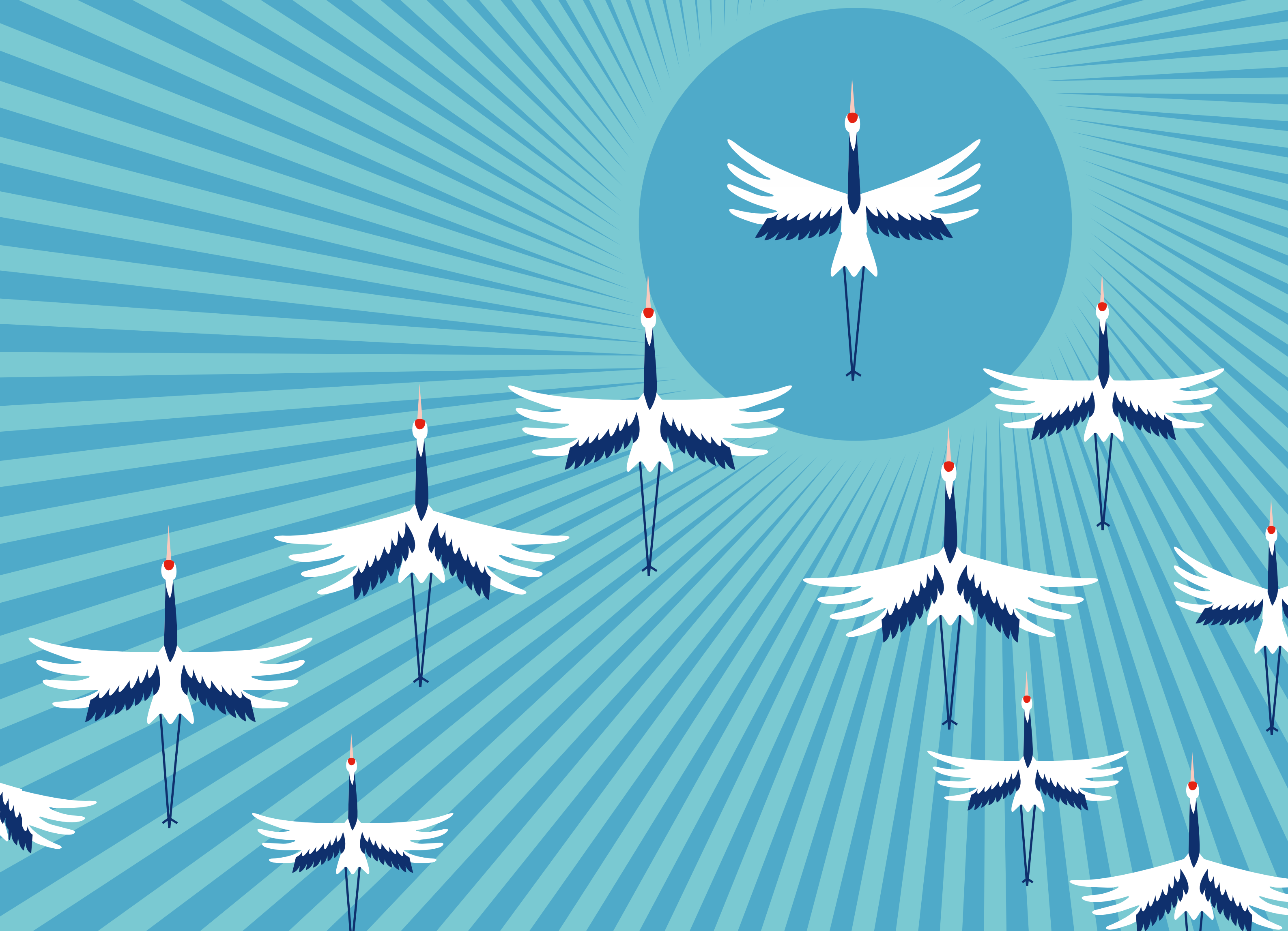
AVI Japan Opportunity Trust

Engage. Improve. Transform.

Annual Report 2024



Annual Report / Welcome

Annual Report 2024

AVI Japan Opportunity Trust plc ("AJOT" or "the Company") invests in a focused portfolio of quality small and mid-cap listed companies in Japan that have a large portion of their market capitalisation in cash or realisable assets.

Net assets:

£212 million*

Launch date:

23 October 2018

Annualised return:

8.9%*

Ongoing Charges Ratio†:

1.5%*

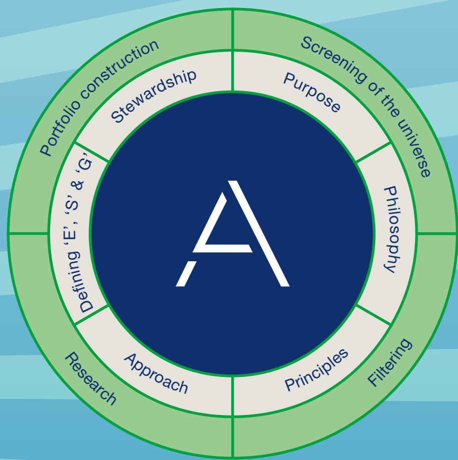
† For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 74 and 75.

* Annualised return net of fees (in GBP) as at 31 December 2024.

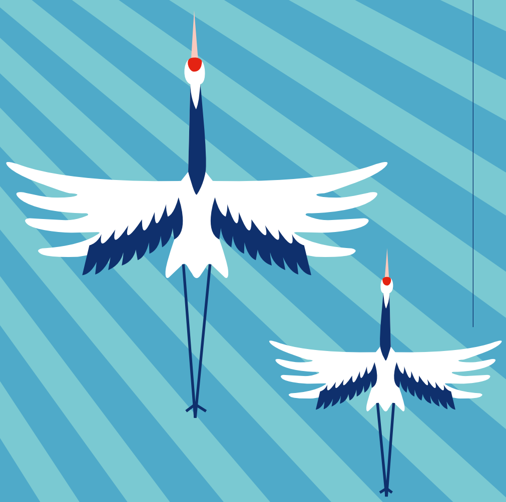
AN ACTIVE APPROACH TO INVESTING RESPONSIBLY

As an active investor, AVI considers all drivers relevant to each company's success, offering suggestions to enhance sustainable corporate value in consideration of all stakeholders and in the best long-term interest of our clients.

We aim to build strong relationships with the boards and management of our portfolio companies. Through constructive engagement, we encourage and expect them to take meaningful action in the context of long-term value creation.



Read more about our ESG Perspective on pages 34 and 35 of the Annual Report



AVI takes a unique approach to engagement by focusing on driving operational improvements in addition to the typical engagement areas of capital efficiency, corporate governance and investor relations.

Norman Crighton, Chairman

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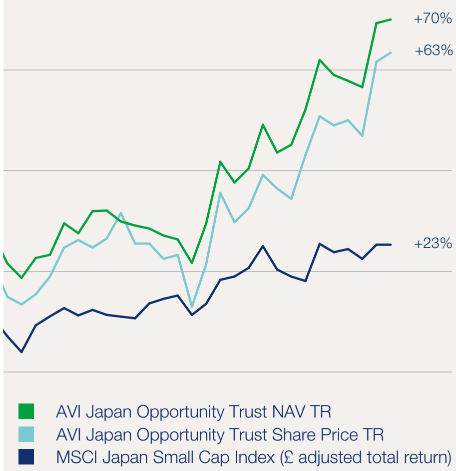
Net Asset Value, Share Price and Benchmark



Our Performance
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The Company's website, which can be found at **www.ajot.co.uk**, includes useful information on the Company, such as price performance, news, monthly and quarterly reports, as well as previous Annual and Half-Year reports.

@AVIJapan
u/avi-ajot
avi-japan-opportunity-trust

Strategic Report / Company Performance

Performance Summary

	31 December 2024	31 December 2023
Net Asset Value	£211,981,000	£182,943,000
Net Asset Value per Share (total return) for the year*	20.9%	15.8%
Share price total return for the year*	19.9%	14.8%
Comparator Benchmark		
MSCI Japan Small-Cap Index (£ adjusted total return)	6.2%	6.9%
Portfolio Valuation*		
Net Cash as % of Market Cap	21.2%	35.8%
Net Financial Value as % of Market Cap	48.4%	49.6%
EV/EBIT	8.7x	8.7x
FCF Yield	6.7%	4.4%
	Year to 31 December 2024	Year to 31 December 2023
Earnings and Dividends		
Profit/(loss) before tax	£38.6m	£25.2m
Investment income	£4.8m	£4.0m
Revenue earnings per share	2.21p	1.76p
Capital earnings per share	25.00p	15.89p
Total earnings per share	27.21p	17.65p
Ordinary dividends per share	2.20p	1.70p
Ongoing Charge*		
Management, marketing and other expenses (as a percentage of average Shareholders' funds)	1.5%	1.5%
	31 December 2024	31 December 2023
Net asset value per share	155.4p	130.3p
Share price	152.3p	127.0p
Discount (difference between share price and net asset value)*	2.1%	2.5%

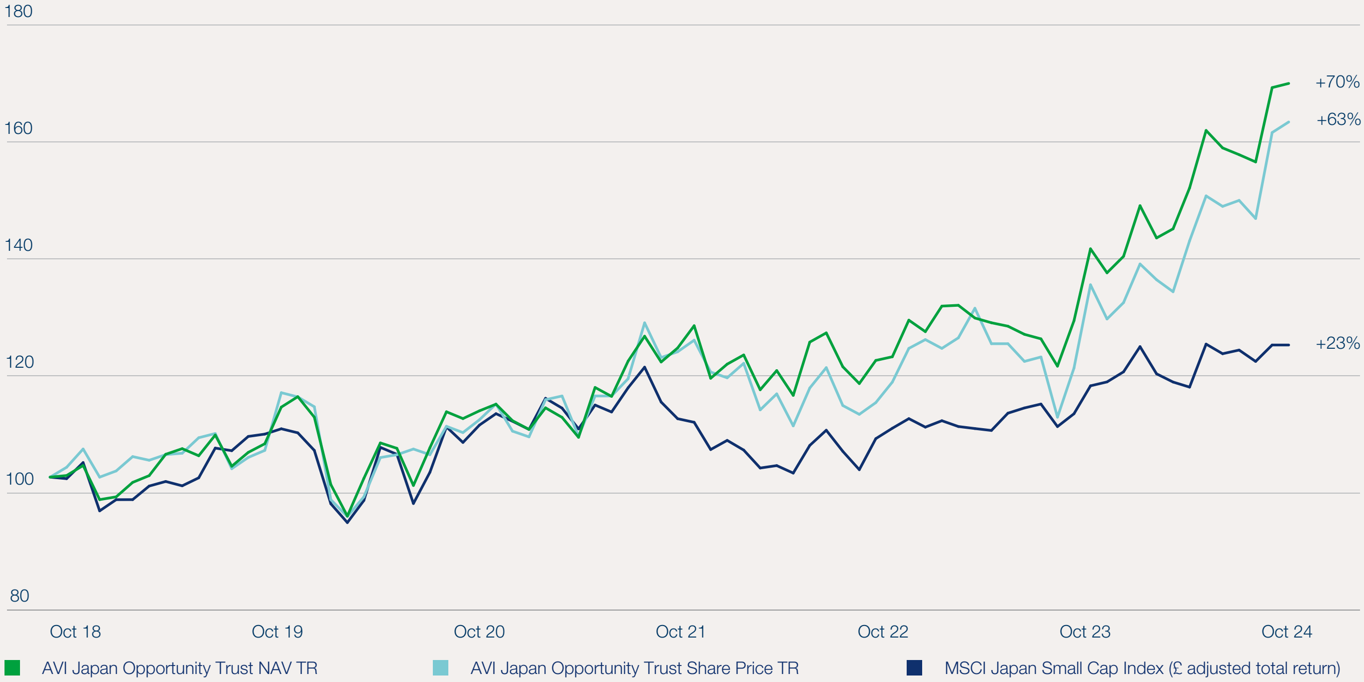
2024 Year's Highs/Lows	High	Low
Net asset value per share	158.6p	122.3p

NAV TR (GBP)	Since inception	2024	2023	2022	2021	2020	2019	2018[1]
AJOT	69.9%	20.9%	15.8%	-4.3%	12.3%	-1.4%	19.0%	-4.0%
MSCI Japan Small Cap	23.5%	6.2%	6.9%	-1.0%	-1.4%	3.2%	14.7%	-6.0%
Relative	*47.9%*	*14.7%*	*8.8%*	*-3.4%*	*13.7%*	*-4.6%*	*4.3%*	*2.0%*

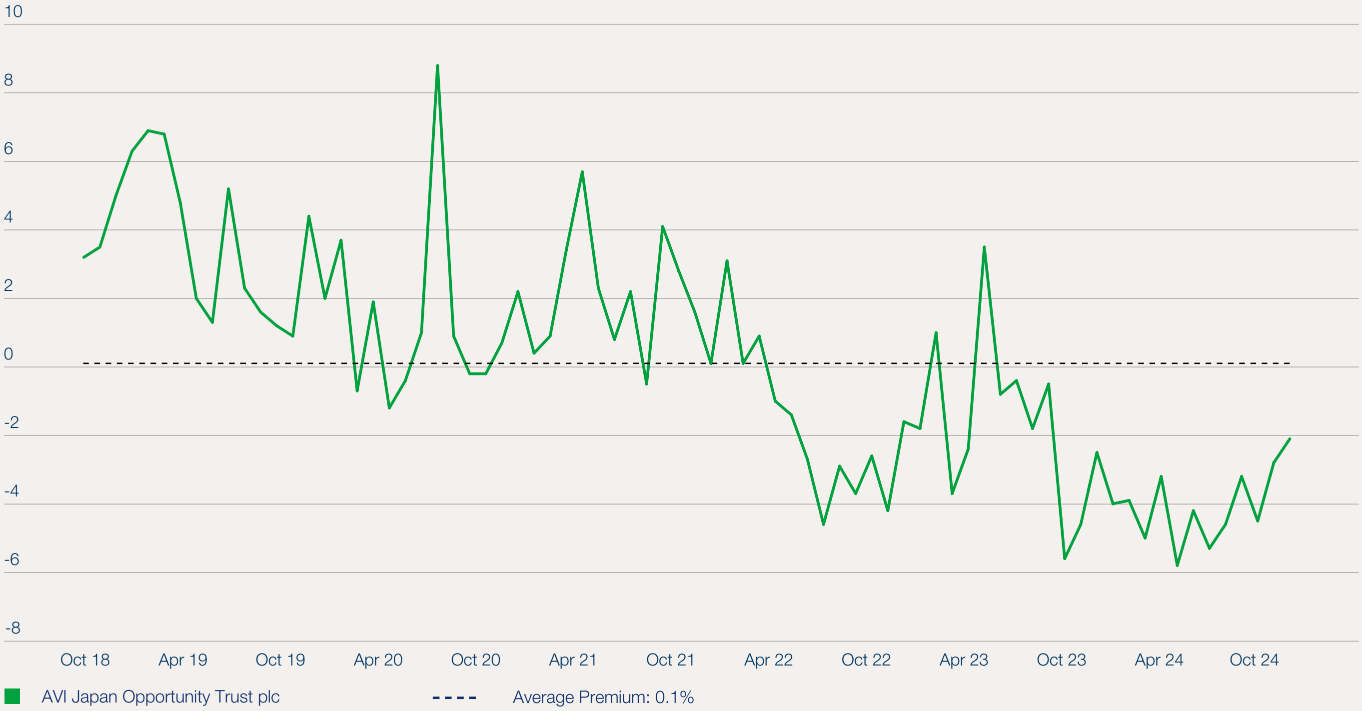
1 Since inception on 23 October 2018.

* For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 74 and 75.

Net Asset Value, Share Price* and Benchmark



Premium or Discount to Net Asset Value (%)



* For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 74 and 75.

Strategic Report / Company Overview

Finding Compelling Opportunities in Japan

OUR PURPOSE

Discovering overlooked and under-researched investment opportunities, utilising shareholder engagement to unlock long-term value.

ABOUT ASSET VALUE INVESTORS

The Company has appointed Asset Value Investors Limited ("AVI" or the "Investment Manager") as its Alternative Investment Fund Manager.

Asset Value Investors ("AVI") has been investing in Japan for three decades. AVI focuses on undervalued companies with resilient and growing earnings, that are overlooked by investors due to non-fundamental factors.

By utilising 40 years of capital markets experience, having analysed and met with hundreds of Japanese companies across a wide variety of industries, AVI works with management teams, making suggestions on how to grow long-term corporate value and address share price undervaluation.

AVI's engagement focuses on four main areas of improvement: capital efficiency, ESG, shareholder communication and operational strategy. While AVI seeks to work privately and collaboratively with management teams, if progress is not made, AVI will consider sharing its ideas with other Shareholders in a public forum.

Capital Structure

As at 31 December 2024, the Company's issued share capital comprised 137,198,943 Ordinary Shares of 1p each, of which 825,716 were held in treasury and therefore total voting rights attached to Ordinary Shares in issue were 136,373,227. As at 1 April 2025 it comprised 137,198,943 Ordinary Shares, 1,075,716 of which were held in treasury, and therefore total voting rights attached to Ordinary Shares in issue were 136,123,227.

Japan Economic Snapshot:

	Japan	Relative to Global
GDP[1]	$4.1tn	4th largest
Population[2]	125m	1.5%
Fortune Global 500 Companies	41	8.2%

1 World Bank Data (2023).

2 Source: International Monetary Fund (2024).

* For definitions, see Glossary on pages 74 to 75

COMPANY OBJECTIVES AND STRATEGY

AJOT aims to provide Shareholders with total returns in excess of the MSCI Japan Small Cap Index in GBP ("MSCI Japan Small Cap"), through the active management of a focused portfolio of equity investments listed or quoted in Japan, which have been identified by Asset Value Investors Limited as undervalued and typically have a significant proportion of their market capitalisation held in cash, listed securities and/or other realisable assets.

From left to right: Shuntaro Shimizu, Luke Hutcherson, Nicola Takada Wood, Kaz Sakai

AVI seeks to unlock this value through proactive engagement with management and capitalising on the increased focus on corporate governance, balance sheet efficiency and returns to Shareholders in Japan.

The companies in the portfolio are selected for their high quality, whether having strong prospects for profit growth or economically resilient earnings.

By investing in companies whose corporate value should grow over time, AVI can be patient in its engagement to unlock value.

Benchmark

The MSCI Japan Small Cap Index.

The Association of Investment Companies ("The AIC")

The Company is a member of The AIC.

KEY PERFORMANCE INDICATORS ("KPIs")

NAV Performance* (2024), 1 Year:

20.9% (2023: 15.8%)

Since Inception ("SI") 69.9%

8.9% SI Annualised

Discount/Premium* (2024):

(2.1)%

Range during the period:

(6.7)% 1.2%

Ongoing Charges* (2024), 31 December 24:

1.5% (2023: 1.5%)

Peer Group NAV Performance (2024):

AVI Japan Opportunity	20.9%
Baillie Gifford Shin Nippon	(9.6)%
Nippon Active Value	15.2%

WHAT DO WE INVEST IN?

AJOT aims to achieve long-term capital growth by engaging with its concentrated portfolio of Japanese equities to unlock value.

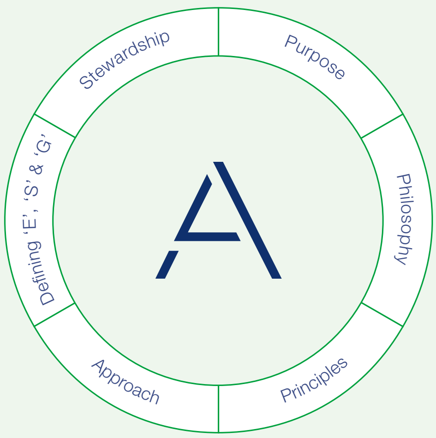
Sector Breakdown (% of Portfolio):

Consumer Durables and Apparel	22%
Capital Goods	15%
Materials	15%
Consumer Discretionary, Distribution and Retail	12%
Health Care Equipment and Services	11%
Software and Services	7%
Real Estate Management and Development	6%
Media and Entertainment	4%
Technology Hardware and Equipment	3%
Telecommunication Services	3%
Household and Personal Products	2%

RESPONSIBLE INVESTORS

What do we invest in?

We believe that the integration of ESG and sustainability considerations into our investment strategy is not only integral to comprehensively understanding each investment's ability to create long-term value, but is also aligned with our values as responsible investors.



OUR CORE VALUES

Engaged

Building relationships with companies, actively working together to improve shareholder value.

Concentrated

Our portfolio of 15-25 holdings means we devote ample resources to research and engagement for every investment.

Long-term

A three to five-year horizon aligns our interests with those of management.

Unique

Discovering overlooked and under-researched investment opportunities to unlock long-term value.

Experienced

Investing in the Japanese market for over two decades, with a dedicated team in London and Tokyo.

Managed at AVI. Visit the website at: **www.assetvalueinvestors.com**

Annual General Meeting

The Company's Annual General Meeting ("AGM") will be held at 11.30 a.m. on Tuesday, 20 May 2025 at the offices of the Association of Investment Companies, 9th Floor, 24 Chiswell Street, London, EC1Y 4YY. Shareholders will be able to submit questions to the Board and AVI ahead of the AGM and answers to these, as well as AVI's presentation, will be made available on the Company's website. Please refer to the Notice of AGM for further information and the resolutions which will be proposed at this meeting.

Strategic Report / Chairman's Statement

NORMAN CRIGHTON

Chairman, Non-Executive Director

Joined the Board in 2018

> AVI takes a unique approach to engagement by focusing on driving operational improvements in addition to the typical engagement areas of capital efficiency, corporate governance and investor relations.

Overview of the Year

On behalf of the Board of Directors ("the Board"), I am pleased to present the Annual Report for 2024 for AVI Japan Opportunity Trust Plc ("AJOT" or "Company"). Since AJOT was launched in October 2018, market-wide reform in Japan has continued to advance, which is supportive of your Manager's constructive engagement strategy. In 2024, regulators stepped up the pressure on companies to improve key issues that are depressing valuations in Japan, such as poor corporate governance, capital efficiency and shareholder communication. Faced with evidence of undeniable change afoot, foreign investors' views are shifting from Japan being a perennially cheap market to one with not only room for rapid growth but with the means to catalyse it.

2024 was an eventful year in Japan, during which the Liberal Democratic Party relinquished its majority in the House of Representatives, the Bank of Japan ("BoJ") ended its ultra-loose monetary policy by symbolically increasing its benchmark rate to 0.25% (increased to 0.50% post-period end), and the Tokyo Stock Exchange ("TSE") piled pressure on underperforming companies by publishing its monthly "name and shame" list.

It was another buoyant year for Japanese equity markets, with the MSCI Japan returning +20.7% over 2024 in Japanese Yen ("JPY"). Large names again outperformed their smaller counterparts, with the MSCI Japan Small Cap index rising a still respectable +16.4% in JPY.

AJOT's performance in 2024 continued the impressive outperformance seen in 2023. AJOT returned +20.9% in GBP and +32.4% in JPY. It outperformed its benchmark over the calendar year by 14.7% in GBP and +16.2% in JPY. The weak Yen, which fell by -8.8% relative to the Pound over 2024, continued to be a headwind to sterling-based returns. Since its inception, AJOT has delivered returns of +69.9% in GBP versus +23.5% in GBP for the benchmark. In JPY terms, the since inception returns are significantly higher, at +130.0% vs +67.1% for the benchmark.

It is particularly encouraging in terms of returns and the investment manager's strategy that four portfolio companies received tender offer bids during the year, as well as one receiving advance notice of a tender offer bid.

Your Manager, AVI, has continued its constructive approach to active engagement with portfolio companies to unlock value. AVI takes a unique approach to engagement by focusing on driving operational improvements in addition to the typical engagement areas of capital efficiency, corporate governance and investor relations. AVI's investment team builds constructive relationships with the management of every portfolio company, holding numerous meetings with senior executives and board directors every year. Private engagement remains AVI's preferred approach to driving reform; however, public engagement is also an important element of the strategy, with two portfolio companies, Aichi Corporation and SK Kaken, the subject of public engagement in 2024. The preferred approach of private engagement has led to notable successes, with detailed letters or presentations sent to 17 portfolio companies over the year.

Dividend

As provided for in the Prospectus at the IPO, the Company intends to distribute substantially all the net revenue arising from the portfolio. The Company paid an interim dividend of 1.00p per share in November 2024, and the Board has elected to propose a final dividend of 1.20p per share, bringing total dividends for the year ended 31 December 2024 to 2.20p per share (2023: 1.70p per share).

Investment Strategy

AJOT listed in October 2018 to take advantage of the highly attractive opportunity to invest in under-valued, over-capitalised Japanese small-cap equities with strong underlying business fundamentals. Active engagement and corporate action are the keys to unlocking valuation anomalies, and AJOT's track record has demonstrated the potential absolute and relative returns this approach can deliver.

