
- Revenue of ¥179.2bn – FY 3/25A
- Revenue of ¥216.3bn – FY 3/24A

- EBITDA of ¥15.3bn (9.5% margin) – FY 3/26 (Yutaka's forecast)
- EBITDA of ¥15.3bn (8.6% margin) – FY 3/25A
- EBITDA of ¥19.8bn (9.1% margin) – FY 3/24A

- Tangible book value of ¥100.2bn (paying a PBR of 0.30x) – Q1 6/25A
- Tangible book value of ¥101.3bn (paying a PBR of 0.30x) – FY 3/25A
- Tangible book value of ¥99.5bn (paying a PBR of 0.31x) – FY 3/24A

- Liquidation value of ¥61.5bn (paying a P/LV of 0.49x) – Q1 6/25A
- Liquidation value of ¥61.6bn (paying a P/LV of 0.49x) – FY 3/25A

To be clear, we are not opposed to the sale of Yutaka Giken itself. On the contrary, we strongly support the need for consolidation within the automotive components industry, and we recognize that this transaction has the potential to enable SAMIL to realize significant synergies and additional revenue opportunities. However, we must express our strong disappointment with the sale process conducted in this case, which was extremely limited in scope, lacking in transparency, and fundamentally flawed from a governance perspective. As a result, the tender offer price presented is at a level that is ridiculously low when measured against any reasonable metric for assessing Yutaka Giken's intrinsic value.

In particular, under the market price method, it is acknowledged that the tender offer price does not reach the average premium levels observed in comparable transactions. Nevertheless, no quantitative justification has been provided to explain why such a limited premium should be regarded as reasonable. The failure to discharge this explanatory responsibility even under the market-based valuation approach, which should be the most objective and readily verifiable metrics, raises serious concerns regarding the overall soundness of the price determination process in this transaction.

Furthermore, with respect to the DCF valuation, the quantitative assumptions underlying the analysis,— including projected cash flows, growth rates, capital expenditures, and discount rates—have not been sufficiently disclosed. This lack of disclosure makes it effectively impossible for external shareholders and investors to independently assess the fairness of the valuation. In addition, there is no indication that the business plan forming the basis of the DCF analysis has been reviewed or validated by an independent third party. Our own DCF valuation, which we will be happy to share, suggests a significantly higher premium based on very modest assumptions. In fact, we would suggest that it is almost impossible to justify Yutaka's offer price based on any reasonable DCF assumptions.

With regards to valuation based on PBR, while the possibility of impairment risks to Yutaka's underlying asset value exists, no analysis has been presented to quantify these risks or to assess what level of PBR would be considered reasonable under realistic assumptions. The absence of such analysis suggests that there has been no visible effort to minimize potential value erosion while seeking to maximize PBR and, by extension, shareholder value.

Taken together, these deficiencies indicate that both the price determination process and the resulting tender offer price fall materially short of the standards expected of a listed company in fulfilling its fundamental obligation to maximize shareholder value.

On a series of objective metrics SAMIL's bid grossly undervalues Yutaka

- i) Average premium on similar deals (would imply a tender price of ¥3,659/sh)
- ii) Tangible book value (would imply a tender price of ¥6,758/sh)
- iii) Liquidation value (would imply a tender price of ¥4,148/sh)
- iv) Enterprise Value/Sales multiple versus sector peers at 0.30x (would imply a tender price of ¥4,148/sh and ¥6,989/sh including the average takeover premium)
- v) Enterprise Value/EBITDA multiple versus sector peers at 3.5x (would imply a tender price of ¥5,224/sh and ¥5,640/sh including the average takeover premium)
- vi) DCF calculation yields a value over ¥7,000/sh

In summary, on most simple takeover metrics, the tender offer price should be at least 50-70% higher than the current ¥3.024/sh being offered to Yutaka's minority shareholders.

In addition to the ridiculously low valuation being paid to both Yutaka's and Honda's shareholders, this transaction leaves several unanswered questions and raises serious concerns about conflicts of interest. Was a proper auction conducted for Yutaka? It appears to us that this transaction was conducted purely amongst Yutaka, Honda, and SAMIL. What are the terms of the SAMIL's 100% purchase of Yutaka Autoparts India Private Ltd.? What are the terms of the SAMIL's 11% purchase of Shinnichi Kogyo being purchased directly from Honda? Both transactions will happen after the tender for the minority shareholders of Yutaka closes. The tender offer document mentions "the possibility of transactions ancillary to this transaction occurring between the Tender Offeror [SAMIL], the Target Company [Yutaka] and Honda." We also question the fact that no proper auction was held in order to maximize shareholder value.

If this transaction proceeds in its current form, it will not only hurt Yutaka's minority shareholders, Yutaka's employees, and Honda's minority shareholders, but will damage the reputation of Japan Inc. and impede the strong progress made over the last decade which has helped transform Japan into a top destination for foreign and domestic capital. We urge Yutaka's to present in full transparency the fairness opinion on the terms of the deal and to either abandon this transaction or seek a significantly higher price. The meetings we had with your company as well as with Honda did not convince us that the board's fiduciary duty to protect all shareholders' interests was respected. Needless to say, we are prepared to use all means at our disposal to protect our investors' interest and to achieve fair value for Yutaka, which we believe is materially higher.

Looking forward to hearing from you,

Best regards,

Albert Saporta

Group CEO

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