Over six years since launch, your Company has performed well in the face of multiple headwinds: lacklustre performance of small-cap stocks (MSCI Small Cap Japan has underperformed its larger MSCI Japan brethren by over 30% in JPY); a marked depreciation of the Japanese Yen which has detracted -60% from GBP returns; and a turbulent global environment encompassing a pandemic, rapidly rising interest rates and multiple geopolitical events. The Board remains confident that AVI is well placed to continue executing the strategy and that there are still plenty of mispriced investment opportunities to discover.

In June, Yoshi Nishio and I attended the AGM of SK Kaken, becoming the first foreign investors to do so. We were likely the first shareholders to ask questions at the AGM. It is hoped that this increased level of direct interaction with a company that had previously been reluctant to meet with AVI will bear fruit in the future. The Directors also took the opportunity to meet with several other portfolio companies as well as our PR agents in Japan.

Share Premium and Issuances

As at 31 December 2024, your Company's shares were trading at a discount of -2.1% to Net Asset Value ("NAV") per share. The Board monitors the premium/discount and carefully manages it by periodically issuing or buying back shares. During 2024, no new shares were issued, while 4,063,475 shares were bought back during the year. As of 31 December 2024, 137,198,943 shares were in issue, a pleasing increase from the 80,000,000 shares at AJOT's launch.

The Directors believe that the performance of the Company since IPO should be attractive to a larger pool of investors and are exploring avenues to grow AJOT.

Realisation Opportunities

At the launch of the Company in October 2018, the Prospectus published at that time stated that the Directors may, at their discretion, offer a full or a partial Exit Opportunity to Shareholders in October 2022 and every two years thereafter. The rationale behind including the Exit Opportunity in the Prospectus was to ensure that if the original investment thesis did not generate the expected returns, or if circumstances had changed to make Japan unattractive, then Shareholders would be offered the opportunity to exit at close to NAV if they wished.

In light of its keen focus on corporate governance, the Board announced its intention to offer the Exit Opportunity on an annual basis (rather than biennially), on that same discretionary basis, from October 2024. The Board therefore expects to offer another Exit Opportunity to Shareholders in October 2025 and every twelve months thereafter.

The Exit Opportunity was structured as a full Tender Offer in 2024, allowing eligible Shareholders to sell 100% of their share capital at a two per cent. discount to NAV. This resulted in 2.58% of the issued share capital being tendered by Shareholders choosing to exercise the opportunity to exit.

Debt Structure and Gearing

As described in the Prospectus, the Board supports the use of gearing to enhance portfolio performance. The Company has in place a ¥2.93 billion debt facility, which was renewed on 2 April 2024. As at 31 December 2024, ¥2.93 billion of the facility had been drawn and net gearing stood at +4.5%. On 28 March 2025, the facility size was increased to ¥6.6 billion.

Source / Araya Industrial Co Ltd

Outlook

The TSE has continued to disclose a list of companies on a monthly basis that have provided information regarding actions to implement policies conscious of the cost of capital and share price. In 2024, the TSE increase the level of accountability for companies by critiquing the quality of disclosures and highlighting key points for foreign investors, such as the availability of English disclosures.

There are several other tailwinds for the strategy, including the unwinding of cross-shareholdings, increasing shareholder activism, private equity firms targeting the Japanese market, and the Japanese government encouraging unsolicited acquisition offers.

The mounting pressure for corporate reform will not subside in 2025. AJOT's focus on finding attractively valued, durable companies and using active engagement to unlock value holds it in good stead to benefit from the changing tide. The portfolio is well-positioned with a concentrated yet diverse collection of high-quality, lowly valued companies, with multiple levers for re-ratings. As a Board, we are confident that AJOT can build on its successful track record of engagement and will continue to deliver attractive returns for investors. AJOT's portfolio companies currently have 48% of their market cap covered by net cash and investment securities and trade at a weighted average 8.7x EV/EBIT multiple.

During the year, Yoshi Nishio and Katya Thomson resigned from the Board to be replaced by Andrew Rose and Tom Yoritaka. I would like to take this opportunity to welcome both Andrew and Tom to the Board, as well as thank Yoshi and Katya for their contribution to the success of the Company since the IPO.

In the coming weeks, I will be meeting any institutional investors who would like to sit down with me, and I hope to see as many Shareholders as possible at our AGM in May. The Board and I remain available to all our Shareholders – institutional and retail – who may wish to discuss an issue or ask a question. As always, please feel free to reach out to me directly at norman.crighton@ajot.co.uk or contact our broker, Singer Capital Markets, to arrange a meeting.

Norman Crighton
Chairman
4 April 2025

Strategic Report / Case Study

A New Wave in Japan

A NEW WAVE

Evidence of corporate reform's impact is mounting, and we would argue that Japan is not only already irrevocably transformed, but that we are also at the beginning of a sea change in corporate culture which will have a long-term and far-reaching impact on the Japanese market.

Tailwinds for Shareholder Constructive Engagement

The market environment in Japan is more attractive and supportive of a constructive engagement strategy than previously, with several key tailwinds, including the following:

01.
Further pressure from the TSE requesting improved disclosure around capital efficiency.

02.
Unwinding of cross-shareholdings.

03.
Increasing shareholder activism impact.

04.
Private equity firms targeting the Japanese market with dry powder.

05.
The Japanese government encouraging unsolicited acquisition offers.

Recent Governance Reform:

- 2012 Abenomics Introduced
- 2014 Stewardship Code
- 2015 Introduced Corporate Governance Code
- 2018 Revised Corporate Governance Code
- 2020 METI M&A Guidelines
- 2021 TSE Market Structure Reform
- 2022 Transition from First Section to Prime
- 2023 METI revises guidelines for Corporate Takeovers
- 2023 TSE enhanced disclosure for companies in parent-subsidiary relationships
- 2024 TSE published a list of companies disclosing plans

Read more at:
www.assetvalueinvestors.com/insight/the-corporate-governance-wave-in-japan-capitalising-on-change/

NICOLA TAKADA WOOD

Managing Director Japan

Although corporate governance reform famously formed late Prime Minister Abe's third arrow, the initial rumblings of change have taken over a decade to not only gain momentum, but to begin to be recognised by foreign investors.

Q What are the main driving forces for the corporate governance reform in Japan?

A Abe's lasting legacy has been supported and cemented by a truly extraordinary coordinated and orchestrated effort from the Tokyo Stock Exchange ("TSE"), the Government, the Bank of Japan, and large domestic asset owners to drive change. The TSE's "name and shame"[1] list of companies who are and, more importantly, who are not taking measures to improve their valuations, is all the more astonishing because it was implemented by a Japanese regulator. This measure alone brought 50% of Japan's c.4,000 listed companies who are trading below 1x PBR[2] firmly into the TSE's crosshairs.

In another power move, the Ministry of Economy, Trade and Industry ("METI") released guidelines in 2023 to promote corporate takeovers. These guidelines emphasise that credible takeover offers must be considered and cannot simply be dismissed. Since then, a number of high-profile unsolicited takeover bids have been launched (e.g. Nidec and Makino Milling, Bain and KKR for Fuji Soft).

Q Are there any particular structures the reforms address?

A Parent-subsidiaries are an area of focus for the TSE where they are making solid progress. Listed subsidiaries often exist purely for the convenience of the parent company, and will have limited, if any, pricing power or real agency over business strategy. The number of parent-child subsidiaries peaked at 407 in 2006 and has since steadily dropped to 219 in 2024. The Alps Logistics buyout in 2024[3] at a 194% TOB premium is an example of the opportunities presented by the existence of parent-subsidiaries.

Q Is private equity playing a part in Japan?

A Over the last few years, large global private equity players have opened offices in Tokyo, actively researching and assessing the market. They have been waiting for the corporate governance seeds sown over a decade ago to bear fruit. Meanwhile, smaller domestic firms have emerged, contributing to an increasingly healthy and sophisticated private equity industry. In 2024, takeover bids in Japan hit an 18-year high, reflecting a significant uptick in activity at a strategy level. Four of our portfolio companies were acquired out over the year. This acceleration in private equity is a direct result of engagement and activism, which has driven change at corporate management level across the market.

Q What is your view towards small-cap companies in this wave of change?

A Small-cap companies in Japan are often known for their weak or utterly lacking shareholder communication in Japanese, let alone English. Alongside their infamously overcapitalised balance sheets, this lack of coverage, knowledge, and access to the small-cap universe is part of the reason why these companies trade at a significant discount to their Japanese and global peers. This makes them an attractive hunting ground for market inefficiencies for those that do the work.

Q Can you share with us AVI's outlook towards the Japanese market?

A Historically, small-caps in Japan have consistently outperformed their larger counterparts, but that pattern was disrupted two years ago when the Yen dramatically weakened by over 30%. The Bank of Japan is under increasing pressure from domestic consumers and companies to ease imported inflation resulting from the weak Yen and has committed to a slow and steady normalisation of monetary policy. The question is how long a weak Yen will weigh on small-caps, and what will happen when we see that pressure start to be released.

Q How does AVI's approach create value amid this wave of change?

A We believe that our engagement and constructive activist approach is particularly suited to Japanese companies. The idea of self-help has percolated slowly through the market over the past ten years, and there is a growing subset of companies who want to improve their valuations, but are not sure how. This is again especially pertinent in the small to mid-cap space.

Thoroughly assessing management prior to investment is a key part of our process. Our team meets with directors, non-executive directors, employees, and industry experts to garner as comprehensive a picture as possible of a company's "engageability". Building strong relationships with the company and maintaining an intense pace of engagement are key pillars of our approach. The team meets each company on average 2-3 times a quarter and conducting approximately 200 meetings in total per year. The Japan strategy's idiosyncratic returns and outperformance over both the small-cap index and the net cash universe are testament to the thoroughness of our process and our efforts to avoid low-quality companies that, even with a push, will likely continue to stagnate.

1 On March 2023, Tokyo Stock Exchange, Inc. ("TSE") requested that all listed companies on the Prime and Standard Markets take "action to implement management that is conscious of cost of capital and stock price".
2 Tokyo Stock Exchange website, as of 19 February 2025.
3 Toyo Keizai newspaper, April 2024.

Strategic Report / Our Top 10 Holdings

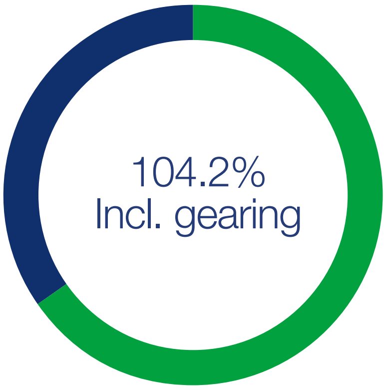
Focus on Small and Mid-cap Businesses

67.8%

The top ten equity investments make up 67.8% of the net assets*, with operating businesses spread across a range of sectors.

* For definitions, see Glossary on pages 74 and 75.

Top 10 Share of Net Assets



% of AJOT net assets	
Top 10	67.8%
Other holdings	36.4%
	104.2%

01. Beenos

% of net assets
10.6%

EV/EBIT
12.5x

Source / BEENOS Inc.

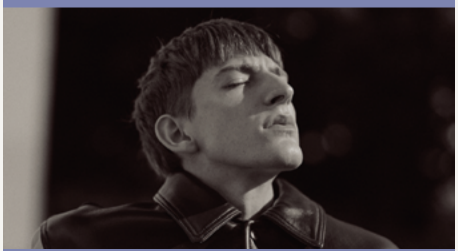
Beenos operates e-commerce platforms allowing overseas consumers to purchase Japanese products. A significant portion of Beenos' profits is derived from its global e-commerce platform, primarily centred around a service called "Buyee", which enables overseas customers to purchase from popular e-commerce sites in Japan, such as Yahoo! Japan and Rakuten. In December 2024, Beenos received advance notice of a tender offer bid at a +19% premium.

02. TSI Holdings

% of net assets
10.3%

EV/EBIT
9.4x

Source / TSI Holdings Co Ltd



TSI Holdings is an apparel holding company with a diversified collection of brands including Pearly Gates, HUF and Margaret Howell. Its unique focus on athleisure and outdoor wear sets it apart from competitors, but it trades at a steep discount due to a bloated balance sheet. Substantial asset backing of net cash, investment securities and real estate obscure the quality of the underlying business.

06. Takuma

% of net assets
5.4%

EV/EBIT
5.1x

Source / Takuma Co Ltd

Takuma builds and operates waste treatment plants for local municipalities in Japan, and with a tight labour market, there is a trend of outsourcing the operation of these plants to the constructor on decade-long contracts. Our strong conviction lies in Takuma's shifting business model, towards recurring revenue streams from maintenance and operation contracts. Almost half of Takuma's balance sheet assets are held in cash and listed securities, accounting for just over 60% of the market cap.

07. Araya Industrial

% of net assets
5.3%

EV/EBIT
2.5x

Source / Araya Industrial Co Ltd

Araya Industrial is engaged in the manufacturing and selling of high-quality, high-performance iron, stainless steel pipes, and other products using metal processing technology Roll Forming. Araya Industrial's customer base is diversified, with significant exposure to stable growth sectors such as semiconductors and public sector construction, particularly for stainless products, which are major contributors to the company's profits. Net cash, investment securities, and real estate cover over 85% of the market cap.

Visit our investment platforms:
www.assetvalueinvestors.com/ajot/how-to-invest/platforms/

36.4%

7 | 8 | 9 | 10

03.

Kurabo Industries

% of net assets
8.5%

EV/EBIT
1.2x

Source / Kurabo Industries Ltd

Kurabo Industries is a diversified conglomerate with significant real estate and investment securities, which accounted for 106% of its market cap at the time of investment in early 2024, which has subsequently fallen to 86% following +47% share price growth. Engaged in the textile, chemical, advanced technology, food & service, and real estate businesses, Kurabo has achieved stable revenues, while its operating margin has doubled in recent years.

04.

Eiken Chemical

% of net assets
7.6%

EV/EBIT
21.0x

Source / Eiken Chemical Co Ltd

Eiken Chemical is a manufacturer of medical diagnostics equipment, operating a high-quality business with a proven track record of growing sales. Eiken Chemical holds a dominant market position in colon cancer screening, with an overwhelming global market share in excess of 70%. Eiken Chemical is set to experience structural growth from the ageing population, and with an open shareholder register, the company is a potential takeover target.

05.

Aoyama Zaisan Networks

% of net assets
6.2%

EV/EBIT
8.7x

Source / Aoyama Zaisan Networks Company Ltd

AZN is a wealth management consultancy with a specialist focus on areas such as property, succession planning, corporate finance, and strategic management of individual assets. AZN is set to benefit from the ageing Japanese population, as the need for inheritance and business succession consulting is on the rise. AZN has successfully maintained an operating margin of over 30% and a double-digit annual profit growth rate.

08.

Konishi

% of net assets
4 .9%

EV/EBIT
5.8x

Source / Konishi Co Ltd

Konishi specialises in the manufacture and sale of synthetic adhesives and sealants, primarily serving the civil engineering construction sector. Konishi manufactures the No.1 household adhesive brand in Japan, "Bond". The company also produces adhesives and repair materials for civil engineering infrastructure projects, as well as industrial chemicals and synthetic resins. The company has substantial asset backing, with net cash, investment securities, and real estate covering more than 30% of the market cap.

09.

Aichi Corporation

% of net assets
4.6%

EV/EBIT
8.7x

Source / gilaxia via Getty Images

Aichi Corporation is a manufacturer of construction machinery such as aerial work platforms, digger derricks, and other special-purpose vehicles. In addition to the sale of specialised machinery, Aichi Corporation also provides maintenance services, which account for nearly a quarter of total sales and offer higher profit margins. The company is a listed subsidiary of Toyota Industries, which owns over 50% of the shares.

10.

Sharing-technology

% of net assets
4.4%

EV/EBIT
9.6x

Source / SHARING-TECHNOLOGY INC

Sharingtechnology operates one of the largest life service matching platforms in Japan, connecting a variety of user needs with high-quality services. With nearly 200 specialised websites and over 6,000 external service providers, the most frequent services catered for include lost keys, lawn mowing, and termite control. There are several tailwinds to support continued growth, including the declining Japanese population and the projected increase in the number of single-person households.

Strategic Report / Investment Manager's Report

Manager's Commentary

JOE BAUERNFREUND

Portfolio Manager

Looking ahead, we remain confident in the potential for further outperformance, as we continue to focus on high-conviction investments in undervalued companies and drive the catalyst for change.

Last year's Manager's Commentary concluded with the assertion that "the potential for alpha generation has never been higher, and we are excited by the abundant opportunities in the year ahead". Given your Company's strong performance in 2023, this statement required a certain level of confidence in our ability to capitalise on the opportunities of 2024. We are pleased to report that this optimism proved to be warranted. In 2024, AJOT's NAV rose by an impressive +20.9% (in GBP), significantly outpacing the benchmark, which returned +6.2%.

It was a year full of activity, both within the portfolio and in the broader Japanese market. Following their impressive returns in 2023, Japanese indices booked another buoyant year, with the MSCI Japan Small Cap Index and MSCI Japan Index up +16.4% and +20.7% respectively (in JPY). As with last year, headline performance favoured large-cap value stocks, mainly attributable to the continued depreciation of the Japanese Yen. Over the last two years, the persistent devaluation of the Yen has driven earnings at large multinational exporters, with Topix Core 30 companies outperforming the Topix Small Cap section by +27% during that period. Despite this formidable headwind for our predominantly domestically oriented companies, the portfolio managed to deliver an impressive +32.4% return (in JPY).

The volatility seen across the equity, bond and foreign exchange markets in late July and early August reinforced our conviction in the resilience of the strategy, and 2024 proved to be a year in which keeping your head was paramount. In the market turmoil that followed the Bank of Japan's ("BoJ") benchmark rate hike (by 15bps), the managers increased some positions into the weakness and were reassured when the portfolio recovered to pre-hike levels within a month. Given the corresponding currency volatility that ensued, it is important to remind shareholders that around 80% of AJOT portfolio company revenues derive from the domestic market and are therefore positioned to benefit from a stronger Yen. Given the changing macroeconomic environment in Japan and the BoJ's slowly-but-surely approach to policy tightening, we believe there is potential for foreign investors to shift their focus toward smaller companies that are shielded from the possibility of further Yen strength.

An additional tailwind for small-cap names could be reforms brought into the NISA (Japanese ISA) programme in January. The original NISA programme was introduced in 2014 to encourage a shift from Japanese households' cash assets into securities. The Government has proposed plans to double NISA purchases over five years, by more than doubling the amount of tax-free investment that can be made by individuals and extending their period of use. NISA purchases enjoyed a strong start in 2024[1], but with Japanese households still holding cash assets of over a quadrillion[2] Yen (£5 trillion), this trend is likely to unfold over years rather than months.

In late September, the revolving door of Japanese leadership swung once again, with Shigeru Ishiba being appointed as the new Prime Minister and leader of the Liberal Democratic Party ("LDP"). Since the election, Ishiba has demonstrated a clear commitment to fiscal stimulus, emphasising the need for greater investment over to savings. We anticipate that the Ishiba administration will follow a path similar to that of former Prime Minister Kishida. Consequently, we do not foresee this leadership transition disrupting Japan's ongoing corporate governance reforms or our engagement strategies with portfolio companies.

Down the road at the Tokyo Stock Exchange ("TSE"), CEO Yamaji-san seems to have the proverbial bit between his teeth, as he continues to implement truly ground-breaking reforms for listed companies. In January, the TSE began publishing on its website the now infamous "name and shame" list of corporates who are taking measures to improve their share prices, and crucially, those who are not. Later in the year, that list was refined to scrutinise the quality of disclosures and improve accountability of companies who say they will implement measures, even listing examples of company "bad practices".

The TSE has also focused its attention on the characteristically Japanese structures of parent-child listed subsidiaries and cross-shareholdings. We are witnessing subsidiaries being acquired or subsumed, with the opportunities for such moves amplified by the unwinding of cross-shareholdings. The Tokyo bourse is keen to untangle the web of cross-shareholdings that have developed over decades among parent-child subsidiaries, suppliers, clients, business affiliates and in some cases, even personal relationships. These cross-shareholdings can lock a meaningful percentage of voting stock into shareholders allied with company management, effectively creating a de facto poison pill and disadvantaging minority shareholders.

1 ¥10 trillion in 1H2024, Morningstar Research, July 2024.

2 Bank of Japan quarterly survey, 18 December 2024.

We are invested in a number of situations where cross-shareholdings make up at least part of the Notional Vendor Finance ("NVF") on the balance sheet, and selling down those cross shareholdings and using proceeds to buy back shares is often a first port of call when engaging with boards on capital efficiency. The TSE have promised further measures in 2025, and we eagerly anticipate the unveiling of their plans.

Meanwhile, private equity interest in Japan continues to grow, with global funds further expanding their Japanese presence and levels of activity. In October, KKR founder Henry Kravis famously cited his co-founder George Roberts in a Nikkei op-ed, saying "If I were 30 years old today and I could speak Japanese, I'd go to Japan" and we would agree. The overlooked, asset-backed, quality small-cap companies that AJOT typically invests in have proven to be an attractive universe for private equity to deploy their burgeoning keg of "dry powder". We exited four positions during the year through tender offer bids at average premiums of +83% to the undisturbed share prices.

In parallel with the developing constructive backdrop, your Company's stock selection and active, constructive engagement with portfolio companies continued to bear fruit. Throughout the year, we continued to identify compelling opportunities in Japan's small-cap market, which remains under-researched and underperforming relative to large caps. This presented us with abundant opportunities to selectively add promising companies to the portfolio. Over the course of 2024, AJOT added 13 new positions, which collectively contributed +16.1% to performance. These companies are typically undervalued and offer significant upside potential, with each positioned for improvements in governance, capital allocation and operational efficiency. We also engaged extensively on shareholder communication, board independence, tenure, and diversity, as well as environmental and social issues.

Our engagement with portfolio companies remains a core part of our strategy. We filed shareholder proposals with several companies, including SK Kaken, where we have now filed proposals for four consecutive years. Our investment team's focus and commitment to active engagement remain resolute, as evidenced by over 150 meetings with corporate management in 2024 on top of extensive presentations and letters.

These efforts and improvements have not gone unnoticed by the market, and we have seen share price appreciation in accordance with engagement successes. Moreover, we are pleased to report that four portfolio companies received tender offer bids in 2024. Conveyor belt and parking system provider NC Holdings, held by AJOT since 2021, was bought out by domestic private equity firm and large shareholder Miri Capital in June. This was followed by food seasonings maker Yaizu Suisan Kagaku and a listed subsidiary, Alps Logistics, in May, as well as entertainment company Sun Corporation with a partial tender offer bid. Alps had been in the portfolio since inception in 2018 and was another private equity buyout at a 194% premium to the undisturbed pre-rumour share price. Finally, e-commerce player Beenos received an advanced notice of a tender offer from strategic buyer LY Corporation in December. Corporate action and private equity activity are clearly gaining momentum in Japan, which should continue to be a boon for our strategy next year and beyond.

At the end of 2024, the portfolio's EV/EBIT ratio stood at 8.7x versus 14.7x for the MSCI Small Cap benchmark, with net-financial value (NFV) accounting for 48% of the portfolio's weighted market cap. These metrics underscore the significant discounts at which AJOT's portfolio companies trade relative to their peers, largely due to issues such as over-capitalised balance sheets, poor IR disclosure and poor governance. This dislocation creates a fertile environment for our activist approach, which seeks to unlock value through engagement and operational improvements.

Looking ahead, we remain confident in the potential for further outperformance, as we continue to focus on high-conviction investments in undervalued companies and drive the catalyst for change. The lack of research coverage of small-caps and their relative underperformance to large-caps continue to present us with abundant opportunities. We remain committed to selectively adding the most promising companies to our concentrated portfolio of 15-25 holdings.

Strategic Report / Investment Manager's Report continued

Contributors

01

Beenos

Contribution (GBP)	% of net assets
7.5%	10.6%
EV/EBIT	**NFV/Market Cap**
12.5x	44%

C

Beenos, an operator of e-commerce platforms allowing overseas consumers to purchase Japanese products, was the largest contributor in 2024, adding +754bps to performance as its share price rose +178%.

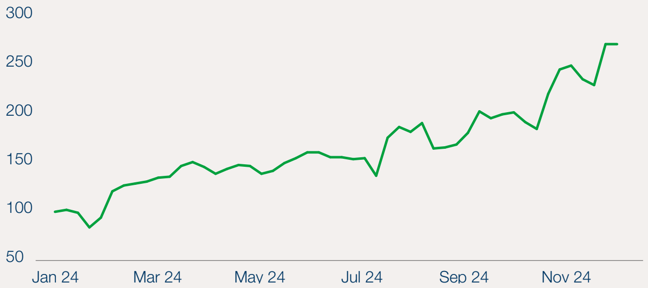
A significant portion of Beenos' profits is derived from its Global E-commerce platform. This is primarily centred around a service called "Buyee", which enables overseas customers to purchase items from popular e-commerce sites in Japan, such as Yahoo! Japan, Mercari, and Rakuten. Buyee's gross merchandise value has experienced robust growth at an annual rate of +31%.

Beenos' strong performance over the year was capped off by the announcement on 18 December that it had received advanced notice of a tender offer bid of ¥4,000 per share at a +19% premium to the previous day's closing price. Beenos' performance was supported by the weakening of the Yen, however, a reversal of this trend could harm the company's profits. AJOT's performance will not be impacted, assuming the aforementioned tender offer is successfully completed.

We initiated our position in Beenos in January 2024, with several other constructive engagement funds and other investors joining AVI on the shareholder register following AVI's first large ownership declaration in February. As a large shareholder owning about 10% of the voting rights of Beenos, we have engaged extensively with the board of Beenos on ways to enhance sustainable long-term corporate value. Beenos serves as another example of how AJOT's concentrated portfolio of asset-backed small to mid-caps can benefit from AVI's active engagement strategy against a backdrop of rapidly increasing corporate activity in Japan.

At year end, Beenos is the largest holding in the portfolio, accounting for 10.6% of AJOT's NAV. The investment has generated an ROI of +125% for an IRR of +188%.

Indexed Share Price



Since position in AJOT initiated (Jan 2024)

BEENOS Inc

Following AVI's initial 5% stake declaration, several other activists followed suit. With activists owning a combined 40% of the company, LY Corporation placed a tender offer bid for the company at a 19% premium to the share price.

Source / BEENOS Inc

02 Alps Logistics

Contribution (GBP)	% of net assets
4.4%	N/A
EV/EBIT	**NFV/Market Cap**
N/A	N/A

C

Alps Logistics, a provider of logistics services such as warehousing and distribution, was the second largest contributor, adding +438bps to performance, having received a tender offer bid in February 2024.

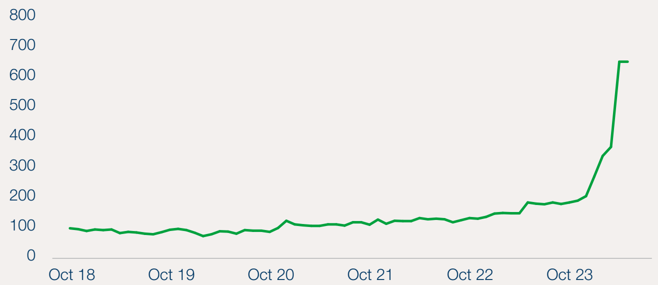
News first broke in Q1 2024 that parent Alps Alpine was considering selling its 49% stake, due to a deterioration in its business. To address the cash flow gap in their mid-term plan, they announced earlier in the year their intention to explore asset sales.

In a takeover bid that reflects the true underlying value of the company and showcases the stark valuation differential between listed and private companies in Japan, KKR-controlled Logisteed paid a 194% premium to the undisturbed, pre-rumour price in February to privatise Alps Logistics.

We believe this premium was reflective of the true value of the company, with Alps Logistics being one of eight portfolio companies to be privatised since AJOT's inception. Alps Logistics was held in the portfolio since AJOT inception in 2018, and during this time, AVI's engagement with management focused on ways to enhance corporate value and address the parent/child subsidiary relationship with Alps Alpine.

Over the more than five-year holding period, the investment in Alps Logistics generated an ROI of +332% for an IRR of +39%.

Indexed Share Price



Since position in AJOT initiated (Oct 2018 at inception)

03 Kurabo Industries

Contribution (GBP)	% of net assets
3.0%	8.5%
EV/EBIT	**NFV/Market Cap**
1.2x	89%

C

Kurabo Industries, a diversified conglomerate, was another significant contributor to performance, adding +298bps as its share price increased +105%.

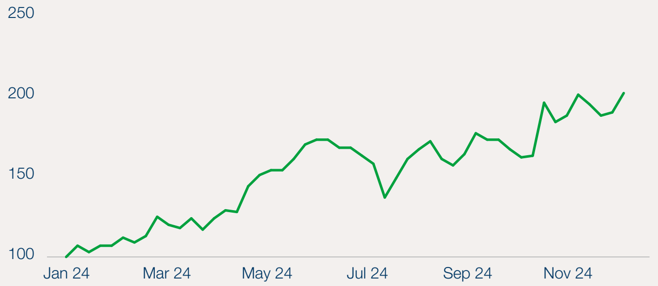
Initially founded as a textiles business, the company is now also engaged in chemical, advanced technology, food & service, and real estate businesses. Kurabo Industries has a history of stable revenues, while it has doubled its operating margin in recent years.

The company has significant real estate and investment securities backing, which accounted for 106% of its market cap at the time of investment in early 2024, subsequently falling to 89% due to share price growth. During the year, Kurabo made improvements in the chemical and advanced technology segment, leading to improved profit margins especially for its semiconductor business.

Much of our engagement to date has focused on encouraging management to address its asset-heavy balance sheet, improve capital efficiency, and focus resources on the successful advanced technology and chemicals segments, rather than laggards such as the textiles business. We have been pleased to see the early results of the company's transformation in November 2024, when Kurabo announced an increase in dividends to a 35% payout ratio and share buybacks amounting to 5.3% of its shares outstanding.

Since initiating our position in January 2024, the investment has generated an ROI of +40% for an IRR of +81%. We see substantial upside remaining to the current share price, and accordingly, Kurabo Industries accounted for 8.5% of AJOT's NAV at year end as the third largest position.

Indexed Share Price



Since position in AJOT initiated (Jan 2024)

Strategic Report / Investment Manager's Report continued

Contributors continued

04 TSI Holdings

Contribution (GBP)	% of net assets
2.6%	10.3%
EV/EBIT	**NFV/Market Cap**
9.4x	70%

C

TSI Holdings ("TSI"), the apparel holding company and second largest position in AJOT, saw its share price rise by +47% in 2024, contributing 255bps to performance as the fourth largest contributor.

As noted in our Q2 newsletter, TSI announced a new mid-term plan in April, which, for the first time, disclosed a quantified shareholder return. The plan aims for a 4% dividend on equity target by FY27/3, coupled with an ambitious business optimisation plan to elevate operating margins to 6% (from the current 1%).

As TSI's largest shareholder, holding 10% of the vote across AVI funds, we were pleased to see that the company had actioned many of our suggestions. TSI has received substantial constructive and private engagement from us this year, and we commend management for their proactive approach in listening to shareholders.

With net cash and investment securities accounting for more than 70% of the market cap, capital efficiency has been a key focus of our engagement with the company. After period-end, TSI sold its former headquarters building, located in central Tokyo, for a price higher than the company's appraisal value and equivalent to approximately 30% of its market cap.

At year end, TSI Holdings accounted for 10.3% of NAV, reflecting our conviction in the potential upside to be unlocked through AVI's constructive engagement with management. TSI Holdings was added to the portfolio in July 2022, and the investment has so far generated an ROI of +114% for an IRR of +51%.

Indexed Share Price

Since position in AJOT initiated (Jul 2022)

05 Aoyama Zaisan Networks

Contribution (GBP)	% of net assets
2.0%	6.2%
EV/EBIT	**NFV/Market Cap**
8.7x	29%

C

Aoyama Zaisan Networks ("AZN") was the fifth largest contributor during the year, adding 200bps to performance as its share price rose by 89%.

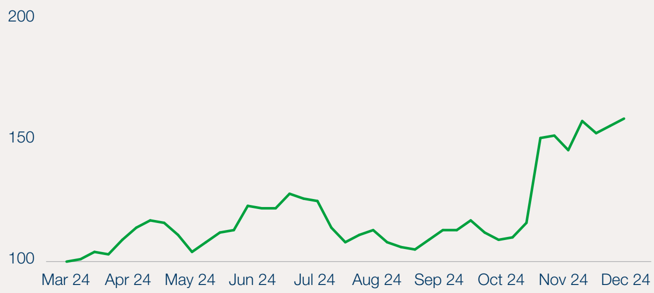
AZN specialises in providing wealth management consulting services across areas such as property, succession planning, corporate finance, and strategic management of individual assets. AZN is set to benefit from the ageing Japanese population as the need for inheritance and business succession consulting is on the rise.

In November, AZN disclosed favourable earnings, with EBIT and revenue increasing year-over-year by 39% and 24%, respectively. Importantly, for the first time, the company also announced a buyback programme, equal to 6% of the market cap, aiming to prevent dilution caused by the most recent share exchange deal with audit firm Chester Group. This aligns with AZN's belief that its capital allocation policy should be a core focus of the company.

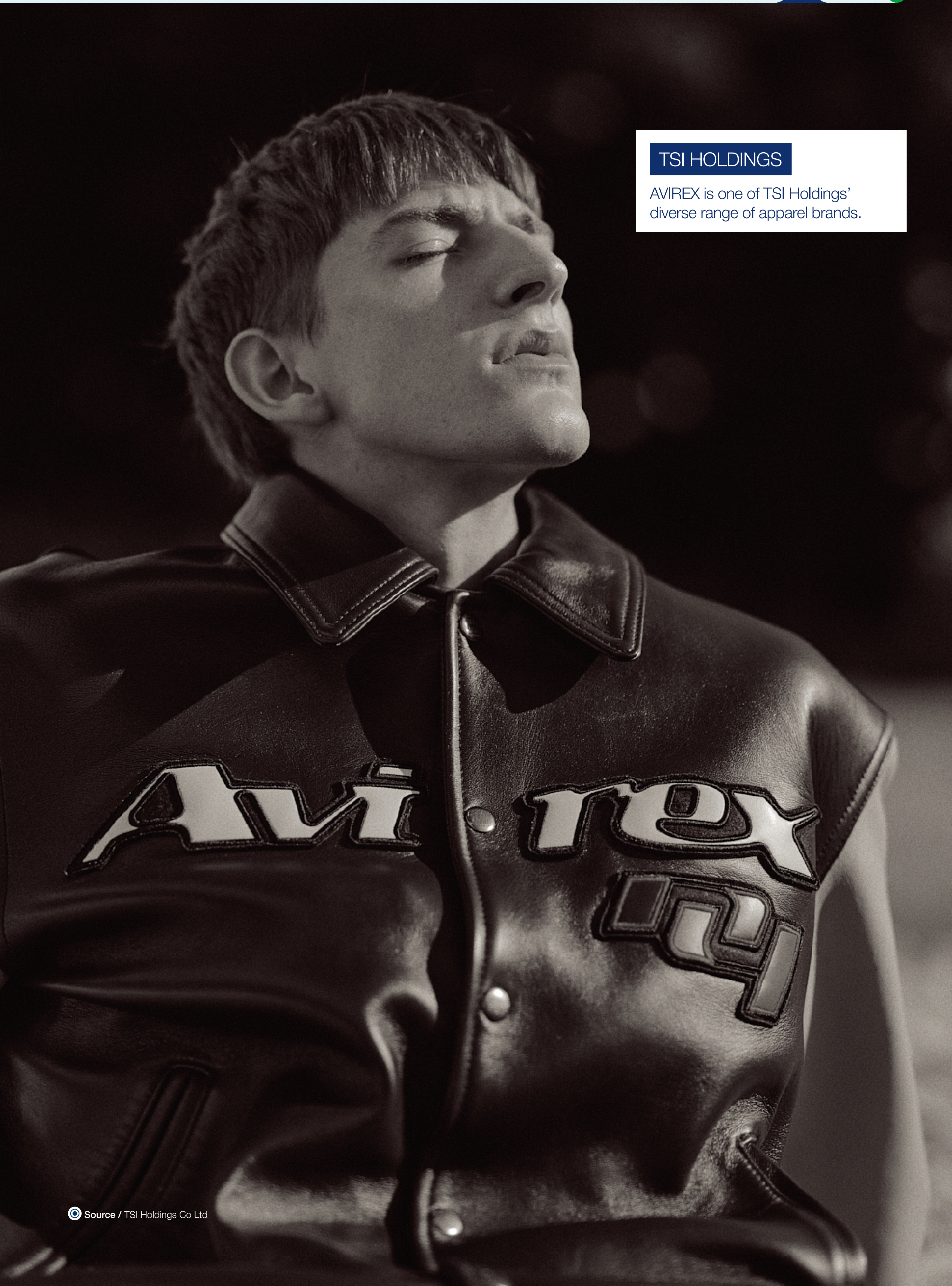
At the time we initiated our investment in March 2024, AZN's stock price had been flat for the past five years, despite operating income continuing to grow steadily and non-operating assets expanding to approximately 47% of market cap as of the end of December 2023.

Since initiating our position in AZN, the investment has generated an ROI of +34% for an IRR of +75%. We anticipate unlocking substantial upside to the current share price through our constructive engagement initiatives with management. At year end, AZN accounted for 6.2% of AJOT's NAV as the fifth largest holding.

Indexed Share Price



Since position in AJOT initiated (Mar 2024)



TSI HOLDINGS

AVIREX is one of TSI Holdings' diverse range of apparel brands.

Source / TSI Holdings Co Ltd

Strategic Report / Investment Manager's Report continued

Detractors continued

06	Contribution (GBP)	% of net assets
	-1.4%	3.6%
	EV/EBIT	NFV/Market Cap
	17.6x	15%
Nihon Kohden		D

Nihon Kohden, a manufacturer of medical electronics, was the largest detractor over the year, reducing performance by -145bps as its share price fell -2%.

Nihon Kohden released its much-anticipated mid-term plan in May 2024, which we had been engaging on behind the scenes. It was a comprehensive and ambitious plan that caught the market by surprise; a 70-year-old, conservative medical company putting forward a transformation plan was certainly unexpected. While we were pleased, it was less surprising for us, as we have been in regular dialogue with the founder's grandson and President, whom we identified as both motivated and possessing sufficient power to drive corporate reform.

Towards the summer of 2024, however, Nihon Kohden saw its operating margin decline due to headwinds to the hospital sector in Japan. Having previously been a top five holding, by year end, Nihon Kohden accounted for 3.6% of AJOT's NAV. We trimmed the longstanding position, noting the change in the hospital sector environment. AVI has engaged successfully with Nihon Kohden throughout the holding period on matters such as capital efficiency and corporate governance, with the ambitious mid-term plan disclosed in May 2024 as the culmination of our engagement. During Q4 2024, we strategically reallocated capital to more promising opportunities, which have greater scope for improvements through our constructive engagement with management.

We have; held Nihon Kohden in the portfolio since September 2022, generating an ROI of +35% for an IRR of +17% to date. Post-period end, we exited the position fully in February 2025.

Indexed Share Price

Since position in AJOT initiated (Sep 2022)

NIHON KOHDEN

Over the two-year holding period, AVI engaged extensively with the manufacturer of medical equipment.

Source / ozgurdonmaz via Getty Images

07

Contribution (GBP)

-1.3%

% of net assets

1.7%

EV/EBIT

10.8x

NFV/Market Cap

3%

D

Jade Group

Jade Group ("JADE"), an operator of apparel e-commerce sites, was the second largest detractor over the year, detracting -126bps from performance as its share price declined -28% amidst uncertainty surrounding the post-merger integration (PMI) of Magaseek, which it acquired in early 2024.

Investor relations and adequate communication with investors is one of the core agendas of the corporate reform occurring in Japan. The TSE is pushing for companies to improve their disclosure, particularly to foreign investors, with substantial discounts applied to the valuations of companies failing to meet the rising expectations. After making an acquisition as pivotal as Magaseek, which JADE initially expected to double gross merchandise value and operating profits within two financial years, JADE left the market disappointed by the lack of consistent disclosure.

During Q2 2024, JADE's share price was strong on the back of a press release made in July, which showed signs of successful post-merger integration of Magaseek in a demonstration of improved IR communications, an area in which much of our recent engagement had focused. Unfortunately, since the announcement in July 2024, JADE has not made adequate disclosures around the significant acquisition, leaving shareholders and prospective investors in the dark on its progress. In its FY25 Q2 presentation material released in October 2024, rather than provide a clear timeline for cost-cutting measures, management alluded to cross-sales as the likely method to revitalise sales to meet the FY25 forecast. This sent the share price down nearly -15% in the week that followed, and it drifted a further -11% lower to year end. Operating income guidance was revised downward post-period end.

Indexed Share Price

Since position in AJOT initiated (Nov 2021)

Since we initiated our position in November 2021, JADE has made several acquisitions in pursuit of its ambitious growth path to cement itself as the No.2 player in Japan's ¥2.4 trillion fashion e-commerce market. We have supported management in pursuing this growth. However, with the market-wide reform occurring in Japan, the importance of investor relations cannot be understated, and we believe JADE needs to make immediate improvements to meet the market's rising expectations.

We maintain consistent sell discipline with each of our investments as the situation changes since our initial investment thesis. Accordingly, with net cash reduced following several M&A transactions, uncertainty around plans for margin improvement through PMI, and management's apparent lack of urgency to enhance IR disclosure, we have reduced our position in JADE to 1.7% of NAV at year end. We will closely monitor the situation, as JADE maintains potential for strong earnings growth in the coming years.

To date, the investment has been successful, supported by our engagement strategy and timing, and we have generated an ROI of +32% for an IRR of +14% over the more than three-year holding period.

Strategic Report / Investment Manager's Report continued

Detractors continued

08	Contribution (GBP)	% of net assets
	-1.1%	5.4%
	EV/EBIT	NFV/Market Cap
	5.1x	53%
Takuma		D

Takuma, a waste treatment plant engineering company for local municipalities, reduced performance by -106bps, as the third largest detractor saw its share price decline by -4% over the year.

Takuma has built 120 waste treatment facilities in Japan, 60% of which already have operating contracts, leaving further room for expansion over the coming years. With a tight labour market, there is a trend of outsourcing the operation of these plants to the constructor on decade-long contracts. This trend underpins our investment thesis for Takuma, with the business gradually shifting towards recurring maintenance and operation contracts.

In May 2024, the market was left disappointed by the announcement of Takuma's underwhelming mid-term plan, with the share price declining by -12.0% in the subsequent day of trading.

Positively, the mid-term plan demonstrated improved transparency around quantitative targets (such as orders intake and ROE targets), and, for the first time, disclosed a disciplined shareholder returns policy. This included a 50% payout policy, a 4% dividend on equity target, and the intention to buy back 3.8% of shares outstanding this year, with a similar amount during the following two years. However, the next three years' profit guidance left much to be desired, with next year's conservative operating profit guidance of ¥11.2 billion falling short of the consensus estimate of ¥13.4 billion. Having faced much criticism from the stock market and with AVI's patient, constructive engagement, Takuma decided to upgrade its mid-term plan in November 2024, increasing the ROE target and shareholder returns.

Having so far achieved an ROI of +18% and an IRR of +13% in our near two-year holding period, we will continue engaging with management on methods to enhance capital policy and improve operating efficiency. We see substantial upside to the current share price, with Takuma's 5.4% weight as the sixth largest position in AJOT reflective of our conviction.

Indexed Share Price

Since position in AJOT initiated (Apr 2023)

Source / Takuma Co Ltd

09

Contribution (GBP)
-1.0%

% of net assets
2.0%

EV/EBIT
7.2x

NFV/Market Cap
34%

Shin-Etsu Polymer

D

Shin-Etsu Polymer, a manufacturer of moulded plastics and a listed subsidiary of Shin-Etsu Chemical, reduced performance by -98bps as we reduced our position, although its share price rose modestly by +1%.

The companies' business operations are intertwined, and the management of both companies have indicated that they are aware of some of the key parent-subsidiary listing issues. Beyond the prospect of a buyout by Shin-Etsu Chemical, our interest in Shin-Etsu Polymer stems from its discounted valuation and its growing wafer carrier cases business.

Much of AVI's engagement with Shin-Etsu Polymer has focused on ways to rectify its poor corporate governance and low valuation. After meeting with the company in 2024, we lost some conviction in management's ambition to grow corporate value and in the company taking adequate steps to address the conflicts and corporate governance shortcomings of its parent-subsidiary relationship. We continue to believe that the parent-subsidiary relationship is harming Shin-Etsu Polymer's corporate value and that, as many listed subsidiaries in Japan have done already, it should be eliminated.

With abundant opportunities in our under-research investment universe, we reduced our position in Shin-Etsu Polymer to 2.0% of AJOT's NAV by year end. This is in line with our commitment to focus our engagement efforts on companies where we see potential for immediate improvements through implementing our suggestions, as we drive catalysts to unlock substantial value.

To date, the investment has generated an ROI of +56% for an IRR of +19%.

Indexed Share Price

Since position in AJOT initiated (Dec 2021)

Portfolio Trading Activity

In a busy year of trading, which saw 13 new names enter the portfolio, turnover was an elevated 68% due to four portfolio companies receiving tender offer bids, as well as one receiving an advance notice of a tender offer bid. On an adjusted basis for these buyouts, as well as trades in three regional banks, turnover was in line with the historical average (35%) at 38%. The approximate holding period for our strategy is three to five years, however, this may be shortened by catalysts such as tender offers, as a result of our active engagement approach.

The largest purchases over the period were in new positions to the portfolio in 2024, namely Kurabo Industries, Aoyama Zaisan Networks, Beenos, Araya Industrial and Raito Kogyo. Four of these names were top 10 positions by year end.

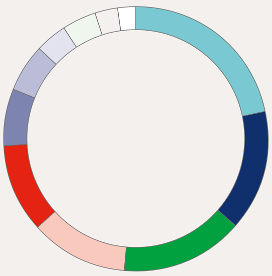
The largest sale during 2024 was Alps Logistics, which, as discussed above, received a tender offer in February at a +194% premium to the undisturbed share price. NC Holdings, which also received a tender offer during the year, was the second largest sale. Outside of these, the largest sales were in longstanding positions such as Nihon Kohden, Digital Garage and Shin-Etsu Polymer.

Strategic Report / Portfolio Construction

The objective of AVI's portfolio construction is to create a concentrated position in about 15-25 holdings, facilitating a clear monitoring process of the entire portfolio.

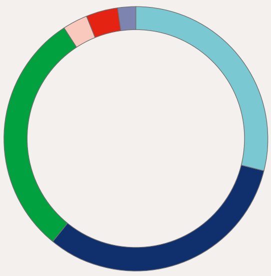
AVI picks stocks that meet our investment criteria and once we decide to invest, a minimum position size of approximately 2% of the portfolio is initiated. In determining position sizes, AVI is mindful of liquidity and the likely timing of any catalysts to unlock value. A key consideration is the make-up of the shareholder register, a proxy for how receptive management might be to our suggestions. The portfolio is diverse in the industries within it, however, we are sector agnostic and select investments based on quality and value.

PORTFOLIO VALUE BY SECTOR



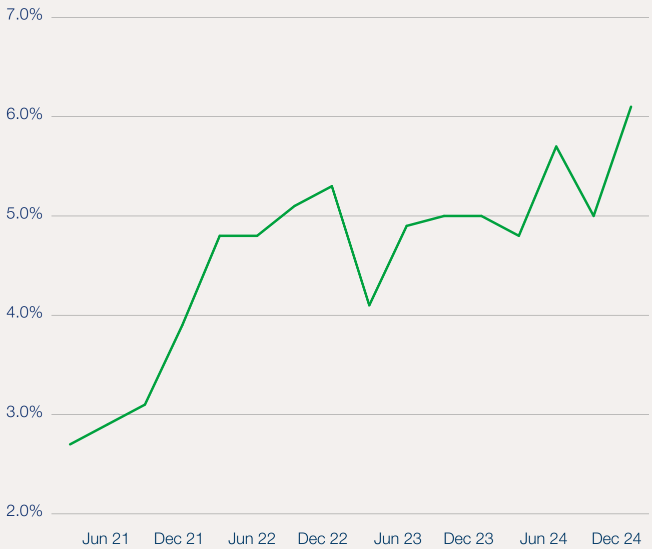
	2024	2023
Consumer Durables and Apparel	22%	23%
Capital Goods	15%	19%
Materials	15%	16%
Consumer Discretionary, Distribution and Retail	12%	12%
Health Care Equipment and Services	11%	10%
Software and Services	7%	5%
Real Estate Management and Development	6%	5%
Media and Entertainment	4%	4%
Technology Hardware and Equipment	3%	3%
Telecommunication Services	3%	2%
Household and Personal Products	2%	1%

EQUITY PORTFOLIO VALUE BY MARKET CAPITALISATION



	2024	2023
<£250mn	29%	17%
£250mn - £500mn	32%	21%
£500mn - £750mn	30%	21%
£750mn - £1bn	3%	29%
1bn - £2.5bn	4%	11%
>£2.5bn	2%	1%

AVERAGE VOTING OWNERSHIP OF PORTFOLIO COMPANIES ACROSS ALL AVI FUNDS



TOP 10 CONCENTRATION (% OF NET ASSETS)

Strategic Report / AVI Japan Investment Team

AVI JAPAN INVESTMENT TEAM

From left to right: Kaz Sakai (Head of Japan Research), Joe Bauernfreund (Portfolio Manager), Luke Hutcherson (Investment Analyst), Nicola Takada Wood (Managing Director Japan), Shuntaro Shimizu (Senior Investment Analyst)

Outlook

The combination of rising pressure from regulators and activists in 2024 presents a compelling opportunity to unlock substantial value in small to mid-cap Japanese companies in 2025 and beyond. With several key tailwinds and a deeply under researched market, our conviction in the strategy remains as high as ever. We look forward to continuing our active engagement with companies to drive the catalysts needed to grow long-term corporate value and generate significant alpha.

Joe Bauernfreund
Asset Value Investors Limited

4 April 2025

Strategic Report / Investment Portfolio
As at 31 December 2024

Company	Stock Exchange Identifier	% of investee company	Cost £'000*	Market value £'000	% of AJOT net assets	NFV/Market capitalisation[1]	EV/EBIT[1]
Beenos	TSE: 3328	8.2%	10,002	22,445	10.6%	44%	12.5
TSI Holdings	TSE: 3608	5.3%	11,866	21,894	10.3%	70%	9.4
Kurabo Industries	TSE: 3106	3.5%	13,265	18,043	8.5%	89%	1.2
Eiken Chemical	TSE:4549	3.8%	13,355	16,100	7.6%	20%	21.0
Aoyama Zaisan Networks	TSE: 8929	5.4%	10,016	13,062	6.2%	29%	8.7
Takuma	TSE: 6013	1.6%	11,378	11,390	5.4%	53%	5.1
Araya Industrial	TSE: 7305	7.1%	9,781	11,182	5.3%	85%	2.5
Konishi	TSE: 4956	2.2%	8,393	10,400	4.9%	32%	5.8
Aichi Corporation	TSE: 6345	1.8%	7,291	9,789	4.6%	47%	8.7
Sharingtechnology	TSE: 3989	8.9%	8,556	9,451	4.4%	18%	9.6
Top 10 investments			103,903	143,756	67.8%		
Atsugi	TSE: 3529	10.5%	7,162	8,913	4.2%	123%	
Raito Kogyo	TSE: 1926	1.6%	8,128	8,635	4.1%	49%	4.6
Wacom	TSE: 6727	1.5%	10,548	7,857	3.7%	14%	8.6
Nihon Kohden	TSE: 6849	0.4%	6,868	7,533	3.6%	15%	17.6
DTS	TSE: 9682	0.8%	5,752	7,371	3.5%	21%	10.7
Tecnos Japan	TSE: 3666	8.8%	6,408	7,322	3.5%	29%	6.7
SK Kaken	TSE: 4628	0.9%	9,445	6,738	3.2%	80%	2.0
Broadmedia	TSE: 4347	10.2%	6,018	6,547	3.1%	40%	12.0
Rohto Pharmaceutical	TSE: 4527	0.1%	5,291	4,340	2.0%	7%	16.6
Shin Etsu Polymer	TSE: 7970	0.6%	3,669	4,340	2.0%	34%	7.2
Top 20 investments			173,192	213,352	100.7%		
Jade Group	TSE: 3558	4.1%	3,822	3,674	1.7%	3%	10.8
Helios Techno Holding	TSE: 6927	3.0%	3,093	3,363	1.6%	62%	3.7
A-One Seimitsu	TSE: 6156	1.0%	517	476	0.2%	57%	31.6
Total investments			180,624	220,865	104.2%		
Other net assets and liabilities				(8,884)	(4.2%)		
Net assets				211,981	100.0%		

* Please refer to Glossary on pages 74 and 75.

1 Estimates provided by AVI. For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 74 and 75.

Strategic Report / Business Model

Business Model

Company Status

The Company is registered as a public limited company under the Companies Act 2006 and is an investment company under Section 833 of the Companies Act 2006. It is a member of The AIC.

The Company was incorporated on 27 July 2018 and listed on the London Stock Exchange on 23 October 2018.

The Company has been approved as an investment trust under Sections 1158/1159 of the Corporation Tax Act 2010. The Directors are of the opinion, under advice, that the Company continues to conduct its affairs as an Approved Investment Trust under the Investment Trust (Approved Company) (Tax) Regulations 2011.

The Company qualifies as an Alternative Investment Fund in accordance with the Alternative Investment Fund Managers Directive ("AIFMD").

Investment Objective

The Company's investment objective is to provide Shareholders with a total return in excess of the MSCI Japan Small Cap Index, through the active management of a focused portfolio of equity investments listed or quoted in Japan which have been identified by AVI as undervalued and having a significant proportion of their market capitalisation held in cash, listed securities and/or realisable assets.

Investment Policy

The Company invests in a diversified portfolio of equities listed or quoted in Japan which are considered by the Investment Manager to be undervalued and where cash, listed securities and/or realisable assets make up a significant proportion of the market capitalisation. AVI seeks to unlock this value through proactive engagement with management and taking advantage of the increased focus on corporate governance and returns to shareholders in Japan. The Board has not set any limits on sector weightings or stock selection within the portfolio. Whereas it is not expected that a single holding (including any derivative instrument) will represent more than 10% of the Company's gross assets at the time of investment, the Company has discretion to invest up to 15% of its gross assets in a single holding, if a suitable opportunity arises.

No restrictions are placed on the market capitalisation of investee companies, but the portfolio is weighted towards small and mid-cap companies. The portfolio normally consists of between 15 and 25 holdings although it may contain a lesser or greater number of holdings at any time.

The Company may invest in exchange traded funds, listed anywhere in the world, in order to gain exposure to equities listed or quoted in Japan. On acquisition, no more than 15% of the Company's gross assets will be invested in other UK listed investment companies.

The Company may also use derivatives for gearing and efficient portfolio management purposes.

The Company will not be constrained by any index benchmark in its asset allocation.

HOW WE INVEST

Portfolio Characteristics

1 Undervalued and Surplus Cash
+
2 Small to Mid-Cap Focused with sufficient liquidity
+
3 High Quality Businesses
+
4 Engagement Prospects

Defining our Universe

c.3,900
Listed Japanese Companies

1 Over-capitalised, with significant net financial value[1]
2 Sufficient average daily traded value
3 Low EV/EBIT relative to peers, typically <10x
4 Sector agnostic, typically excl. financial sector

c.800
Companies in the AJOT Universe

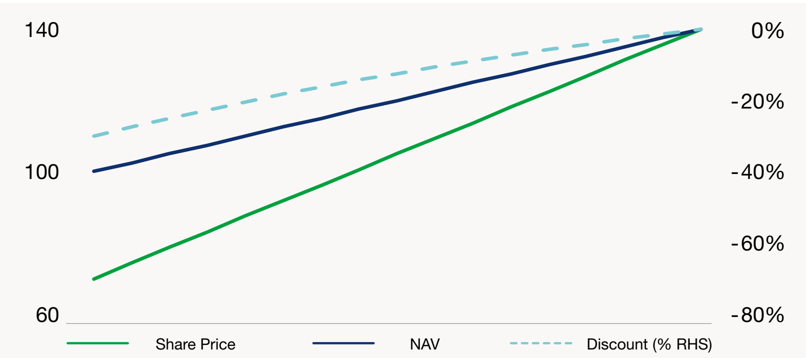
1 Net Financial Value ("NFV") = cash + investment securities – net debt – minority interest.

How we Generate Returns

1 Value Growth
At the core of all AVI's investments are attractive businesses with durable earnings growth.

2 Discount Tightening
Occurs when the share price rises more than the NAV.

3 Compounding Effect
When these two sources of returns occur simultaneously, an attractive compounding effect enhances investment returns.



Theoretical example of how returns are generated in an AJOT investment.

Strategic Report / Business Model continued

Borrowing Policy

The Company may use borrowings for settlement of transactions, to meet ongoing expenses and may be geared through borrowings and/or by entering into long-only contracts for difference or equity swaps that have the effect of gearing the Company's portfolio to seek to enhance performance.

The aggregate of borrowings and long-only contracts for difference and equity swap exposure will not exceed 25% of NAV at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate. It is expected that any borrowings entered into will principally be denominated in JPY.

Hedging Policy

The Company does not hedge its currency exposure using financial instruments such as derivatives, forward contracts, or options. Although there are no current plans to hedge investments denominated in JPY, the Investment Manager and the Board will periodically review this policy.

Material Changes to the Investment Policy

No material change will be made to the Company's investment policy without Shareholder approval. In the event of a breach of the Company's investment policy, the Directors will announce through a Regulatory Information Service the actions which have been taken to rectify the breach.

Management Arrangements

The Company has an independent Board of Directors which has appointed AVI, the Company's Investment Manager, as Alternative Investment Fund Manager ("AIFM") under the terms of an Investment Management Agreement ("IMA") dated 6 September 2018. The IMA is reviewed annually by the Board and may be terminated by one year's notice from either party subject to the provisions for earlier termination as stipulated therein.

The portfolio is managed by Joe Bauernfreund, the Chief Executive Officer and Chief Investment Officer of AVI. He also manages AVI Global Trust PLC, and AVI's open-ended and segregated portfolios across Family Holding Companies and Japan strategies. He conducts regular visits to Japan, engaging with prospective and current investments, which he has done for over 15 years.

Management fees are charged in accordance with the terms of the management agreement, and provided for when due. The Investment Manager is entitled to an annual fee of 1% per annum of the lesser of the Company's NAV or the Company's market capitalisation, invoiced monthly in arrears. The IMA requires AVI to invest not less than 25% of the management fee in shares in the Company. Management fees paid during the year were £1,835,000 and the number of shares held by AVI is set out in note 16.

J.P. Morgan Europe Limited was appointed as Depositary under an agreement with the Company and AVI dated 6 September 2018 (the "Depositary Agreement"). The Depositary Agreement is terminable on 90 calendar days' notice from either party.

JPMorgan Chase Bank, London Branch, has been appointed as the Company's Custodian under an agreement dated 6 September 2018 (the "Custodian Agreement"). The Custodian Agreement is terminable on 90 calendar days' notice from the Company or 180 calendar days' notice from the Custodian.

MUFG Corporate Governance Limited was appointed as corporate Company Secretary on 27 July 2018. The current annual fee is £79,000, which is subject to an annual RPI increase. The agreement may be terminated by either party on six months' written notice.

Waystone Administration Solutions (UK) Limited has been appointed to provide general administrative functions to the Company. The Administrator receives an annual fee of £119,000. The agreement can be terminated by either the Administrator or the Company on six months' written notice, subject to an initial term of one year.

DIRECTORS' DUTIES

Overview

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2006 ("Section 172"). In doing so, Directors must take into consideration the interests of the various stakeholders of the Company, the impact the Company has on the community and the environment, take a long-term view on consequences of the decisions they make, as well as aim to maintain a reputation for high standards of business conduct and fair treatment between the members of the Company.

Fulfilling this duty naturally supports the Company in achieving its investment objective and helps to ensure that all decisions are made in a responsible and sustainable way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains how the Directors have discharged their duty under Section 172 below.

To ensure that the Directors are aware of, and understand, their duties, they are provided with the pertinent information when they first join the Board, as well as receive regular and ongoing updates and training on the relevant matters. They also have continued access to the advice and services of the Company Secretary, and, when deemed necessary, the Directors can seek independent professional advice. The schedule of matters reserved for the Board, as well as the terms of reference of its committees, are reviewed on at least an annual basis and further describe Directors' responsibilities and obligations and include any statutory and regulatory duties. The Audit Committee has the responsibility for the ongoing review of the Company's risk management systems and internal controls and, to the extent that they are applicable, risks related to the matters set out in Section 172 are included in the Company's risk register and are subject to periodic and regular reviews and monitoring.

Decision making

The importance of stakeholder considerations, in particular in the context of decision-making, is taken into account at every Board meeting. All discussions involve careful consideration of the longer-term consequences of any decisions and their implications for stakeholders. Examples of decisions made by the Board on this basis include the buyback of 425,716 shares during the year under review in order to control the discount, as the Board believes that this is in the interest of Shareholders as a whole. Norman Crighton and Yoshi Nishio visited Japan in June 2024, primarily to attend and ask questions at the AGM of SK Kaken, one of the investee companies. They also took the opportunity to meet with several portfolio companies and our Japanese PR firm. These meetings contributed to a deeper understanding between the Company and those visited. Additionally, the decision to offer the realisation opportunity annually was based on the Investment Manager's recommendation, and accepted after extensive discussions with the Broker and shareholders.

Strategic Report / Stakeholders

Stakeholders

The Board seeks to understand the needs and priorities of the Company's stakeholders and these are taken into account during all its discussions and as part of its decision-making. The Board has discussed which parties should be considered as stakeholders of the Company.

Following thorough review, it was concluded that, as the Company is an externally managed investment company and does not have any employees or customers, its key stakeholders comprise its Shareholders and service providers. The section on the pages following discusses why these stakeholders are considered of importance to the Company and the actions taken to ensure that their interests are taken into account.

Stakeholder	Importance	Board Engagement
Shareholders	Continued Shareholder support and engagement are critical to the existence of the Company and the delivery of the long-term strategy of the Company.	The Company has over 200 Shareholders, including institutional and retail investors. The Board is committed to maintaining open channels of communication and to engaging with Shareholders in a manner which they find most meaningful, in order to gain an understanding of the views of Shareholders. These include: **Annual General Meeting** The Company welcomes and encourages attendance and participation from Shareholders at the AGM. Shareholders have the opportunity to meet the Directors and Investment Manager and to address questions to them directly. Shareholders who are unable to attend the AGM in person are offered the opportunity to submit questions via email. The Investment Manager attends the AGM and provides a presentation on the Company's performance and the future outlook, which is made available on the Company's website following the meeting. The Company values any feedback and questions it may receive from Shareholders ahead of and during the AGM and will take action or make changes, when and as appropriate; **Publications** The Annual Report and Half-Year results are made available on the Company's website and the Annual Report is circulated to Shareholders. These reports provide Shareholders with a clear understanding of the Company's portfolio and financial position. This information is supplemented by the daily calculation and publication of the NAV per share and a monthly factsheet and quarterly reports which are available on the Company's website and the publication of which is announced via a Regulatory Information Service. Feedback and/or questions the Company receives from the Shareholders help the Company evolve its reporting, aiming to render the reports and updates transparent and understandable; **Shareholder Meetings** Unlike trading companies, Shareholder meetings often take the form of meeting with the Investment Manager rather than members of the Board. Shareholders are able to meet with the Investment Manager throughout the year and the Investment Manager provides information on the Company and videos on the Company's website and via various social medial channels. Feedback from all meetings between the Investment Manager and Shareholders is shared with the Board. The Chairman, the Chairman of the Audit Committee or other members of the Board are available to meet with Shareholders to understand their views on governance and the Company's performance where they wish to do so. With assistance from the Investment Manager, the Chairman seeks meetings with Shareholders who might wish to meet with him and Shareholders can contact him through our broker, Singer Capital Markets;

Strategic Report / Stakeholders continued

Stakeholder	Importance	Board Engagement
Shareholders continued		**Shareholder Concerns** In the event Shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chairman at the registered office. Other members of the Board are also available to Shareholders if they have concerns that have not been addressed through the normal channels; **Exit Opportunities** The Directors may, at their discretion, offer Shareholders the opportunity to exit the Company at close to NAV on a regular basis. In October 2024, the Company offered Shareholders the chance to tender some or all of their shares for sale at a two per cent. discount to NAV. At the general meeting held in December 2024, Shareholders approved the Exit Opportunity, with approximately 2.6% of Shareholders electing to tender their shares. Given the Board's strong commitment to corporate governance, the Directors intend to offer the Exit Opportunity annually, instead of every two years. Consequently, the Board expects to offer another Exit Opportunity to Shareholders in October 2025 and every 12 months thereafter; **Investor Relations updates** At every Board meeting, the Directors receive updates from the Company's broker on the share trading activity, share price performance and any Shareholders' feedback, as well as an update from the Investment Manager on any publications or comments by the press. To gain a deeper understanding of the views of its Shareholders and potential investors, the Investment Manager also undertakes regular Investor Roadshows. Any pertinent feedback is taken into account when Directors discuss the share capital, any possible fundraisings or the dividend policy and actioned as and when appropriate. The willingness of the Shareholders, including the partners and staff of the Investment Manager, to maintain their holdings over the long-term period is another way for the Board to gauge how the Company is meeting its objectives and suggests the presence of a healthy corporate culture.

Stakeholder	Importance	Board Engagement
Service Providers		
The Investment Manager	Holding the Company's shares offers investors an investment vehicle through which they can obtain exposure to AJOT's diversified portfolio of small to mid-cap Japanese equities. The Investment Manager's performance is critical for the Company to successfully deliver its investment strategy and meet its objective to provide Shareholders with a total return in excess of the MSCI Japan Small Cap Index through active management of the portfolio and engagement with portfolio companies.	Maintaining a close and constructive working relationship with the Investment Manager is crucial, as the Board and the Investment Manager both aim to continue to achieve consistent, long-term returns in line with the investment objective. Important components in the collaboration with the Investment Manager, representative of the Company's culture, are: • encouraging open discussion with the Investment Manager, allowing time and space for original and innovative thinking; • the Chairman has frequent conversations with the Investment Manager to talk through any matters discussed by the Board between scheduled meetings, as well as any matters raised by the Investment Manager; • the IMA requires AVI to invest not less than 25% of the management fee in shares in the Company and to hold these for a minimum of two years which ensures that the interests of Shareholders and the Investment Manager are well aligned; • recognising the alignment of interests mentioned above, adopting a tone of constructive challenge, balanced with robust negotiation of the Investment Manager's terms of engagement if those interests should not be fully congruent; • drawing on Board members' individual experience and knowledge to support the Investment Manager in its monitoring of and engagement with portfolio companies; and • willingness to make the Board members' experience available to support the Investment Manager in the sound long-term development of its business and resources, recognising that the long-term health of the Investment Manager is in the interests of Shareholders in the Company.
The Administrator, the Company Secretary, the Registrar, the Depositary, the Custodian and the Corporate Broker	In order to function as an investment trust with a premium listing on the London Stock Exchange, the Company relies on a diverse range of reputable advisers for support in meeting all relevant obligations.	The Board maintains regular contact with its key external providers and receives regular reporting from them, both through the Board and committee meetings, as well as outside of the regular meeting cycle. Their advice as well as their needs and views are routinely taken into account. The Board formally assesses their performance, fees and continuing appointment at least annually, to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. Each year, all key service providers are asked to complete a questionnaire regarding the matters discussed above, the results of which are discussed during a formal review of service providers at the March Board meeting. The Audit Committee reviews and evaluates the control environment in place at each service provider and also requests confirmation that key service providers have the relevant policies in place, including those on business continuity, cyber security and fraud prevention.

Strategic Report / Stakeholders continued

Stakeholder	Importance	Board Engagement
Other Stakeholders		
Lender	Availability of funding and liquidity are crucial to the Company's ability to take advantage of investment opportunities as they arise.	Therefore, the Company aims to demonstrate to lenders that it is a well-managed business, capable of consistently delivering long-term returns.
Proxy Advisers	Where relevant, the evolving practice and support (or lack thereof) of proxy adviser agencies are considered by the Directors, as the Company aims to build a good reputation and maintain high standards of corporate governance, which contribute to the long-term sustainable success of the Company.	When deemed relevant, the Company will engage with proxy advisers regarding resolutions that will be proposed to the Company's Shareholders at AGMs and, based on feedback received, incorporate changes to future Annual Reports to enhance disclosures.
Regulators	The Company can only operate with the approval of its regulators who have a legitimate interest in how the Company operates in the market and treats its Shareholders.	The Company follows voluntary and best-practice guidance, and regularly considers how it meets various regulatory and statutory obligations and how any governance decisions it makes can have an impact on its stakeholders, both in the shorter and in the longer term.

The above mechanisms for engaging with stakeholders are kept under review by the Directors and are discussed on a regular basis at Board meetings, to ensure that they remain effective.

CULTURE

The Directors agree that establishing and maintaining a healthy corporate culture within the Board and in its interaction with the Investment Manager, Shareholders and other stakeholders, will support the delivery of its purpose, values and strategy. The Board seeks to promote a culture of openness, debate and integrity through ongoing dialogue and engagement with its service providers, principally the Investment Manager.

The Board strives to ensure that its culture is in line with the Company's purpose, values and strategy. The Company has a number of policies and procedures in place to assist with maintaining good corporate governance, including those relating to diversity, Directors' conflicts of interest and Directors' dealings in the Company's shares. The Board assesses and monitors compliance with these policies, as well as the general culture of the Board, regularly through Board meetings and in particular during the annual evaluation process (for more information see the performance evaluation section on page 44).

The Board seeks to appoint the best possible service providers and evaluates their service on a regular basis as described on page 29. The Board considers the culture of the Investment Manager and other service providers, including their policies, practices and behaviour, through regular reporting from these stakeholders and in particular during the annual review of the performance and continuing appointment of all service providers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

As an investment trust without employees, the Company's own direct environmental impact is minimal and as such, the Company is also not required to report against the TCFD framework. The Company has minimal direct greenhouse gas emissions to report from its operations (2023: minimal), nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Where a large company does not consume more than 40,000 kWh of energy in a reporting period, it qualifies as a low energy user and is exempt from reporting under these regulations. This exemption applies to the Company.

The Company's operations are delegated to third-party service providers, and the Company has no employees. The Board seeks assurances, at least annually, from its suppliers that they comply with the provisions of the UK Modern Slavery Act 2015 and maintain adequate safeguards in keeping with the provisions of the Bribery Act 2010 and Criminal Finances Act 2017.

The Directors do not have service contracts. For the majority of the year, the Board comprised four Directors, two males and two females. However, one Director tendered their resignation at the end of September 2024 and a second Director tendered their resignation post year end. To facilitate the search for a new Director, the Company engaged the services of an external search consultant, Nurole. At the time of writing this report, the Board had successfully recruited two new Directors. Further information on the Board's policy on diversity and recruitment of new Directors is contained on page 42.

Both the Board and AVI recognise that social, human rights, community, governance and environmental issues have an effect on its investee companies. The Board supports AVI in its belief that good corporate governance will help to deliver sustainable long-term Shareholder value. AVI is an investment management firm that invests on behalf of its clients and its primary duty is to produce returns for its clients. AVI seeks to exercise the rights and responsibilities attached to owning equity securities in line with its investment strategy. A key component of AVI's investment strategy is to understand and engage with the management of public companies. AVI's Stewardship Policy recognises that Shareholder value can be enhanced and sustained through the good stewardship of executives and boards. It therefore follows that in pursuing Shareholder value AVI will implement its investment strategy through proxy voting and active engagement with management and boards. Further details on AVI's environmental, social and governance policy can be found on pages 34 and 35. AVI became a supporter of the Task Force on Climate-related Financial Disclosures ("TCFD") in May 2021 and a signatory to the UN-supported Principles for Responsible Investment ("PRI") on 9 April 2021. The PRI is the world's leading proponent of responsible investment which entails the following commitments, developed by an international group of institutional investors.

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, Asset Value Investors Limited commits to the following:

- to incorporate ESG issues into investment analysis and decision-making processes;
- to be an active owner and to incorporate ESG issues into our ownership policies and practices;
- to seek appropriate disclosure on ESG issues by the entities in which we invest;
- to promote acceptance and implementation of the Principles within the investment industry;
- to work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles; and
- to report on our activities and progress towards implementing the Principles.

PRI Principles for Responsible Investment

AVI became a signatory to the UN-supported Principles for Responsible Investment ("PRI") on 9 April 2021.

Key Performance Indicators

The Company's Board meets regularly and at each meeting reviews performance against a number of key measures.

In selecting these measures, the Directors considered the key objectives and expectations of typical investors in an investment trust such as the Company. These indicators are Alternative Performance Measures ("APMs").

NAV Total Return Performance[1]

1 Year*:

20.9%

Since Inception ("SI") 69.9%

8.9% SI Annualised

The Directors regard the Company's NAV total return as the overall measure of value delivered to Shareholders by the Investment Manager over the long term. Total return reflects both the NAV growth of the Company and also dividends paid to Shareholders. Since the launch on 23 October 2018, the Company's NAV has increased by 69.9%, resulting in an annualised return of 8.9%. The Investment Manager's investment style is such that performance is likely to deviate materially from that of any broadly based equity index. The Board considers the most useful comparator to be the MSCI Japan Small Cap Index. Since the launch on 23 October 2018, the benchmark has increased by 23.5%, resulting in an annualised return of 3.5%. For the year ended 31 December 2024, the Company's NAV increased by 20.9% while the MSCI Japan Small Cap Index increased by 6.2%. A full description of performance and the investment portfolio is contained in the Investment Manager's Report, commencing on page 12.

Discount/Premium[1]

Discount, 31 December 2024:

-2.1%

Premium, High for the period 1.2%

Discount, Low for the period -6.7%

The Board believes that an important driver of an investment trust's discount or premium over the long term is investment performance. However, there can be volatility in the discount or premium. Therefore, the Board seeks Shareholder approval each year to buy back and issue shares with a view to limiting the volatility of the share price discount or premium. During the period under review, nil new shares were issued under the authorisation granted at the AGM. During the year, 425,716 shares were bought back into treasury under the authorisation granted at the AGM.

As at 1 April 2025, the Company had 137,198,943 shares in issue.

The Company has a successful discount control policy whereby if, under normal market conditions, the four-month average share price discount to NAV is greater than -5%, the Company will buy back shares with the intention of reducing the discount to a level no greater than -5%. Since IPO, the Company has bought back shares on 12 occasions under this policy.

Peer Group NAV Performance Total Return AIC Japanese Smaller Companies Sector*

AVI Japan Opportunity 20.9%

(9.6)% Baillie Gifford Shin Nippon

Nippon Active Value 15.2%

The Board is aware of other investment trusts in The AIC Japanese Smaller Companies Sector. Each investment trust has its own focus and strategy, which will differ from the one implemented by AVI. The Company's activist approach aligns with the focus on corporate governance reform taking place in Japan.

Ongoing Charges[1]

31 December 2024:

1.5%

31 December 2023 1.5%

The Board continues to be conscious of expenses and aims to maintain a sensible balance between good service and costs. Each year, the Board reviews in detail the costs incurred and ongoing commercial arrangements with each of the Company's key suppliers. The majority of the ongoing charges ratio is attributed to the fees paid to the Investment Manager. This fee is reviewed annually, and the Board believes that the cost is reasonable, given the Investment Manager's activist approach to fund management and the resources required to provide the level of service. The Company adheres to The AIC guidance in calculating its ongoing charges ratio.

Going Concern

The Directors have assessed the Company's ability to continue as a going concern based on detailed profit and loss and cash flow forecasts, covering the period up to and including 31 December 2025. These forecasts have been "stressed" for inflation, as well as a severe and sudden downturn in market conditions, under which it is assumed that the investment portfolio will lose 45% of its value. Even under this extreme "stress" scenario, the Company has adequate resources to continue in operational existence for the foreseeable future (being a period of at least 12 months from the date these financial statements were approved). The Directors also regularly assess the resilience of key third-party service providers, most notably the Investment Manager and Fund Administrator. The Directors do not have any concerns about the financial viability of the Company's third-party service providers.

* Returns are for the year to 31 December 2024.

1 For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 74 and 75.

Going Concern continued

Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, having taken into account liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments (of which there are none of significance) and the Exit Opportunity in October 2025 as discussed in the viability statement below. Therefore, the financial statements have been prepared on a going concern basis.

Viability

The Directors believe five years to be a reasonable time horizon to consider the continuing viability of the Company, reflecting a balance between a longer-term investment horizon and the inherent shorter-term uncertainties within equity. The Company is an investment trust whose portfolio is invested in readily realisable listed securities and with some short-term cash deposits.

The five-year time horizon takes into account that the Directors may, at the Board's discretion, offer Shareholders an opportunity to exit the Company at close to NAV in October 2025 and every year thereafter under a revised policy as announced in October 2024 (previously, every two years). In November 2024, the Company announced it would offer Shareholders the opportunity to tender some or all of their shares for sale. The Company received applications from eligible shareholders to tender an aggregate of 3,637,759 shares, equivalent to 2.58% of the Company's issued share capital at that time.

The Board, together with its advisers, intends to canvass opinion from Shareholders in the months leading up to October 2025 when making the decision regarding any potential Exit Opportunity. However, the Board does not currently expect a significantly higher percentage of Shareholders to exercise this option to exit in 2025. The Directors have reviewed the Shareholders of the Company, Shareholder feedback, the current market position, and performance, in forming this expectation.

The following facts support the Directors' view of the viability of the Company:

- in the year under review, expenses (including finance costs and taxation) were adequately covered by investment income and there is no expectation that these expenses would significantly increase over the next five years. In addition, cash flow forecasts have been prepared and stress tested to simulate: a) inflation at 20% and b) a 45% fall in the value of the investment portfolio. These forecasts illustrate that the Company would continue to hold sufficient cash even under the most severe stress scenarios;
- the Company's investment portfolio is made up of listed equities;
- the Company has short-term debt of ¥2.9 billion (£14.9 million) through an unsecured revolving credit facility. Following an extension for two years and two months to 5 April 2024 on the same terms, the facility was further renewed for another two years to 2 April 2026. In the unlikely event that the facility cannot be extended beyond 2 April 2026, the Board has reviewed detailed liquidity analysis and is comfortable that the debt could be repaid from available cash and liquid investments, should this be necessary. This debt was covered over 15 times as at the end of December 2024 by the Company's total assets. The Directors are of the view that, subject to unforeseen circumstances, the Company will have sufficient resources to meet the costs of annual interest and eventual repayment of principal on this debt; and
- the Company has a large margin of safety over the covenants on its debt.

The Company's viability depends on the Japanese and the global economy and markets continuing to function. The Directors also consider the possibility of a wide-ranging collapse in corporate earnings and/or the market value of listed securities. To the latter point, it should be borne in mind that a significant proportion of the Company's expenses are investment management fees, which would reduce if the market value of the Company's assets were to fall. In arriving at its conclusion, the Board has taken account of the potential effects of another global event (e.g. similar to the COVID-19 pandemic or the invasion of Ukraine) on the value of the Company's assets, income from those assets and the ability of the Company's key suppliers to maintain effective and efficient operations.

In order to maintain viability, the Company has a robust risk control framework which follows the FRC guidelines and has the objectives of reducing the likelihood and impact of: poor judgement in decision-making, risk-taking that exceeds the levels agreed by the Board, human error or control processes being deliberately circumvented.

Taking the above into account, and the potential impact of the principal risks as set out on pages 36 and 37, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of five years from the date of approval of this Annual Report.

Strategic Report / ESG Policy

ESG Perspective

ABOUT ASSET VALUE INVESTORS

It is our view that a responsible approach to the environment, society and governance is key to long-term sustainable businesses. This guiding principle is embedded not only in our investment philosophy but in how we manage Asset Value Investors as a company.

Our primary goal is to reduce emissions, however we are also researching appropriate methods to offset unavoidable emissions.

AVI's 2024 emissions from commuting and business travel:

164.5 tonnes CO_2e*

* Calculated in accordance with GHG Protocol Standards (distance-based method).

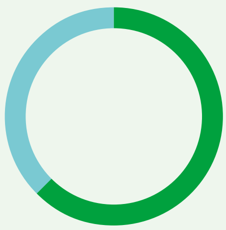
We believe that shareholders and stakeholders need not be in conflict.

Employees with equity ownership in AVI:

29.2%

People are the most important asset at AVI. We recognise that our industry has traditionally been skewed towards a less diverse workforce. We are actively challenging this.

Diversity of workforce:



	2024 Number	2024 %
Male	15	62.5
Female	9	37.5

* Data as at 31 December 2024.

OUR PURPOSE

Helping our clients to make the most of their financial future.

The people at Asset Value Investors are committed to leveraging our long heritage, stewardship and expertise to make investing responsible, accessible and profitable for everyone – individuals, families, institutions, private companies, and listed companies. Financial returns matter and we recognise our position of influence in questioning the practices of the companies we invest in for a more sustainable future.

OUR PHILOSOPHY

We are fundamentally committed to supporting long-term sustainable businesses that will grow and participate in the prosperity of the economy, with a responsible approach to the environment, society, and governance.

We believe that the integration of ESG and sustainability considerations into our investment strategy is integral to comprehensively understanding each investment's ability to create long-term value.

OUR PRINCIPLES

We are aligned with the PRI's belief that an economically efficient, sustainable global financial system is a necessity for long-term value creation.

Such a system will reward long-term responsible investment and better align investors with the broader objectives of society. AVI became a signatory to the UN-supported Principles for Responsible Investment ("PRI") on 9 April 2021. In doing so, we have confirmed our belief in our duty to act in the best long-term interests of our beneficiaries.

OUR APPROACH

As research-driven value investors, we seek to truly understand each company in our portfolio and the context within which it operates on a case-by-case basis.

AVI has built ESG factors into its proprietary database and implemented a number of processes to support the integration of ESG considerations into each stage of the investment process.

DEFINING 'E', 'S' & 'G'

Drawing on the World Economic Forum's "21 core metrics", AVI has identified the factors that we believe are the most material and relevant to our investments and developed a bespoke ESG monitoring system to track the performance and progress of our portfolio companies against defined ESG metrics.

E

We define Environmental sustainability within the context of:

- Environmental Impact
- Tackling Climate Change
- Sustainable Management

S

Our Social focus is divided into:

- Dignity and Equality
- Wellbeing and Development
- Community Engagement

G

Our approach to Governance includes:

- Quality of Governing Body
- Corporate Strategy
- Ethical Behaviour

OUR STEWARDSHIP

Good stewardship should be viewed as a continuous practice and is essential to preserving and enhancing long-term value.

Active engagement is at the core of our investment strategy and our ESG monitoring system plays an important role in helping us to identify potential areas of engagement. As long-term investors, our aim is to build constructive relationships with the boards and management of the companies in which we invest, addressing issues and offering suggestions to sustainably improve corporate value in consideration of all stakeholders and in the best long-term interest of our clients.

Controversy Monitoring

Supported by ISS Norms-Based Research, we also closely monitor any controversies and potential violations of international norms and standards associated with our universe. Whilst our hope is that controversies do not occur, they can be a marker of how well a company's policies are integrated into business operations and culture, highlighting vulnerabilities or structural problems and indicating where improvements can be made.

PROXY VOTING

As responsible, active stewards of capital, we vote carefully and thoughtfully at every AGM.

AJOT 2024 Proxy Voting Record

Total voted
100%
100%

Against management
24%
24%

With management
76%
76%

Against ISS*
19%
19%

With ISS*
81%
81%

* ISS (Institutional Shareholder Services) is an organisation that provides proxy advisory services. While AVI utilises ISS' research, it has different voting policies and is not bound to vote in line with ISS guidance where it feels the guidance is not in shareholders' best interests.

Pre-Investment

Exclusionary screening is not our guiding framework, however there are certain exceptions to this. AVI will not invest in a company with direct involvement in:

- Tobacco
- Controversial Weapons
- Pornography

Or companies that engage in child labour or human exploitation as defined by the relevant International Labour Organisation conventions.

Prior to investment we:

Assess a company's **exposure to ESG risks and opportunities**, including climate-related risks and opportunities.

Identify whether the company is involved in any actual or potential violations of international norms and standards supported by **ISS EGG's Norm-Based Research**.

↓

Investment Period

ESG monitoring system built into our proprietary database to ensure ESG factors are considered alongside financial analysis.

Ongoing ESG assessments of portfolio companies' performance against defined ESG metrics. A scoring system is used to assess trends and highlight potential areas for engagement.

Tailored questionnaires sent to all companies based on our assessments to request additional ESG information and promote improved sustainability disclosure.

Ongoing controversy monitoring following a clear engagement pathway if companies are flagged.

Constructive engagement with boards and management to help sustainably increase corporate value by building resilience to ESG risks and promoting responsible business practices.

PRI Principles for Responsible Investment

AVI became a signatory to the UN-supported Principles for Responsible Investment ("PRI") on 9 April 2021.

Strategic Report / Principal Risks and Uncertainties

The Board has a robust ongoing process for identifying, evaluating and managing the emerging and principal risks and uncertainties faced by the Company, including those that could threaten its business model, future performance, solvency or liquidity.

The Board considers the following as the principal risks faced by the Company and the following controls are in place to manage or mitigate these risks:

Risk Level Key:

Increased / Decreased / No Change

Risk Area	Controls and Mitigation	Risk Level
Investment Objective The Company may be unsuccessful in achieving its investment objective, leading to a potential loss of demand for its shares.	The Company has a clearly defined strategy and investment remit. The portfolio is managed by a highly experienced Investment Manager, supported by a strong team. The Board relies on the Investment Manager's skills and judgement to make investment decisions based on thorough research and analysis of individual stocks and sectors. The Board regularly reviews the portfolio's performance against the Company's Benchmark Index, its competitors, and market outlooks. The Board ensures that there is regular dialogue with major investors, primarily through the Company's broker and the Investment Manager; it follows up on any concerns and regularly reviews the discount control policy.	No Change
Investment opportunities matching the criteria encapsulated in the investment objective may become less available in the future.	The Board monitors the portfolio's composition, performance and development. Should appropriate opportunities diminish, the Board will consider the future of the Company and may recommend that the Company's investments are sold, it is wound up and cash returned to Shareholders.	No Change
Gearing The use of borrowings by the Company has the effect of amplifying the gains or losses the Company experiences. A significant fall in portfolio value could cause gearing levels to exceed pre-set limits, requiring the Company to sell investments at short notice.	The Board and the Investment Manager regularly review gearing, as well as the effect of interest rate movements on the Company's finances and the Company's ongoing compliance with the loan covenants. Aggregate borrowings may not exceed 25% of net assets. The Company has in place a two-year ¥2.9 billion (£16.3 million) unsecured revolving facility agreement which was extended in February 2024 to 5 April 2024 on the same terms while renewal terms were being agreed. The facility was renewed for two years on 2 April 2024. As at 31 December 2024, ¥2.9 billion (£14.8 million) of the facility had been drawn. Interest is payable at a rate equal to TONAR plus 1.55%. As at 31 December 2024, gearing stood at 4.5%.	No Change
Reliance on the Investment Manager and Other Service Providers The Company has no employees and relies on a number of third-party service providers, principally the Investment Manager, Registrar, Administrator, and Custodian / Depositary. It is dependent on the effective operation of its service providers' control systems with regard to the security of the Company's assets, dealing procedures, accounting records and the maintenance of regulatory and legal requirements.	The Board carries out regular reviews of the delegated services to ensure their continued competitiveness and effectiveness, which include assessment of the providers' control systems, whistleblowing, anti-bribery and corruption policies and business continuity plans. The likelihood of this risk occurring has reduced during the year as the relationships with service providers have been proven over the years since launch and the monitoring processes utilised by the Board are well established.	Decreased
The Company is heavily reliant on the Investment Manager's processes, both in terms of making investment decisions and compliance with the investment policy.	The Investment Manager has an established investment process which has proven to be successful within the AVI Global Trust plc portfolio. The Board evaluates the investment process and compliance with investment limits and restrictions in conjunction with its portfolio review at every Board meeting.	No Change

Risk Area	Controls and Mitigation	Risk Level
Cyber Security The Company has limited direct exposure to cyber risk. However, the Company's operations or reputation could be affected if any of its service providers suffered a major cyber security breach.	The Board monitors the preparedness of its service providers in general and requests and reviews updates from key service providers on cyber security and other matters. Following this review, the Board remained satisfied that the risk is given due priority.	
Portfolio Liquidity The market for smaller Japanese stocks can be illiquid. The Company is exposed to the risk that it will not be able to sell its investments at the current market value or on a timely basis, when the Investment Manager chooses or is required to do so to meet financial liabilities.	The Investment Manager monitors trading volumes and prices, and looks to ensure that a proportion of the portfolio is invested in readily realisable assets. The Board also receives updates on the liquidity of the portfolio and the current level of liquidity of the Company on a regular basis. Following review of the liquidity analysis, the Board considered that this risk has reduced during the year.	
Foreign Exchange The functional and presentation currency of the Company is Pounds Sterling. All investments held and income derived from these investments are denominated in Japanese Yen. Certain costs of the Company are impacted by the underlying value of the investments denominated in Japanese Yen and converted to Pounds Sterling. The Company is subject to currency risk on exchange rate movements between Pounds Sterling and Japanese Yen.	The Company does not hedge its currency exposure using financial instruments such as derivatives, forward contracts, or options. However, the Investment Manager and the Board continuously monitor currency movements and exposure. The revolving credit facility is denominated in Yen and therefore the effect of Yen exchange rate movements on the drawn down facility will be offset against the assets.	
Global/Climate/Systemic Unforeseen global disruption, such as a pandemic, climate and nature change-related event, geopolitical conflict or systemic technology failure, could lead to dramatically increased market and Company share price volatility. Fraud and cyber security vulnerability could increase for key service providers.	The Board continuously monitors global developments and their potential impact on the Company; it scrutinises the performance of the Investment Manager and is aware of emerging risks and has a robust process for addressing them. All key service providers are asked to provide updates on business continuity, anti-bribery and corruption, and information security processes on an annual basis.	
Concentrated Share Register A substantial portion (around 36%) of the Company's shares are held by two major Shareholders, City of London Investment Management and Finda Telecoms Oy. A concentrated share register can potentially present issues with regards to voting or liquidity.	The Investment Manager, the Company's Broker and the Board have a good understanding of the investor base and have good lines of communication with investors in general and a direct communication channel with the major Shareholders in particular.	

Approval of Strategic Report

The Strategic Report has been approved by the Board and is signed on its behalf by:

Norman Crighton
Chairman
4 April 2025

Governance / Directors

Your Board

NORMAN CRIGHTON

Chairman,
Non-Executive Director

Date of Appointment:

27 July 2018

External Appointments:

RM Infrastructure Income plc and Harmony Energy Income Trust plc.

Experience and Contribution:

Norman Crighton is an experienced public company director, having served on the boards of nine closed-end funds and one operating company. Presently, Norman is also non-executive chair of RM Infrastructure Income plc and Harmony Energy Income Trust plc.

Norman has extensive fund experience, having previously been Head of Closed-end Funds at Jefferies International and Investment Manager at Metage Capital Limited, leveraging his 32 years of experience in investment trusts. His career in investment banking covered research, sales, market making and proprietary trading, servicing major international institutional clients over 15 years. His work in many countries included restructuring closed-end funds, as well as several IPOs. As a fund manager, Norman managed portfolios of closed-end funds on a hedged and unhedged basis covering developed and emerging markets.

A N

MARGARET STEPHENS

Non-Executive Director

Date of Appointment:

5 September 2018

External Appointments:

VH Global Energy Infrastructure plc and Sequoia Economic Infrastructure Income Fund Limited.

Experience and Contribution:

Margaret is a non-executive board member and chair of the audit and risk committee of VH Global Energy Infrastructure plc and a non-executive director of Sequoia Economic Infrastructure Income Fund Limited. She was a partner of KPMG until 2016, having qualified as a Chartered Accountant in 1988. From 2007, she played a key role in building KPMG's Global Infrastructure Practice, also leading UK and international due diligence and structuring services on major merger and acquisition transactions and public private partnerships. Margaret was a trustee director of the Nuclear Liabilities Fund and chair of the audit committee until January 2024, non-executive board member and chair of the audit and risk assurance committee of the Department for Exiting the European Union and was also a board trustee of the London School of Architecture. Margaret is British and resident in the United Kingdom.

A N

ANDREW ROSE

Non-Executive Director

Date of Appointment:

12 February 2025

External Appointments:

–

Experience and Contribution:

Andrew retired from Schroders in 2019 after a distinguished 38-year career specialising in Japanese equities. His career included 11 years in Tokyo over three separate secondments, where he was involved in various research and fund management responsibilities across the market capitalisation spectrum. His specific responsibilities included managing several open and closed-end Japanese equity funds, as well as institutional portfolios.

After retirement from full-time fund management, Andrew served as a non-executive director and member of the Audit and Supervisory Committee at Uhuru Corporation in Tokyo for three years.

Andrew is a British citizen, fluent in reading and speaking Japanese, and resides in the United Kingdom.

A N

TOM YORITAKA

Non-Executive Director

Date of Appointment:

12 February 2025

External Appointments:

–

Experience and Contribution:

Tom is a venture capital investor, software executive, and board member with over 30 years of experience in the technology industry in the UK, North America and Japan. He invests in early-stage technology and science-backed startups, and working closely with founders and co-investors, many of whom are leading venture capital funds or C-suite executives of multinational companies. He also sits on the Board of Trustees of SOAS University of London, as well as on boards of various technology industry organisations in the UK.

Previously, Tom served in software product and corporate development executive roles at Cisco Systems, Yahoo! and Microsoft in the US. Early in his career, he worked as a strategy consultant at The Boston Consulting Group in the US and Japan.

Tom is fluent in English and Japanese. He holds dual British/American citizenship and resides in the United Kingdom.

A N

Committee membership

- ● Committee Chair
- A Audit Committee
- N Nomination and Remuneration Committee

Governance / Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2024.

The Investment Portfolio on page 24, the Corporate Governance Statement on pages 41 to 42, Report from the Audit Committee on pages 50 and 51 and the Shareholder Information on pages 74 to 76 form part of the Report of the Directors.

Directors

The current Directors of the Company are listed on page 38. Norman and Margaret served throughout the review period. During the period, Yoshi Nishio and Katya Thomson also served as Directors, with the former resigning on 30 September 2024 and the latter after the year end, on 21 January 2025. Andrew Rose and Tom Yoritaka were appointed as Directors with effect from 12 February 2025.

As set out on page 44, the Board conducts an annual review of each Director and of the Board as a whole. The Board considers all Directors to contribute effectively, possess the necessary skills and experience, and remain committed to their roles as non-executive Directors of the Company. Following the performance review, it was agreed that Norman and Margaret would stand for re-election, and Tom and Andrew would stand for election. The Board recommends the re-election and election of each Director.

The Company has provided indemnities to the Directors in respect of costs or other liabilities which they may incur in connection with any claims relating to their performance or the performance of the Company whilst they are Directors.

The beneficial interests of the current Directors and their connected persons in the securities of the Company as at 31 December 2024 are set out in the Directors' Remuneration Report on page 48.

Share Capital

The Company's share capital comprises Ordinary Shares with a nominal value of 1p each. The voting rights of the shares on a poll are one vote for each share held. There are no restrictions on the transfer of the Company's Ordinary Shares or voting rights, no shares which carry specific rights with regard to the control of the Company and no agreement which the Company is party to that affects its control following a takeover bid. To the extent that they exist, the revenue profits of the Company (including accumulated revenue reserves) are available for distribution by way of dividends to the holders of the Ordinary Shares. Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to the Shareholders pro rata to their holding of Ordinary Shares.

At 31 December 2024, there were 137,198,943 Ordinary Shares of 1p each in issue, of which 825,716 were held in treasury, and therefore the total voting rights attaching to Ordinary Shares in issue were 136,373,227. In the period from 1 January 2025 to 1 April 2025 250,000 Ordinary Shares were bought back and held in treasury and therefore the voting rights attaching to Ordinary Shares as at 1 April 2025 were 136,123,227.

The Directors intend to seek annual authority from Shareholders to allot new Ordinary Shares, to disapply pre-emption rights of existing Shareholders and to buy back Ordinary Shares for cancellation or to be held in treasury.

Issues of Shares

At the AGM held on 1 May 2024, the Company was granted authority to allot up to 28,167,340 Ordinary Shares on a non-pre-emptive basis. This authority is due to expire at the Company's forthcoming AGM on 20 May 2025. As at 31 December 2024, the remaining authority to allot Ordinary Shares under the authority granted at the AGM held on 1 May 2024 was 28,167,340 Ordinary Shares and this remained the same as at 1 April 2025.

The Company has a block listing of Ordinary Shares to be listed to the Official List of the FCA and admitted to trading on the equity shares in commercial companies category.

Shares Buybacks Carried out During the Year

Date	No of shares	Price paid per share (pence)	Total value (£m)	% of total SO
12/12/2024	3,637,759*	152	5.54	2.58%
19/11/2024	290,716	140	0.41	0.21%
15/03/2024	100,000	128	0.13	0.07%
14/03/2024	35,000	127	0.04	0.02%
Total	4,063,475			

* Relating to shares bought back and cancelled as part of the tender offer, discussed below.

Purchase of Shares

At the general meeting held on 1 May 2024, the Company was granted authority to purchase up to 14.99% of the Company's Ordinary Shares in issue as at the close of business on 13 March 2024, such authority to expire on conclusion of the 2025 AGM. During the year, 425,716 Ordinary Shares were bought back for an aggregate amount of £584,000 (nominal value £4,257, representing 0.3% of the called up share capital as at the start of the period) under this authority in order to control the discount. As at 31 December 2024, authority to buy back a further 28,176,340 Ordinary Shares remained.

Sale of Shares from Treasury

At the AGM held on 1 May 2024, the Company was authorised to waive pre-emption rights in respect of treasury shares, such authority to expire on conclusion of the 2025 AGM. At the start of the year, 400,000 Ordinary Shares were held in treasury. The Company bought back 425,716 shares during the year, resulting in 825,716 shares being held in treasury as at 31 December 2024. Following the year end, a further 250,000 shares were bought back and as at the date of this report, 1,075,716 shares were held in treasury.

Exit Opportunity

At a General Meeting held on 10 December 2024 the Company was granted authority to purchase up to 100% of the Company's Ordinary Shares in issue at the close of business on 15 November 2024, or such other number as shall be equal to the number of Ordinary Shares in issue immediately prior to the commencement of the General Meeting on 10 December 2024. The Company received applications from eligible Shareholders to tender an aggregate of 3,637,759 shares, representing 2.58% of the issued Ordinary Share capital, at a price of 152.37 pence. The Ordinary Shares bought back were cancelled. For more information on the Exit Opportunity please see page 7.

Governance / Directors' Report continued

Related Party Transactions

The Company's related parties in the year were its Directors, the Investment Manager and Finda Telecoms Oy as the Company's largest Shareholders.

There have been no material transactions between the Company and its Directors during the year and the only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable. Directors' shareholdings are disclosed on page 48.

In relation to the provision of services by the Investment Manager, other than fees payable by the Company in the ordinary course of business and the facilitation of marketing activities with third parties, there have been no material transactions with the Investment Manager affecting the financial position of the Company during the year under review. More details on transactions with the Investment Manager, including amounts outstanding at 31 December 2024 and shares held by AVI, are given in note 16 on page 72.

Finda Telecoms Oy is deemed to be a significant shareholder holding in the Company's issued share capital. During the year under review, no transactions took place between the Company and Finda Telecoms Oy.

Interests in Share Capital

At 31 December 2024, the following holdings representing more than 3% of the Company's voting rights had been reported to the Company in accordance with the Disclosure Guidance and Transparency Rules. This information was correct at the date of notification, however it should be noted that these holdings may have changed since notified to the Company and may not therefore be wholly accurate statements of actual holdings as at 31 December 2024. However, notification of any change is not required until the next applicable threshold is crossed. For the sake of completeness, other holdings which exceed three per cent. but where no notification has been received, are also included.

	Number of Ordinary Shares	Percentage of voting rights
Finda Telecoms Oy	30,000,000	22.00%
City of London Investment Management Company Limited	18,072,623	13.25%
Hargreaves Lansdown	7,319,448	5.37%
Investec Wealth & Investment Limited	6,590,086	4.83%
Charles Stanley	5,714,712	4.19%
1607 Capital Partners	5,455,260	4.00%

Between 31 December 2024 and 4 April 2025, Finda Telecoms Oy notified the Company of an increase in their voting rights to 22.04%, while City of London Investment Management Company Limited's voting rights decreased to 12.76%.

As at 31 December 2024, AVI Ltd & AVI employees owned 3 million shares.

Dividends

The Directors are proposing a final dividend of 1.20p per share for the year to 31 December 2024. Subject to the approval of Shareholders at the forthcoming AGM, the proposed final ordinary dividend will be payable on 23 May 2025 to Shareholders on the register at the close of business on 25 April 2025. The ex-dividend date will be 24 April 2025.

Financial Instruments

The Company utilises financial instruments, which comprise equity investments, cash balances, receivables, payables and borrowings. The risks identified arising from the financial instruments are market risk (which comprises market price risk, interest rate risk and foreign currency risk), liquidity risk and credit and counterparty risk. The Company may also enter into derivative transactions to manage risk. The Board and Investment Manager consider and review the risks inherent in managing the Company's assets which are detailed in note 15.

Annual General Meeting ("AGM")

The AGM will be held on Tuesday 20 May 2025 at the offices of the Association of Investment Companies, 9th Floor, 24 Chiswell Street, London, EC1Y 4YY. The Notice of Meeting and details of the resolutions to be put to the AGM are contained in the circular sent to Shareholders with this report.

Directors' Statement as to Disclosure of Information to Auditor

Each of the Directors, who were all members of the Board at the date of approval of this report, confirms that to the best of his or her knowledge and belief, there is no information relevant to the preparation of the Annual Report of which the Company's Auditors are unaware and he or she has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's Auditors are aware of that information.

Listing Rule 6.6.4

Listing Rule 6.6.4 requires the Company to include certain information specified in Listing Rule 6.6.1R in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that no disclosures are required in relation to Listing Rule 6.6.1R.

Other Information

Information on future developments and financial risks is detailed in the Strategic Report. On 28 March 2025, the Company formally agreed with the Bank of Nova Scotia to increase the notional size of the Revolving Credit Facility to JPY 6.6 billion, representing approximately 15% of the NAV based on end-of-February figures. The Company released an announcement regarding a proposed transaction with Fidelity Japan Trust plc ("FJV") on 3 April 2025, setting out a written proposal for an acqusition of assets submitted to the FJV Board during 2024, such that FJV shareholders can independently assess FJV's performance and consider the alternative solution presented to their board. Under the proposal, FJV shareholders would be offered the choice of (i) rolling their investment into new shares to be issued by AJOT and/or (ii) electing for a cash exit, capped at 25 per cent. of FJV's shares in issue (excluding treasury shares). At the time of writing, there can be no certainty that engagement will progress, that heads of terms will be agreed, or whether this proposed transaction will take place. Further details of post balance sheet events can be found in note 17.

By order of the Board

For and on behalf of MUFG Corporate Governance Limited
Company Secretary
4 April 2025

Governance / Corporate Governance Statement

The Corporate Governance Statement forms part of the Report of the Directors.

Applicable Corporate Governance Codes

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 49, indicates how the Company has applied, for the year under review, the principles of recommended governance of the Financial Reporting Council's ("FRC") 2018 UK Corporate Governance Code (the "UK Code") and The AIC's Code of Corporate Governance issued in 2019, (the "AIC Code"), which complements the UK Code and provides a framework of best practice for investment trusts. The Board welcomed the 2024 AIC Code published in August 2024 following the publication of the 2024 UK Code. The Company will report against the 2024 AIC Code for the year ending 2025 with the exception of provision 34, which relates to internal controls and will be reported against in the Annual Report for the year ending 2026.

The Board considers that reporting against the principles and provisions of the AIC Code, which includes the UK Code, offers Shareholders comprehensive information about the Company's Corporate Governance compliance.

The UK Code is available on the FRC website (**www.frc.org.uk**). The AIC Code is available on the AIC website (**www.theaic.co.uk**) and includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

Statement of Compliance

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration;
- management performance;
- remuneration and succession planning;
- workforce policies (including remuneration) and practices; and
- the need for an internal audit function.

For the reasons explained in the AIC Code, the Board considers that these provisions are not relevant to the Company, being an externally managed investment company with no employees. The Company has therefore not reported further in respect of these provisions. The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company has complied with the principles and provisions of the AIC Code during the year under review except as disclosed below:

- provision 14: No senior independent director has been appointed. All the Directors have different qualities and areas of expertise on which they lead, and concerns can be conveyed to another Director if Shareholders do not wish to raise concerns with the Chairman or the Chair of the Audit Committee. Any other Director will chair the Board or Nomination and Remuneration Committee meeting when the annual evaluation of the Chairman's performance, his re-election or the recruitment of his successor is discussed;
- provision 17: As all of the Directors are independent of the Investment Manager, the Board is of the view that there is no requirement for a separate management engagement committee. The Board as a whole will review the terms of appointment and performance of the Investment Manager and the Company's other third-party service providers (other than the Auditor who is reviewed by the Audit Committee);
- provision 23: Directors are not appointed for a specified term, as all Directors are non-executive and the Board believes that a Director's performance and their continued contribution to the running of the Company is of greater importance and relevance to Shareholders than the length of time for which they have served as a Director of the Company. Each Director is subject to the election and re-election provisions set out in the Articles, which provide that a Director appointed during the year is required to retire and seek election by Shareholders at the next AGM following their appointment. Thereafter the Directors intend to offer themselves for re-election annually but, under the Articles, are only required to submit themselves for re-election at least once every three years. Directors who have served for more than nine years will be subject to annual re-election, provided that the Nomination and Remuneration Committee and the Board remain satisfied that the relevant Director's independence is not impaired by their length of service.

Role of the Board

A management agreement between the Company and the Investment Manager sets out the matters over which the Investment Manager has authority. This includes management of the Company's assets and some marketing services. The Board is collectively responsible for the success of the Company and a formal schedule of matters reserved to the Board for decision has been approved, which is available on the Company's website: **www.ajot.co.uk**. This includes strategy and management, Board and committee membership and other appointments, appointment and oversight of delegates, corporate structure and share capital, remuneration, financial reporting and controls, company contracts, internal controls, corporate governance and policies.

The Board is responsible for the approval of annual and half-year results and other public documents and for ensuring that such documents provide a fair, balanced and understandable assessment of the Company's position and prospects.

The Board's role is to provide leadership within a framework of prudent and effective controls that enable risk to be assessed and managed. It is responsible for setting the Company's standards and values and for ensuring that its obligations to its Shareholders and other stakeholders are understood and met. The Board sets the Company's strategic aims (subject to the Company's Articles of Association, and to such approval of the Shareholders in General Meeting as may be required from time to time) and ensures that the necessary resources are in place to enable the Company's objectives to be met. The Articles of Association may only be amended by way of a special resolution of shareholders.

The Board meets formally at least four times a year, with additional ad hoc Board or Committee meetings arranged when required. The Directors have regular contact with the Investment Manager and Company Secretary between formal meetings. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

At each meeting the Directors follow a formal agenda, which includes a review of the Company's NAV, share price, premium, financial position, gearing levels, peer group performance, investment performance, asset allocation and transactions and any other relevant business matters to ensure that control is maintained over the affairs of the Company. The Board monitors compliance with the investment restrictions required by the FCA and s1158 of the Corporation Tax Act 2010, the Company's objective, investment, borrowing and hedging policies and reviews the investment strategy. The Board regularly receives reports from the Investment Manager on marketing and investor relations. The proceedings at all Board and Committee meetings are fully recorded through a process that allows any Director's concerns to be recorded in the minutes.

Governance / Corporate Governance Statement continued

Role of the Board continued

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, MUFG Corporate Governance Limited, which is responsible to the Board for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

Board Composition

The Board is chaired by Norman Crighton, and consists of four non-executive Directors. All members of the Board are regarded as independent of the Investment Manager and the Chairman. The Directors have a breadth of investment, financial and professional experience relevant to the Company's business and brief biographical details of each Director are set out on page 38.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found below.

The Directors recognise the benefits of Board diversity and continually review the Board's and individual Directors' effectiveness. They aim to balance knowledge of the Company, diversity and continuity in their relationship with the Investment Manager. The Board has adopted a Diversity Policy to ensure Directors bring a wide range of skills, knowledge, experience, backgrounds, and perspectives. While the Board does not set specific targets, diversity is considered when evaluating the skills, knowledge and experience needed for each Board vacancy. The Board has established objectives to achieve diversity:

- all Board appointments will be made on merit, in the context of the skills, background, knowledge and experience that are needed for the Board to be effective; and
- long lists of potential non-executive Directors should include diverse candidates of appropriate merit.

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office during normal business hours and at the Company's AGM.

The Board notes the FCA's rules on diversity and inclusion on company boards included in Listing Rule 6.6.6 (9-11), which are as follows:

- At least 40% of individuals on the Board to be women;
- At least one senior Board position to be held by a woman; and
- At least one individual on the Board to be from a minority ethnic background.

In accordance with Listing Rule 6 Annex 1R, the below tables, in prescribed format, show the gender and ethnic background of the Directors at the year end.

Gender identity	Number of Board members	Percentage on the Board	Number of senior positions on the Board*
Men	1	33.33%	1
Women	2	66.67%	1
Not specified/prefer not to say	–	–	

Ethnic background	Number of Board members	Percentage on the Board	Number of senior positions on the Board*
White British or other White (including minority white groups)	3	100%	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	–	–	–
Black/African/Caribbean/ Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

* Listing Rule 6.6.6(9) includes only the positions of chair, chief executive, senior independent director and chief financial officer in this category. Other than the Chairman of the Board, the Company does not have these roles, as it is an externally managed investment trust without employees and therefore this target is not applicable. The Company has chosen to report against this target by including the position of Audit Committee Chair as a senior position.

The data in the above tables was collected through self-reporting by the Directors, who were asked to indicate which of the categories specified in the prescribed tables were most applicable to them.

On 30 September 2024, the number of Directors was reduced to three. Since the period end, one additional Director resigned, and two non-executive Directors were appointed, effective 12 February 2025. The Board has consistently met the target of having at least one individual from a minority ethnic background, except between October 2024 and early February 2025. At the time of this report, the Board comprised four members, including one individual from a minority ethnic background. As at the date of this report, the gender breakdown is as follows: one female (25%) and three males (75%).

Responsibilities of the Chairman, the Board and its Committees

The Chairman leads the Board and is responsible for its overall effectiveness in directing the affairs of the Company. The Company has adopted a document setting out the responsibilities of the Chairman, which is available on the website: **www.ajot.co.uk**.

Tenure

Directors are generally initially appointed by the Board, until the following AGM when, as required by the Company's Articles of Association, they will stand for re-election by Shareholders. Thereafter, a Director's appointment is subject to an annual performance evaluation and the approval of Shareholders at each AGM, in accordance with corporate governance best practice.

Tenure continued

Under the Articles of Association, Shareholders may remove a Director before the end of his or her term by passing a special resolution at a meeting, and may by ordinary resolution appoint another person who is willing to act to be a Director in his or her place. A special resolution is passed if more than 75% and an ordinary resolution if more than 50% of the votes cast, in person or by proxy, are in favour of the resolution.

In accordance with the above and the AIC Code, all Directors will stand for re-election and or election at the 2025 AGM. The contribution and performance of the Directors seeking re-election was reviewed by the Nomination and Remuneration Committee at its meeting in March 2025, which recommended to the Board their continuing appointment.

The Board has adopted a formal tenure policy for Directors based on a continual review of performance. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board takes into account the ongoing requirements of the UK Corporate Governance Code, including the need to refresh the Board and its Committees. It is not anticipated that any of the Directors would normally serve in excess of nine years. In exceptional circumstances, which would be fully explained to Shareholders at the time, a one or two-year extension might be appropriate.

Similarly, it is not anticipated that the Chairman will normally serve in excess of nine years. However, in exceptional circumstances, which would be fully explained at the time, a one or two-year extension might be appropriate, given the entirely non-executive nature of the Board and in particular where the Chairman has not been appointed in his position for the entire duration of his tenure as a Director. As with all Directors, the continuing appointment of the Chairman is subject to ongoing review of performance, including a satisfactory annual evaluation, annual re-election by Shareholders and may be further subject to the particular circumstances of the Company at the time he or she intends to retire from the Board.

Board Independence

All Directors are non-executive, have a range of other interests and are not dependent on the Company itself. At the Nomination and Remuneration Committee meeting in March 2025, the Directors reviewed their independence and confirmed that all Directors remain wholly independent of the Investment Manager. The Board has determined that all Directors are independent in character and judgement and that their individual skills, broad business experience and knowledge and understanding of the Company are of great benefit to Shareholders.

There were no contracts subsisting during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. No Director has a contract of service with the Company and there are no agreements between the Company and its Directors concerning compensation for loss of office.

Directors' Conflicts of Interest

The Company's Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company ("situational conflicts").

A schedule of interests for each Director is maintained by the Company and reviewed at every Board meeting. The Board has a formal system in place, in line with the Articles of Association for Directors, to declare any new situational conflicts to be considered for authorisation by those Directors who have no interest in the matter being considered. In deciding whether to authorise a situational conflict, the non-conflicted Directors act honestly and in good faith with a view to the best interests of the Company and they may impose limits or conditions when giving the authorisation, or subsequently, if they think this is appropriate. Any situational conflicts considered, and any authorisations given, are recorded in the relevant meetings' minutes and the register of interests.

The prescribed procedures have been followed in deciding whether, and on what terms, to authorise situational conflicts, and the Board believes that the system it has in place for reporting and considering situational conflicts continues to operate effectively. The Chairman has had no relationship that may have created a conflict between his interests and those of the Company's Shareholders.

Induction and Training

On appointment, the Company Secretary provides all Directors with induction training. The training covers the Company's investment strategy, policies and practices. The Directors are also given regular briefings on changes in law and regulatory requirements that affect the Company and the Directors. It is the Chairman's responsibility to ensure that the Directors have sufficient knowledge to fulfil their role and Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies. Regular reviews of Directors' training needs are carried out by the Chairman by means of the evaluation process described below.

The Directors have access to the advice and services of the Company Secretary through its appointed representative, who is responsible for general secretarial functions and for assisting the Company with compliance with its continuing obligations as a company that falls under the Equity Shares (Commercial Companies) category. The Company Secretary is also responsible for ensuring good information flows between all parties.

Directors' Insurance and Indemnification

Directors' and Officers' liability insurance cover was in place throughout the year and remains in place at the date of this report. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgment is given in their favour by the Court. The Company has granted indemnity to Directors to the extent permitted by law in respect of liabilities that may attach to them in their capacity as Directors of the Company.

Board Committees

The Board delegates certain responsibilities and functions to the Audit Committee and the Nomination and Remuneration Committee. Both Committees comprise all Directors. The terms of reference for these Committees are available on the website **www.ajot.co.uk** or via the Company Secretary.

A separate Management Engagement Committee has not been established as the Board consists of only independent non-executive Directors. The investment management agreement and performance of the Investment Manager is reviewed by the Board as a whole on a regular basis, ensuring that the terms are fair and reasonable and that its continuance, given the Company's performance over both short and longer terms, is in the best interests of the Company and its Shareholders. The Board as a whole also reviews the terms of appointment and performance of the Company's other service providers.

Governance / Corporate Governance Statement continued

Audit Committee

The Audit Committee comprises all Directors. Throughout the year under review, the Audit Committee was chaired by Katya Thomson and following her resignation after the year end, Margaret Stephens succeeded her in this role. Both Katya and Margaret are chartered accountants. The other Audit Committee members bring a combination of financial, investment and other experience gained throughout their careers. The Board is satisfied that at least one of the Audit Committee members has recent and relevant financial experience. The Audit Committee as a whole is considered to have competence relevant to the sector. All members of the Audit Committee are independent. The Chairman of the Board is a member of the Audit Committee but, in line with the AIC Code, does not chair it and was considered independent upon appointment. The Chairman's membership of the Audit Committee is considered appropriate given his extensive knowledge of the Investment Trust sector.

The Report of the Audit Committee, which forms part of this Corporate Governance Statement, can be found on pages 50 and 51.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee, consisting of all of the Directors and chaired by Margaret Stephens, meets at least annually. The Nomination and Remuneration Committee is responsible for setting Directors' fees in line with the Remuneration Policy set out on page 46, which is subject to periodic Shareholder approval. The Nomination and Remuneration Committee is also responsible for ensuring that the Board has an appropriate balance of skills and experience to carry out its duties, to select and propose suitable candidates for appointment when necessary and for making recommendations regarding the re-election of existing Directors.

When considering succession planning and tenure policy, the Nomination and Remuneration Committee bears in mind the balance of skills, knowledge, experience, gender and diversity of Directors, the achievement of the Company's investment objective and compliance with the Company's Articles of Association and the AIC Code. The Nomination and Remuneration Committee keeps the Company's needs under continual review and will make recommendations when the recruitment of additional non-executive Directors is required. Once a decision is made to recruit additional Directors to the Board, a formal job description is drawn up, based on a review of the skills required to complement those of the remaining Directors. At the time of this report, the Company had engaged the services of an independent external consultancy with no connection to the Company, Nurole, and successfully recruited two non-executive Directors: Andrew Rose and Tom Yoritaka. We warmly welcome them on board.

The Nomination and Remuneration Committee also reviews and recommends to the Board the Directors seeking re-election and election. Recommendation is not automatic and will follow an annual performance evaluation of the Board, its Committees and individual Directors and consideration of the Director's independence. The evaluation of individual Directors takes into account whether they have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The evaluation of the Board and its Committees considers the balance of experience, skills, independence, corporate knowledge, its diversity, including gender, and how it works together.

The Nomination and Remuneration Committee met in March 2025 to carry out its annual review of the Board, its composition and size and its Committees, the results of which are detailed in the Performance Evaluation paragraph on this page. Two of the current Directors have served for a period of six years. Their tenure is considered by the Nomination and Remuneration Committee as part of the review of succession planning.

With the appointment of Andrew and Tom, further changes are planned in the coming years to refresh the entire Board. The Nomination and Remuneration Committee has scheduled these Board changes in a manner which will at times result in the Board consisting of five Directors, to ensure an orderly handover of in particular the functions of the Chair of the Audit Committee and the Chairman of the Board. Further information on succession planning and recruitment will be provided in future Annual Reports, as and when appropriate.

Board and Committee Meeting Attendance

The table details the number of scheduled Board and Committee meetings held during the year under review and the number of meetings attended by each Director.

Names	Board	Audit Committee	Nomination and Remuneration Committee
Norman Crighton	4(4)	2(2)	2(2)
Margaret Stephens	4(4)	2(2)	2(2)
Katya Thomson*	4(4)	2(2)	2(2)
Yoshi Nishio*	3(3)	2(2)	1(1)

* Ms Thomson resigned on 21 January 2025, while Mr Nishio resigned on 30 September 2024.

Since the period end, two non-executive Directors, Andrew Rose and Tom Yoritaka have been appointed, effective 12 February 2025.

The number in brackets denotes the number of meetings each Director was entitled to attend.

The Directors also met on an ad hoc basis during the year to undertake business, such as discussing the renewal of the Company's loan facility, the tender offer, and approving the tender offer circular. They also reviewed portfolio developments with the Investment Manager.

Performance Evaluation

In January 2025, the Nomination and Remuneration Committee conducted an internal performance review of the effectiveness of the Board, its Committees, the Chairman and the Directors.

The review was carried out by way of questionnaires completed by the Directors. The results were collated and a report detailing the responses was considered by the Committee along with considering areas of focus and improvement for 2026.

This process was facilitated by the Company Secretary, MUFG Corporate Governance Limited. The scope of the questionnaire was designed to cover all aspects of the Board's operation, including the management of meetings, the strengths and independence of the Board and the Chairman, individual Directors and the performance of its Committees, each Director's perspective on the Board's future priorities, training requirements and the way the Board works as a team.

The Committee concluded that the evaluation demonstrated that the composition of the Board and its Committees continued to be appropriate and it provided adequate supervision, oversight and challenge.

Internal Control

The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The Audit Committee supports the Board in continuously monitoring of the internal control and risk management framework. The Board has established an ongoing process for identifying, evaluating and managing the principal and new or emerging risks faced by the Company. The process accords with the FRC's guidance on Risk Management, Internal Control and Related Business and Financial Reporting published in September 2014.

Internal Control continued

The risk management process and system of internal control were in operation throughout the year and up to the date of this report. The system is designed to meet the specific risks faced by the Company, considering its reliance on its service providers and their internal controls. Therefore, the system manages rather than eliminates the risk of failure to achieve the Company's business objectives providing reasonable but not absolute assurance against material misstatement or loss.

In arriving at its judgement of the risks the Company faces, the Board, through the Audit Committee, has considered the Company's operations in light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the extent to which third parties operate the relevant controls.

The Company maintains a risk matrix which identifies key risks faced by the Company and has controls in place to mitigate those risks. The risks are assessed based on their likelihood, the impact on the business if they occur and the effectiveness of the controls in place to mitigate them. This risk matrix is reviewed twice a year by the Audit Committee and as necessary at other times.

The Directors confirm that they have carried out a robust assessment of the Company's emerging and principal risks as identified by the Board, which are set out on pages 36 and 37, as well as the controls in place to manage or mitigate those risks.

The Board reviews financial information produced by the Investment Manager and the Administrator regularly. Most functions for the day-to-day management of the Company are subcontracted, and the Directors therefore obtain assurances and information, including internal control reports, from key third-party suppliers regarding the internal systems and controls operated in their respective organisations. During the year under review, the Board also requested and reviewed updates from key service providers on business continuity, cyber security and fraud prevention.

By the means of the procedures set out above, the Board confirms that it has reviewed, and is satisfied with, the effectiveness of the Company's system of internal control for the year ended 31 December 2024, and to the date of approval of this Annual Report and Financial Statements.

During the course of its review of the system of internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant. Therefore, a confirmation in respect of necessary actions has not been considered appropriate.

Internal Audit Function

As the Company is an externally managed investment company with day-to-day management and administrative functions being outsourced to third parties, and as the Company does not have executive Directors, employees or internal operations, the Board does not consider it necessary to establish an internal audit function, as it believes the existing system of monitoring and reporting by the third parties to be appropriate and sufficient.

Accountability and Relationship with AVI

The Statement of Directors' Responsibilities in respect of the Financial Statements is set out on page 49, the Independent Auditors' Report on pages 52 to 55 and the Viability Statement on page 33.

The Board has delegated contractually to external third parties, including the Investment Manager, the management of the investment portfolio, the custodial services (including the safeguarding of the assets), the day-to-day accounting and cash management, company secretarial and administration requirements and registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company. Further information on management arrangements can be found on page 26.

The Board receives and considers regular reports from the Investment Manager and ad hoc reports and information are supplied to the Board as required. The Investment Manager takes decisions as to the purchase and sale of individual investments. The Investment Manager also ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information.

Representatives of AVI attend Board meetings, enabling the Directors to probe further on matters of concern. The Board and the Investment Manager operate in a supportive, co-operative and open environment.

Continued Appointment of the Investment Manager

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis. In addition to the monitoring of investment performance at each Board meeting, an annual review of the Company's investment performance over both the short and longer terms is undertaken.

Following an annual review, it is the Directors' opinion that the continuing appointment of AVI, the Investment Manager, on the existing terms, is in the best interests of the Company and its Shareholders as a whole.

By order of the Board

For and on behalf of MUFG Corporate Governance Limited

Company Secretary
4 April 2025

Governance / Directors' Remuneration Report

Directors' Remuneration Policy

The Remuneration Policy provides details of the remuneration policy for the Directors of the Company. The Remuneration Policy was approved by Shareholders at the AGM of the Company held on 3 May 2022. The Remuneration Policy is provided below and will be put to Shareholders at the 2025 AGM as an ordinary resolution. The Directors consider the Remuneration Policy to remain fit for purpose and are proposing no amendments.

The Company follows the recommendation of the AIC Code of Corporate Governance that non-executive Directors' remuneration should reflect the time commitment and responsibilities of the role. The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole and be determined from time to time at the Board's discretion with reference to comparable organisations and appointments.

All Directors are non-executive, appointed under the terms of letters of appointment. There are no service contracts in place. The Company has no employees. In line with the majority of investment trusts and the AIC Code, there are no performance conditions attached to the remuneration of the Directors as the Board does not consider such arrangements or benefits necessary or appropriate for non-executive Directors.

The Board has set three levels of fees: one for a Director and additional fees for the Chair of the Audit Committee and the Chairman of the Board. Fees are reviewed annually in accordance with the above policy. Annual fees are pro-rated where a change takes place during a financial year. The fee for any new Director appointed to the Board will be determined on the same basis.

In addition to the annual fee, under the Company's Articles of Association, any Director who is requested to perform services which, in the opinion of the Board, go beyond the ordinary duties of a director, may be paid such extra remuneration as the Board may in its discretion decide in addition to or in substitution for any other remuneration that they may be entitled to receive. Should any extra remuneration be paid during the year, details of the events, duties and responsibilities that gave rise to the additional Directors' fees would be disclosed in the Annual Report. Directors are also entitled to reimbursement of reasonable fees and expenses incurred by them in the performance of their duties.

The approval of Shareholders would be required to increase the aggregate annual Directors' remuneration limit of £250,000, as set out in the Company's Articles of Association.

None of the Directors has any entitlement to pensions or pension-related benefits, medical or life insurance schemes, share options, long-term incentive plans, or performance-related payments. No Director is entitled to any other monetary payment or any assets of the Company, except in their capacity (where applicable) as Shareholders of the Company. Directors' Letters of Appointment expressly prohibit any entitlement to payment on loss of office.

Directors' and Officers' liability insurance cover is maintained by the Company, at its expense, on behalf of the Directors. The Company has also provided indemnities to the Directors in respect of costs or other liabilities they may incur in connection with any claims relating to their performance or the performance of the Company while they are Directors.

The Company is committed to ongoing Shareholder dialogue. Any views expressed by Shareholders on the fees paid to Directors will be taken into consideration by the Board when reviewing the Directors' Remuneration Policy and during the annual review of Directors' fees.

Report on Implementation

This Report is prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2008 as amended in August 2013. The report also meets the relevant requirements of the Companies Act 2006 (the "Act") and the Listing Rules of the FCA and describes how the Board has applied the principles relating to Directors' remuneration. The Company's Auditors are required to report on certain information contained within this report; where information set out below has been audited it is indicated as such.

All Directors are non-executive, and the Company has no chief executive officer or employees; as such some of the reporting requirements contained in the Regulations are not applicable and have not been reported on, including the requirement for a future policy table and an illustrative representation of the level of remuneration that could be received by each individual Director. It is believed that all relevant information is disclosed within this report in an appropriate format.

The Board may amend the level of remuneration paid to individual Directors within the parameters of the Remuneration Policy.

Statement from the Chair of the Nomination and Remuneration Committee

Directors' remuneration is determined by the Nomination and Remuneration Committee, at its discretion, within an aggregate set amount per annum. This aggregate ceiling had been set at £250,000 in the Company's Articles of Association and in the Remuneration Policy as approved on 2 May 2022 and being put to shareholders for approval at the 2025 AGM.

The Nomination and Remuneration Committee comprises all Directors and is chaired by Margaret Stephens. Each Director abstains from voting on their own individual remuneration. The Board has not been provided with advice or services by any person in respect of its consideration of the Directors' remuneration.

During the year the Board carried out a review of the level of Directors' fees in accordance with the Remuneration Policy. As part of this review, the Board considered the Company's performance, the demands placed on Directors' time and the level of fees being paid to non-executive directors in the Company's peer group. The review concluded that the fees being paid were consistent with the market rates for the work performed. Consequently, effective 1 January 2025, fees were adjusted in line with the Consumer Price Index ("CPI"). Fees were increased to £45,800 (previously £45,000) per annum for the Chairman, £41,700 (previously £41,000) per annum for the Chairperson of the Audit Committee and £38,600 (previously £38,000) per annum for other Directors. The Board is satisfied that the changes to the remuneration of the Directors are compliant with the Directors' Remuneration Policy.

There have been no other major decisions on Directors' remuneration or any other changes to the remuneration paid to each individual Director in the year under review.

Directors' Emoluments (audited information)

Directors are only entitled to fixed fees at such rates as are determined by the Board from time to time and in accordance with the Directors' Remuneration Policy as approved by the Shareholders.

None of the Directors has any entitlement to pensions or pension-related benefits, medical or life insurance schemes, share options, long-term incentive plans, or performance-related payments. No Director is entitled to any other monetary payment or any assets of the Company. Accordingly, the Single Total Figure table below does not include columns for any of these items or their monetary equivalents. Directors' and Officers' liability insurance is maintained and paid for by the Company on behalf of the Directors.

Directors' Emoluments (audited information) continued

In line with market practice, the Company has agreed to indemnify the Directors in respect of costs, charges, losses, liabilities, damages and expenses, arising out of any claims or proposed claims made for negligence, default, breach of duty, breach of trust or otherwise, or relating to any application under Section 1157 of the Companies Act 2006, in connection with the performance of their duties as Directors of the Company. The indemnities would also provide financial support from the Company should the level of cover provided by the Directors' and Officers' liability insurance maintained by the Company be exhausted.

The Directors who served during the year received the following emoluments:

Single Total Figure Table (audited information)

	Fees paid*		Taxable benefits		Total						
Name of Director	2024	2023	2024	2023	2024	2023	% change 2023-2024	% change 2022-2023	% change 2021-2022	% change 2020-2021	% change 2019-2020
Norman Crighton[1]	55,000	40,500	–	–	55,000	40,500	35.8%	8.0%	5.3%	1.8%	12.7%
Margaret Stephens	38,000	35,100	–	–	38,000	35,100	8.3%	8.0%	6.1%	2.1%	15.2%
Katya Thomson[2]	41,000	37,800	–	–	41,000	37,800	8.5%	8.0%	5.7%	1.9%	15.2%
Yoshi Nishio[1, 2]	38,500	35,100	–	–	38,500	35,100	9.7%	8.0%	6.1%	2.1%	13.9%
	172,500	148,500	–	–	172,500	148,500	16.2%	8.0%	5.8%	2.0%	14.2%

* Excluding employer's National Insurance Contribution.

1 Received an additional, non-recurring remuneration of £10,000 in respect of meetings attended in Japan.

2 Ms Thomson resigned on 21 January 2025, while Mr Nishio resigned on 30 September 2024.

Since the period end, two non-executive Directors have been appointed, effective 12 February 2025.

Sums Paid to Third Parties (audited information)

None of the fees referred to in the above table were paid to any third party in respect of the services provided by any of the Directors.

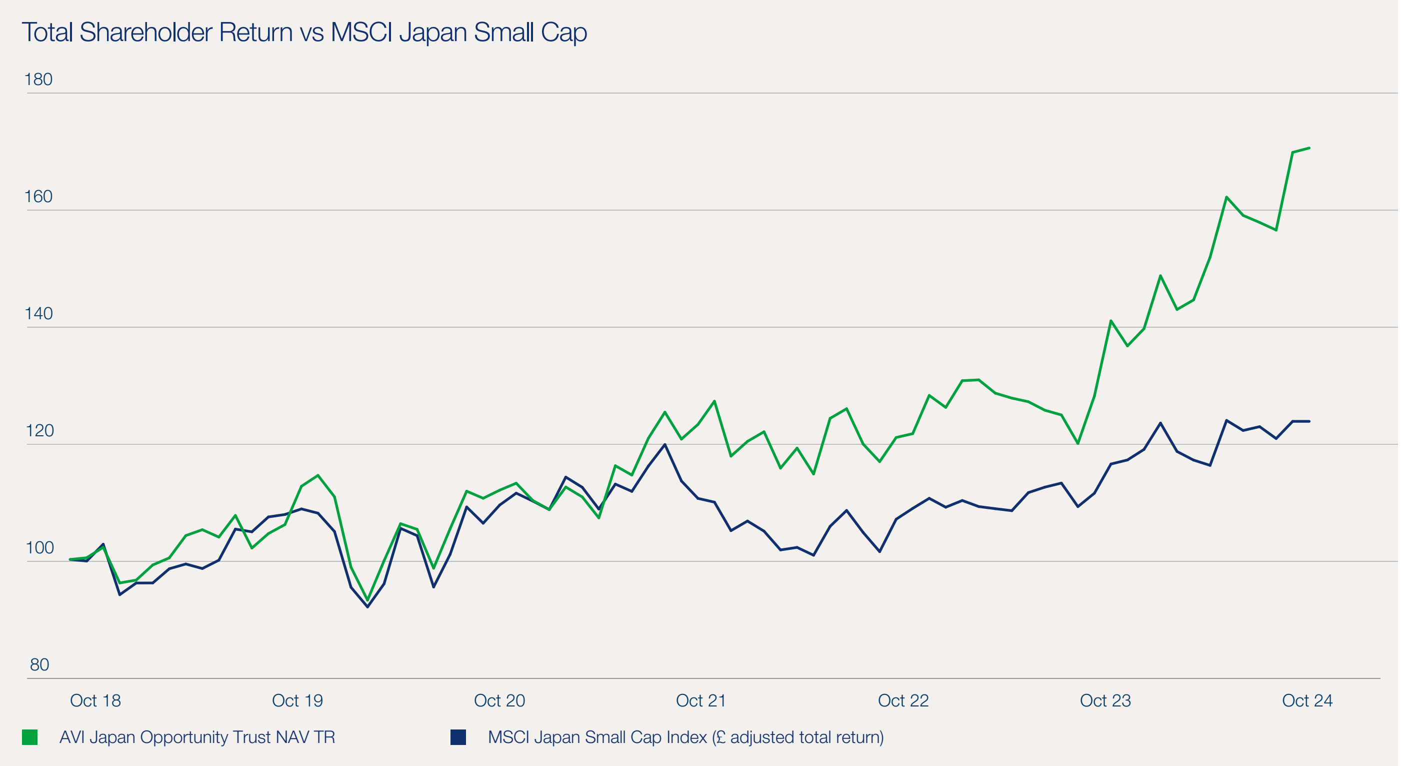
Other Benefits

Taxable benefits – Article 105 of the Company's Articles of Association provides that Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings or any other meeting which they, as Directors, are entitled to attend.

Pensions-related benefits – Article 106 permits the Company to provide gratuities or pensions or similar benefits for Directors of the Company. However, no pension schemes or other similar arrangements have been established and no Director is entitled to any pension or similar benefits.

Performance

The chart below illustrates the total Shareholder return for a holding in the Company's shares, as compared to the MSCI Japan Small Cap (£ adjusted total return), which the Board has adopted as the measure for both the Company's performance and that of the Investment Manager for the year, over the period



Governance / Directors' Remuneration Report continued

since inception of the Company.

Relative Importance of Spend on Pay

The table below shows the proportion of the Company's income spent on pay.

	2024 £'000	2023 £'000	Difference £'000
Spend on Directors' fees*	173	149	24
Distribution to Shareholders	3,036	2,390	646
Management fee and other expenses**	2,830	2,508	322

* As the Company has no employees the total spend on remuneration comprises only the Directors' fees.

** Note: the items listed in the table above are as required by the Large and Medium sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 s.20, with the exception of the management fee and other expenses, which has been included because the Directors believe it will help Shareholders' understanding of the relative importance of the spend on pay. The figures for this measure are the same as those shown in note 3 to the financial statements.

Statement of Directors' Shareholding and Share Interests (audited information)

Neither the Company's Articles of Association nor the Directors' Letters of Appointment require a Director to own shares in the Company. The interests of the Directors and their connected persons in the equity and debt securities of the Company at 31 December 2024 are shown in the table below:

Name of Director	Ordinary Shares
Norman Crighton	26,575
Yoshi Nishio*	–
Margaret Stephens	10,000
Katya Thomson*	10,000
Total	46,575

* Ms Thomson resigned on 21 January 2025, while Mr Nishio resigned on 30 September 2024.

Andrew Rose, who was appointed as a Director following the year end, holds 60,000 shares as at the date of this report. There have been no other changes to Directors' interests between 31 December 2024 and the date of this Report.

Statement of Voting at AGM

At the 2024 AGM, 49,994,647 votes (99.78%) were received voting for the resolution seeking approval of the Directors' Remuneration Report, 110,120 (0.22%%) were against, none were at the Chairman's discretion and 200 were withheld; the percentages of votes excludes votes withheld. In relation to the approval of the Remuneration Policy which was most recently approved at the 2022 AGM, A total of 42,292,385 votes (99.33%) were received in favor of the resolution, 98,679 votes (0.23%) were against, 187,917 votes (0.44%) were at the Chairman's discretion, and 4,500 votes were withheld. The percentages of votes excludes votes withheld.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Implementation summarises, as applicable, for the year to 31 December 2024:

(a) the major decisions on Directors' remuneration;

(b) any discretion which has been exercised in the award of Directors' remuneration;

(c) any substantial changes relating to Directors' remuneration made during the year; and

(d) the context in which the changes occurred and decisions have been taken.

A resolution to approve this Directors' Remuneration Report will be proposed at the AGM to be held on 20 May 2025.

Margaret Stephens
Chair of the Nomination and Remuneration Committee
4 April 2025

Governance / Statement of Directors' Responsibilities in Relation to the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements and have elected to prepare the Company financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements, unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' report, a strategic report and Directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

Website Publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities Pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The Financial Statements have been prepared in accordance with the applicable set of accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

In the opinion of the Board, the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's position and performance, business model and strategy.

Directors' Statement as to the Disclosure of Information to Auditor

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

For and on behalf of the Board

Norman Crighton
Chairman
4 April 2025

Governance / Report from the Audit Committee

I am pleased to present the Audit Committee Report for the year ended 31 December 2024. During this period, Katya Thomson served as the Chair of the Audit Committee (the "Committee"). We would like to extend our heartfelt thanks to her for her leadership and dedication from the IPO in 2018 until January 2025.

We met twice during the year and once following the year-end. The Company's Auditors are invited to attend meetings as necessary, and representatives of the Investment Manager may also be invited.

Details of the composition of the Committee are set out in the Corporate Governance Statement on page 43.

Responsibilities of the Committee

The Committee's responsibilities are set out in formal terms of reference which are available on the Company's website and are reviewed at least annually. The Committee's primary responsibilities are set as follows:

- to monitor the integrity of the financial statements of the Company, including its Annual and Half-Yearly reports and any other formal announcements of the Company relating to its financial performance, and to review and report to the Board on significant financial reporting issues and judgements which those statements contain, having regard to matters communicated to it by the Auditor;
- to review the Half-Yearly and Annual Reports;
- to review the Company's internal financial controls and the internal control and risk management systems of the Company and its third-party service providers;
- to make recommendations to the Board in relation to the appointment of the external Auditor and their remuneration;
- to review the scope, results, cost effectiveness, independence and objectivity of the external Auditor;
- to develop and implement policy on the engagement of the external Auditor to supply non-audit services and consider relevant guidance regarding the provision of non-audit services by the external audit firm; and
- to review circulars issued in respect of major non-routine and corporate transactions.

Activities in the Year

During the year, the Committee has:

- conducted a detailed review of the internal controls and risk management systems of the Company and its third-party service providers;
- reviewed the service levels provided by the Company's Custodian and Depositary;
- considered the emerging and principal risks facing the Company and the mitigating controls in place;
- carried out a detailed review of the external Auditor's performance during the 2023 audit;
- agreed the audit plan and fees with the Auditor in respect of the Annual Report for the year ended 31 December 2024, including the principal areas of focus;
- reviewed the Company's Half-Yearly Report and financial statements, discussed the appropriateness of the accounting policies adopted and recommended these to the Board for approval;
- assessed whether it was appropriate to prepare the Company's financial statements on a going concern basis and made recommendations to the Board. This review included challenging the assumptions on viability of the Company and reviewing stress tests focused on its ability to continue to meet its liabilities;
- considered the appropriate level of dividend to be paid by the Company for recommendation to the Board; and
- examined in detail the methodology and assumptions applied in valuing the assets of the Company.

Following the year end, the Committee has received and discussed with the Auditor their report on the results of the audit and reviewed this Annual Report and Financial Statements, discussed the appropriateness of the accounting policies adopted and recommended these to the Board for approval.

Significant Issues

The Committee considered the following key issues in relation to the Company's financial statements during the year. A more detailed explanation of the consideration of the issues set out below, and the steps taken to manage them, is set out in the principal risks and uncertainties on pages 36 and 37.

Valuation of Investments

The Committee considered the valuation of the investment portfolio. The Company's portfolio currently consists of quoted investments, which are valued by reference to their bid prices on the relevant exchange. Any future unquoted or illiquid investments will be valued by the Directors based on recommendations from the Investment Manager's pricing committee.

Maintaining Internal Controls

The Committee has carefully considered the internal control systems. As the Company relies heavily on third-party suppliers, the Committee monitors the services and control levels of all of its suppliers on an ongoing basis, as explained below.

Going Concern and Long-term Viability of the Company

The Committee considered the Company's financial requirements for the next 12 months and concluded that it has sufficient resources to meet its commitments. Consequently, the financial statements have been prepared on a going concern basis. The Committee also considered the longer-term viability statement within the Annual Report for the year ended 31 December 2024, covering a five-year period, and the underlying factors and assumptions which contributed to the Committee deciding that this was an appropriate length of time to consider the Company's long-term viability. The Company's viability statement can be found on page 33.

Internal Controls

The Committee carefully considers the internal control systems by continually monitoring the services and controls of its third-party service providers.

The Committee reviewed the risk matrix at both of its meetings held during the year under review, updating it where appropriate. The results of this ongoing process, as well as the principal risks identified and controls put in place to manage or mitigate these risks, are detailed on pages 36 and 37 of this report. The Committee received a report on internal control and compliance from the Investment Manager and the Company's other service providers, and no significant matters of concern were identified.

The Company does not have an internal audit function. During the year, the Committee reviewed whether an internal audit function would be of value and concluded that this would provide minimal additional comfort at considerable extra cost to the Company. While the Committee believes that the existing systems of monitoring and reporting by third parties remain appropriate and adequate, it will continue, on an annual basis, to actively consider possible areas within the Company's controls environment that may need a detailed review.

External Auditor

BDO LLP has been the Auditor to the Company since launch in 2018. No tender for the audit of the Company has been undertaken. In accordance with the Competitions and Markets Authority Order, a competitive audit tender must be carried out at least every ten years. The Company is therefore required to carry out a tender no later than in respect of the financial year ending 31 December 2029. The Committee reviews the continuing appointment of the Auditor on an annual basis and gives regular consideration to the Auditor's fees and independence, along with matters raised during each audit.

The Audit Partner is due to rotate every five years. This is the fourth year the current Audit Partner is in place.

The Audit Committee specifically considered and discussed with the Auditor the impact of the Exit Opportunity as well as the outstanding renewal of the revolving credit facility and confirmed that the Company had the necessary liquidity to repay the revolving credit facility in the unlikely event that this could not be renewed. Key audit matters raised by the Auditor are detailed in their report on pages 52 and 53, as well as the materiality threshold.

Audit Fees and Non-audit Services Provided by the Auditor

In accordance with the Company's non-audit services policy, the Audit Committee reviews the scope and nature of all proposed non-audit services before engagement, to ensure that auditor independence and objectivity are safeguarded. The policy includes a list of non-audit services which may be provided by the Auditor provided there is no apparent threat to independence, as well as a list of services which are prohibited. Non-audit services are capped at 70.0% of the average of the statutory audit fees for the preceding three years.

Information on the fees paid to the Auditor is set out in note 3 to the financial statements on page 63.

Effectiveness of the External Audit

The Audit Committee monitors and reviews the effectiveness of the external audit carried out by the Auditor, including a detailed review of the audit plan and the audit results report, and makes recommendations to the Board on the re-appointment, remuneration and terms of engagement of the Auditor. This review takes into account the experience and tenure of the audit partner and team, the nature and level of services provided, and confirmation that the Auditor has complied with independence standards. During the year to 31 December 2024, the Committee carried out a detailed review of the quality and effectiveness of the 2023 audit. The review was based on feedback requested from the Investment Manager, the Administrator and the Company Secretary and discussions with the Auditor. No issues were identified with regards to the effectiveness of the external audit. Any concerns with effectiveness of the external audit process would be reported to the Board.

Independence and Objectivity of the Auditor

The Committee has considered the independence and objectivity of the Auditor. £nil non-audit fees were paid to BDO LLP during the year to 31 December 2024 (2023: £nil). The Committee is satisfied that the Auditor has fulfilled its obligations to the Company and its Shareholders and remains independent and objective.

Appointment of the Auditor

Following consideration of the performance of the Auditor, the services provided during the year and a review of its independence and objectivity, the Committee has recommended to the Board the reappointment of BDO LLP as Auditor to the Company.

Margaret Stephens
Chair of the Audit Committee
4 April 2025

Governance / Independent Auditor's Report

to the Members of AVI Japan Opportunities Trust plc

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of AVI Japan Opportunity Trust plc (the 'Company') for the year ended 31 December 2024 which comprise Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 8 October 2018 to audit the financial statements for the year ended 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is six years, covering the years ended 31 December 2019 to 31 December 2024. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing the going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Assessing the appropriateness of the Directors' assumptions and judgements made by comparing the prior year forecasted costs to the actual costs incurred to check that the projected costs are reasonable;
- Assessing the appropriateness of the Directors' assumptions and judgements made in their base case and stress tested forecasts including consideration of the available cash resources relative to forecast expenditure and commitments;
- Challenging the Directors' assumptions and judgements made in their forecasts by performing an independent analysis of the liquidity of the portfolio;
- Reviewing the loan agreements to identify the covenants and assessing the likelihood of them being breached based on the Directors' forecasts and our sensitivity analyses; and
- We reviewed the Directors' assessment of the potential impact of the 'exit opportunity' as well as the related disclosures presented.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2024	2023
Key audit matters		✓	✓
	Valuation and ownership of quoted investments		
Materiality	Company financial statements as a whole £2.12m (2023: £1.8m) based on 1% (2023: 1%) of net assets		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation and ownership of quoted investments (Note 8 on page 65)	The investment portfolio at the year-end comprised of quoted equity investments held at fair value through profit or loss. We considered the valuation and ownership of investments to be a significant audit area as investments represent the most significant balance in the financial statements and underpin the principal activity of the Company. Given the nature of the portfolio is such that it comprises solely level 1 investments, we do not consider the use of bid price to be subject to significant estimation uncertainty. However, there is a risk that the bid price used as a proxy for fair value of investments held at the reporting date is inappropriate. There is also a risk of error in the recognition of investment holdings such that those recognised do not appropriately reflect the ownership of the Company. For these reasons and the materiality to the financial statements as a whole, they are considered to be a key area of our overall audit strategy and allocation of our resources and hence a Key Audit Matter.	We responded to this matter by testing the valuation and ownership of the whole portfolio of quoted investments. We performed the following procedures: • Confirmed the year-end bid price was used by agreeing to independently obtained externally quoted prices; • Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings; • Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; and • Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date. **Key observations:** Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the quoted equity investments was not appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Company financial statements	2024	2023
Materiality	£2,120,000	£1,820,000
Basis for determining materiality	1% of Net assets	
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	£1,590,00	£1,360,000
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £106,000 (2023: £36,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Governance / Independent Auditor's Report continued
to the Members of AVI Japan Opportunities Trust plc

Other information
The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement
The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 50; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 50.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 49; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 36 and 37; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 44 and 45; and • The section describing the work of the audit committee set out on page 44.

Other Companies Act 2006 reporting
Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.
Directors' remuneration	In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors
As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with the Investment Manager and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Investment Manager, the Administrator and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to be management override of controls.

Our procedures in respect of the above included:

- We performed a review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
- We considered the opportunity and incentive to manipulate accounting entries and tested the relevant adjustments made in the period end financial reporting process;
- We considered if there were any significant transactions outside the normal course of business and found none; and
- We performed a review of unadjusted differences, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Meyrick (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

4 April 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements / Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	For the year ended 31 December 2024 Revenue return £'000	Capital return £'000	Total £'000	For the year ended 31 December 2023 Revenue return £'000	Capital return £'000	Total £'000
Income							
Investment income	2	4,761	–	4,761	3,956	–	3,956
Gains on investments held at fair value	8	–	36,663	36,663	–	23,115	23,115
Exchange losses on currency balances		–	(1,106)	(1,106)	–	(1,158)	(1,158)
		4,761	35,557	40,318	3,956	21,957	25,913
Expenses							
Investment management fee	3	(187)	(1,684)	(1,871)	(162)	(1,460)	(1,622)
Other expenses	3	(959)	–	(959)	(886)	–	(886)
Profit before finance costs and tax		3,615	33,873	37,488	2,908	20,497	23,405
Finance costs	4	(30)	(267)	(297)	(18)	(163)	(181)
Exchange gains on revolving credit facility	4	–	1,422	1,422	–	1,933	1,933
Profit before taxation		3,585	35,028	38,613	2,890	22,267	25,157
Taxation	5	(488)	–	(488)	(418)	–	(418)
Profit for the year		3,097	35,028	38,125	2,472	22,267	24,739
Earnings per Ordinary Share (pence)	7	2.21	25.00	27.21	1.76	15.89	17.65

The total column of this statement is the Income Statement of the Company prepared in accordance with UK-adopted international accounting standards. The supplementary revenue and capital columns are presented in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ("AIC SORP").

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

There is no other comprehensive income, and therefore the profit for the year after tax is also the total comprehensive income.

The accompanying notes are an integral part of these financial statements.

Financial Statements / Statement of Changes in Equity

For the year ended 31 December 2024

	Ordinary Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Special reserve* £'000	Capital reserve* £'000	Revenue reserve** £'000	Total £'000
For the year ended 31 December 2024							
Balance as at 31 December 2023	1,408	–	64,255	77,144	38,195	1,941	182,943
Tender Offer Ordinary Shares bought back and cancelled	(36)	36	–	(5,543)	–	–	(5,543)
Tender Offer costs	–	–	–	(364)	–	–	(364)
Ordinary Shares bought back and held in Treasury	–	–	–	(584)	–	–	(584)
Total comprehensive income for the period	–	–	–	–	35,028	3,097	38,125
Ordinary dividends paid	–	–	–	–	–	(2,596)	(2,596)
Balance as at 31 December 2024	1,372	36	64,255	70,653	73,223	2,442	211,981
For the year ended 31 December 2023							
Balance as at 31 December 2022	1,375	–	60,155	77,153	15,928	1,784	156,395
Issue of Ordinary Shares	33	–	4,099	–	–	–	4,132
Expenses of share issues	–	–	(76)	–	–	–	(76)
Ordinary Shares issued from treasury	–	–	77	1,125	–	–	1,202
Ordinary Shares bought back and held in treasury	–	–	–	(1,134)	–	–	(1,134)
Total comprehensive income for the year	–	–	–	–	22,267	2,472	24,739
Ordinary dividends paid	–	–	–	–	–	(2,315)	(2,315)
Balance as at 31 December 2023	1,408	–	64,255	77,144	38,195	1,941	182,943

* Distributable reserves. Within the balance of the capital reserve, £32,411,000 (31 December 2023: £15,452,000) relates to realised gains which is distributable. The remaining £40,812,000 (31 December 2023: £22,743,000) relates to unrealised gains on investments and is non-distributable.

** Revenue reserve is fully distributable.

The accompanying notes are an integral part of these financial statements.

Financial Statements / Balance Sheet
For the year ended 31 December 2024

	Notes	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Non-current assets			
Investments held at fair value through profit or loss	8	220,865	185,857
		220,865	185,857
Current assets			
Receivables	9	1,256	388
Cash and cash equivalents		5,403	13,430
		6,659	13,818
Total assets		227,524	199,675
Current liabilities			
Revolving credit facility	11	–	(16,301)
Other payables	10	(664)	(431)
		(664)	(16,732)
Total assets less current liabilities		226,860	182,943
Non-current liabilities			
Revolving credit facility	11, 12	(14,879)	–
Net assets		211,981	182,943
Equity attributable to equity Shareholders			
Ordinary Share capital	13	1,372	1,408
Capital redemption reserve		36	–
Share premium		64,255	64,255
Special reserve		70,653	77,144
Capital reserve		73,223	38,195
Revenue reserve		2,442	1,941
Total equity		211,981	182,943
Net asset value per Ordinary Share – basic and diluted (pence)	14	155.44	130.27
Number of shares in issue excluding treasury	13	136,373,227	140,436,702

These financial statements were approved and authorised for issue by the Board of AVI Japan Opportunity Trust plc on 4 April 2025 and were signed on its behalf by:

Norman Crighton

The accompanying notes are an integral part of these financial statements.

Registered in England & Wales No. 11487703

Financial Statements / Statement of Cash Flows

For the year ended 31 December 2024

	31 December 2024 £'000	31 December 2023 £'000
Reconciliation of profit before taxation to net cash inflow from operating activities		
Profit before taxation	38,613	25,157
Gains on investments held at fair value through profit or loss	(36,663)	(23,115)
(Increase)/decrease in other receivables	(434)	132
Exchange gains on revolving credit facility	(1,422)	(1,933)
Exchange losses on currency balances	1,147	1,162
Interest paid	283	200
Increase/(decrease) in other payables	25	(30)
Taxation paid	(488)	(418)
Net cash inflow from operating activities	1,061	1,155
Investing activities		
Purchases of investments	(121,417)	(55,633)
Sales of investments	122,846	56,966
Net cash inflow from investing activities	1,429	1,333
Financing activities		
Dividends paid	(2,596)	(2,315)
Issue of Ordinary Shares	–	4,132
Issue of Ordinary Shares from treasury	–	1,202
Cost of share issues	–	(76)
Payments for Ordinary Shares bought back and held in treasury	(584)	(1,134)
Payments for Tender Offer Ordinary Shares bought back and cancelled	(5,543)	–
Tender Offer costs	(364)	–
Drawdown of revolving credit facility	–	2,703
Interest paid	(283)	(200)
Cash (outflow)/inflow from financing activities	(9,370)	4,312
(Decrease)/increase in cash and cash equivalents	(6,880)	6,800
Reconciliation of net cash flow movement		
Cash and cash equivalents at beginning of year	13,430	7,792
Exchange losses on currency balances	(1,147)	(1,162)
(Decrease)/increase in cash and cash equivalents	(6,880)	6,800
Cash and cash equivalents at end of year	5,403	13,430
Dividends received	4,388	4,131
Interest paid	303	149

The accompanying notes are an integral part of these financial statements.

Financial Statements / Notes to the Financial Statements

For the year ended 31 December 2024

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1. General Information and Accounting Policies

AVI Japan Opportunity Trust plc is a public limited company incorporated on 27 July 2018 and registered in England and Wales. The principal activity of the Company is that of an investment trust company within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010 and its investment approach is detailed in the Strategic Report.

The Company commenced trading and was listed on the London Stock Exchange on 23 October 2018.

The Company's financial statements have been prepared in accordance with UK-adopted international accounting standards and the AIC SORP.

Basis of Preparation

The financial statements of the Company have been prepared for the year ended 31 December 2024.

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by The AIC, supplementary information which analyses the Statement of Comprehensive Income between items of revenue and a capital nature has been prepared alongside the Statement of Comprehensive Income.

The Company invests in Japan with subsequent cash flows (dividend receipts and interest payments) being received in Japanese Yen, however the Directors consider the Company's functional currency to be Pounds Sterling as the shares of the Company are listed on the London Stock Exchange, it is regulated in the United Kingdom, principally having its Shareholder base in the United Kingdom, and pays dividend and expenses in Pounds Sterling. The Directors have chosen to present the financial statements in Pounds Sterling rounded to the nearest thousand, except where otherwise indicated.

Going concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met. The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were approved.

In making the assessment, the Directors of the Company have considered the likely impacts of international and economic uncertainties on the Company, operations and the investment portfolio. The Directors also regularly assess the resilience of key third-party service providers, most notably the Investment Manager and Fund Administrator. These include, but are not limited to, geopolitical events, the conflicts in Ukraine and the Middle East and global economic uncertainties.

The Directors noted that the Company, with the current cash balance and holding a portfolio of listed investments, is able to meet the obligations of the Company as they fall due. The surplus cash enables the Company to meet any funding requirements and finance future additional investments. The revolving credit facility (extended to 2 April 2026) is fully utilised at year end. The Company is able to repay the facility at its own discretion from available cash and liquid investments.

The Investment Manager assesses the exposure to risk when making each investment decision, and monitors cash flows and the performance of the portfolio on a daily basis. The Company is a closed-ended fund, where assets are not required to be liquidated to meet day-to-day redemptions.

The Directors have completed stress tests assessing the impact of changes in market value, inflation and income with associated cash flows. In making this assessment, they have considered severe but plausible downside scenarios (including the Tender Offer) and simulated a 50% reduction in NAV during April 2025, the impact on future cash flows as a result of this through to December 2029. The conclusion was that in a severe but plausible downside scenario the Company could continue to meet its liabilities. Whilst the economic future is uncertain, and the Directors believe that it is possible the Company could experience further reductions in income and/or market value, and changes in expenses, the opinion of the Directors is that this should not be to a level which would threaten the Company's ability to continue as a going concern.

The Directors may, at their discretion, offer an Exit Opportunity to Shareholders on an annual basis, with the next Exit Opportunity expected to made available to Shareholders in October 2025, and every 12 months thereafter. The Board may, in its total discretion, elect not to operate the Exit Opportunity in whole or in part if, in its reasonable opinion, it has become impractical or inappropriate without materially harming the interests of Shareholders as a whole.

The Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on the going concern basis.

Segmental Reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

The Company invests in companies listed in Japan on recognised exchanges.

Accounting Developments

In the current year, the Company has applied a number of amendments to UK-adopted international standards that are mandatorily effective for an accounting period that begins on or after 1 January 2024.

The updates incorporated:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1;
- Non-current Liabilities with Covenants – Amendments to IAS 1; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

The adoption of the changes in accounting standards has had no material impact on these or prior years' financial statements.

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1. General Information and Accounting Policies continued

Accounting Developments continued

There are amendments to IAS/IFRS that will apply from 1 January 2025 as follows:

- Lack of Exchangeability – Amendments to IAS21.

There are amendments to IAS/IFRS that will apply from 1 January 2026 as follows:

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7; and
- Annual Improvements to IFRS Accounting Standards.

There are amendments to IAS/IFRS that will apply from 1 January 2027 as follows:

- IFRS 18 Presentation and Disclosure in Financial Statements.

The Company intends to adopt the standards in the reporting period when they become effective. The adoption of these standards impacts the Company's accounting policy disclosure to the financial statements.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with UK-adopted international accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts in the Balance Sheet, the Statement of Comprehensive Income and the disclosure of contingent assets at the date of the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The areas requiring judgement and estimation in the preparation of the financial statements are: recognising and classifying unusual or special dividends received as either revenue or capital in nature; allocation of expenses between capital and income and setting of the level of dividends paid and proposed.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. There are no further significant judgements or estimates in these financial statements.

Investments

The investment objective of the Company is to provide Shareholders with a total return in excess of the MSCI Japan Small Cap Index in GBP, through the active management of a focused portfolio of equity investments listed or quoted in Japan which have been identified by the Investment Manager as undervalued and having a significant proportion of their market capitalisation held in cash, listed securities and/or realisable assets.

The investments held by the Company are measured "at fair value through profit or loss". All gains and losses are allocated to the capital return within the Statement of Comprehensive Income as "Gains or losses on investments held through profit or loss". Also included within this heading are transaction costs in relation to the purchase or sale of investments. When a purchase or sale is made under a contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date.

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at subsequent reporting dates at fair value, which is the bid price. The Company derecognises a financial asset only when the contractual right to the cash flows from the asset expire, or when it transfers the financial asset and subsequently all the risks and rewards of ownership to another entity. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been accumulated is recognised in profit or loss.

All investments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy in note 15.

Foreign currency

Transactions denominated in currencies other than Pounds Sterling are recorded at the rates of exchange prevailing on the date of transaction. Items which are denominated in foreign currencies are translated at the rates prevailing on the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as exchange gain or loss in the capital reserve or revenue reserve depending on whether the gain or loss is capital or revenue in nature.

Cash and Cash Equivalents

Cash comprises cash in hand and balances held in interest bearing accounts revalued for exchange rate movements.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Revolving Credit Facility

The revolving credit facility is shown at amortised cost and revalued for exchange rate movements. Any gain or loss arising from changes in exchange rates is included in the capital reserve and shown in the capital column of the Statement of Comprehensive Income.

Income

Dividends receivable on quoted equity shares are taken to revenue on an ex-dividend basis. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Dividends from overseas companies are shown gross of any withholding taxes. Irrecoverable withholding taxes are disclosed within taxation in the Statement of Comprehensive Income.

Special dividends are taken to the revenue or capital account depending on their nature. In deciding whether a dividend should be regarded as a capital or revenue receipt, the Board reviews all relevant information as to the reasons for the sources of the dividend on a case-by-case basis.

When the Company has elected to receive scrip dividends in the form of additional shares, rather than cash, the amount of the cash dividend forgone is recognised as income. Any excess in the value of the cash dividend is recognised in the capital column.

All other income is accounted for on a time-apportioned accruals basis and is recognised in the Statement of Comprehensive Income.

Financial Statements / Notes to the Financial Statements continued

For the year ended 31 December 2024

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1. General Information and Accounting Policies continued

Expenses and Finance Costs

Expenses incurred directly in relation to arranging debt finance are amortised over the term of the finance. All expenses and finance costs are accounted for on an accruals basis. On the basis of the Board's expected long-term split of total returns the Company charges 90% of its management fee and finance costs to capital.

Taxation

The charge for taxation is based on the net revenue for the year and takes into account taxation deferred or accelerated because of temporary differences between the treatment of certain items for accounting and taxation purposes.

The tax charge consists of overseas tax not recoverable.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. In line with the recommendations of the SORP, the allocation method used to calculate the tax relief on expenses charged to capital is the "marginal" basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

Dividends Payable to Shareholders

Dividends to Shareholders are recognised as a liability in the period in which they are paid or approved in general meetings and are taken to the Statement of Changes in Equity. Dividends declared and approved by the Company after the Balance Sheet date have not been recognised as a liability of the Company at the Balance Sheet date.

Capital redemption reserve

The capital redemption reserve represents non-distributable reserves that arise from the cancellation of shares.

Share Premium

The share premium account represents the accumulated premium paid for shares issued above their nominal value less issue expenses. This is a reserve forming part of the non-distributable reserves. The following items are taken to this reserve:

- costs associated with the issue of equity; and
- premium on the issue of shares.

Special Reserve

The special reserve was created by the cancellation of the share premium account by order of the court and forms part of the distributable reserves. The following items are taken to this reserve:

- Tender Offer costs and Tender Offer shares cancelled; and
- costs of share buybacks; and
- crediting the cost of share buybacks for shares reissued.

Capital Reserve

The following are taken to the capital reserve through the capital column in the Statement of Comprehensive Income:

Capital reserve – other, forming part of the distributable reserves:

- gains and losses on the disposal of investments;
- issue expenses on revolving credit facility;
- exchange differences of a capital nature; and
- expenses, together with the related taxation effect, allocated to this reserve in accordance with the above policies.

Capital reserve – investment holding gains, not distributable:

- increase and decrease in the valuation of investments held at the year end.

Revenue Reserve

The revenue reserve represents the surplus of accumulated profits and is distributable by way of dividends.

Derivatives

Derivatives, including Total Return Swaps, are classified as financial instruments at fair value with open positions included in current assets/liabilities. Derivatives are derecognised when the contract expires or on the trade on which the contract is sold. Changes in fair value of derivative instruments are recognised as they arise in the capital column of the Statement of Comprehensive Income. The fair value is calculated by either the quoted price (if listed) or a broker using models with inputs from market prices. On disposal or expiry, realised gains and losses are also recognised in the Statement of Comprehensive Income as capital items. Cash flows relating to the derivatives underlying security are reflected within the revenue account. Cost of financing derivatives is allocated in accordance with the Company's accounting policy, with 90% charged to capital and 10% charged to revenue.

2. Income

	31 December 2024 £'000	31 December 2023 £'000
Income from investments		
Overseas dividends*	4,880	4,179
Bank and deposit interest	(3)	(16)
Exchange losses on receipt of income**	(116)	(207)
Total income	4,761	3,956

* Overseas dividends are shown gross.

** Exchange movements arise from ex-dividend date to payment date.

3. Investment Management Fee and Other Expenses

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	187	1,684	1,871	162	1,460	1,622
Other expenses:						
Directors' emoluments – fees	173	–	173	149	–	149
Directors' insurances and other expenses	20	–	20	18	–	18
Directors' National Insurance Contributions	19	–	19	16	–	16
Auditor's remuneration – audit services	58	–	58	51	–	51
Marketing	210	–	210	190	–	190
Printing and postage costs	29	–	29	32	–	32
Registrar fees	20	–	20	28	–	28
Custodian fees	26	–	26	22	–	22
Depositary fees	33	–	33	33	–	33
Advisory and professional fees	311	–	311	296	–	296
Regulatory fees	39	–	39	33	–	33
Irrecoverable VAT	–	–	–	(11)	–	(11)
Sundry expenses	21	–	21	29	–	29
Total other expenses	959	–	959	886	–	886

The management fee of 1% per annum is calculated on the lesser of the Company's NAV or Market Capitalisation at each quarter end. The Investment Manager will invest 25% of the management fee it receives in shares of the Company (through open market purchases) and will hold these for a minimum of two years.

4. Finance Costs

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
JPY revolving credit facility	(30)	(267)	(297)	(18)	(163)	(181)
Exchange gains on JPY revolving credit facility*	–	1,422	1,422	–	1,933	1,933

* Revaluation of revolving credit facility.

Details of the revolving credit facility are set out in notes 10, 11 and 12.

Financial Statements / Notes to the Financial Statements continued
For the year ended 31 December 2024

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5. Taxation

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Analysis of charge for the year						
Overseas tax not recoverable*	488	–	488	418	–	418
Tax charge for the year	488	–	488	418	–	418

The tax assessed for the year is the standard rate of corporation tax in the United Kingdom of 25%. The differences are explained below:

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Return on ordinary activities after interest payable but before appropriations	3,585	34,987	38,572	2,890	22,267	25,157
Profit before taxation multiplied by the standard rate of corporation tax of 25% (2023: 23.5%)	896	8,747	9,643	680	5,237	5,917
Effects of:						
– Tax – exempt overseas investment income	(1,192)	–	(1,192)	(983)	–	(983)
– Foreign exchange losses/(gains) not taxable	1	(69)	(68)	49	(182)	(133)
– Losses on investments and exchange losses on capital items	–	(9,166)	(9,166)	–	(5,437)	(5,437)
– Excess management expenses carried forward	287	421	708	246	344	590
– Movement in non-trading loan relationship deficit not utilised	8	67	75	8	38	46
– Overseas tax not recoverable	488	–	488	418	–	418
Tax charge for the year	488	–	488	418	–	418

At 31 December 2024, the Company had unrelieved tax losses of £14,594,000 (31 December 2023: £11,463,000) that are available to offset future taxable revenue. A deferred tax asset of £3,649,000 (31 December 2023: £2,866,000), which has been calculated using a corporation tax rate of 25% (2023: 25%), has not been recognised because the Company is not expected to generate sufficient taxable income in future periods to utilise these tax losses.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an investment trust company.

6. Dividends

	31 December 2024 £'000	31 December 2023 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2023 of 0.85p (2022: 0.80p) per Ordinary Share	1,193	1,118
Interim dividend for the year ended 31 December 2024 of 1.00p (2023: 0.85p) per Ordinary Share	1,403	1,197
	2,596	2,315

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6. Dividends continued

Set out below are the interim and final dividends paid or proposed on Ordinary Shares in respect of the financial year, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered:

	31 December 2024 £'000	31 December 2023 £'000
Interim dividend for the year ended 31 December 2024: 1.00p (2023: 0.85p) per Ordinary Share	1,403	1,197
Proposed final dividend for the year ended 31 December 2024 of 1.20p (2023: 0.85p) per Ordinary Share	1,633*	1,193
	3,036	2,390

* Based on shares in circulation on 1 April 2025.

7. Earnings per Ordinary Share – Basic and Diluted

The earnings per Ordinary Share is based on the Company's net profit after tax of £38,125,000 (year ended 31 December 2023: profit of £24,739,000) and on 140,095,962 (year ended 31 December 2023: 140,094,621) Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the year.

The earnings per Ordinary Share detailed above can be further analysed between revenue and capital as follows:

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue	Capital	Total	Revenue	Capital	Total
Net profit (£'000)	3,097	35,028	38,125	2,472	22,267	24,739
Weighted average number of Ordinary Shares			140,095,962			140,094,621
Earnings per Ordinary Share – basic and diluted (pence)	2.21	25.00	27.21	1.76	15.89	17.65

There are no dilutive instruments issued by the Company.

8. Investments Held at Fair Value Through Profit or Loss

	31 December 2024			31 December 2023	
	Equities £'000	Unrealised Derivatives Liability £'000	Total £'000	Equities £'000	Total £'000
Financial assets held at fair value					
Opening book cost	163,409	–	163,409	160,623	160,623
Opening investment holding gains	22,448	–	22,448	3,700	3,700
Opening fair value	185,857	–	185,857	164,323	164,323
Movement in the year:					
Purchases at cost: Equities	121,626	–	121,626	55,710	55,710
Sales proceeds: Equities	(123,420)	139	(123,281)	(57,291)	(57,291)
– realised gains/(losses) on equity sales and close of total return swaps	19,009	(139)	18,870	4,367	4,367
Increase in investment holding gains	17,793	–	17,793	18,748	18,748
Closing fair value	220,865	–	220,865	185,857	185,857
Closing book cost	180,624	–	180,624	163,409	163,409
Closing investment holding gains	40,241	–	40,241	22,448	22,448
Closing fair value	220,865	–	220,865	185,857	185,857

Financial Statements / Notes to the Financial Statements continued
For the year ended 31 December 2024

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8. Investments Held at Fair Value Through Profit or Loss continued

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Transaction costs		
Cost on acquisition	69	32
Cost on disposals	65	33
	134	65
Analysis of capital gains		
Gains on sales of financial assets based on historical cost	18,870	4,367
Movement in investment holding gains for the year	17,793	18,748
Net gains on investments held at fair value	36,663	23,115

The Company received £123,281,000 (year ended 31 December 2023: £57,291,000) from investments sold in the year. The book cost of these investments when they were purchased was £104,411,000 (year ended 31 December 2023: £52,924,000). These investments have been revalued over time and until they were sold, any unrealised gains or losses were included in the fair value of the investments.

The Company has 12 investments of 3% or more of the equity capital of the investee companies, which are set out in the table below.

Company	% of investee company
Atsugi	10.5
Broadmedia	10.2
Sharingtechnology	8.9
Tecnos Japan	8.8
Beenos	8.2
Araya Industrial	7.1
Aoyama Zaisan Networks	5.4
TSI Holdings	5.3
Jade Group	4.1
Eiken Chemical	3.8
Kurabo Industries	3.5
Helios Techno Holding	3.0

9. Receivables

	2024 £'000	2023 £'000
Trade receivables, prepayments and other debtors		
Due from brokers	758	324
Other receivables and prepayments	498	64
	1,256	388

No receivables are past due or impaired.

10. Current Liabilities

	2024 £'000	2023 £'000
Revolving credit facility	–	16,301
Trade payables, accruals and short-term borrowings		
Management fees	170	133
Interest payable	61	70
Due to brokers	287	79
Accrued expenses	146	149
	664	431
Total current liabilities	664	16,732

11. Revolving Credit Facility

	Year ended 31 December 2024		Year ended 31 December 2023	
	¥'000	£'000	¥'000	£'000
Opening balance	2,930,000	16,301	2,465,000	15,532
Proceeds from amounts drawn	–	–	465,000	2,703
Exchange rate movement	–	(1,422)	–	(1,934)
Closing balance	2,930,000	14,879	2,930,000	16,301
Maximum facility available	2,930,000	14,879	2,930,000	16,301

On 2 February 2024 the Company extended the revolving credit facility ("the facility") on the same terms to 5 April 2024 while renewal terms were being agreed. On 2 April 2024 the facility was renewed for a further two years to 2 April 2026, for a total facility size of ¥2.9 billion (the facility size was increased to ¥6.6 billion on 28 March 2025). Interest charged is the aggregate of the Margin 1.55% (previously 1.15%) and the Daily Non Cumulative Compounded Risk Free Rate ("RFR") that day payable bi-annually. RFR being the Tokyo Overnight Average Rate ("TONAR") (previously where TONAR – the reference rate was less than zero it was deemed to be zero). The current estimated aggregate interest rate is 1.78% (previously 1.15%) and estimated effective rate 1.78% (previously 1.15%).

Commitment fees of 0.5% (previously 0.325% on undrawn balances if over 50% of the facility is drawn down, 0.375% if less than 50% is drawn down) are charged on undrawn balances payable quarterly. As at the date of this report, the Company has fully utilised the facility.

Under the terms of the facility covenants, remaining the same, the net assets shall not be less than £75 million; and the adjusted total net assets to borrowing ratio shall not be less than 4.5:1.

The facility is shown at amortised cost and revalued for exchange rate movements. Any gain or loss arising from changes in exchange rates are included in the capital reserves and shown in the capital column of the Statement of Comprehensive Income. Interest costs are charged to capital and revenue in accordance with the Company's accounting policies.

Costs of £18,000 were incurred in relation to the extension of the facility.

12. Non-Current Liabilities

	2024 £'000	2023 £'000
Revolving credit facility	14,879	–
Total	14,879	–

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For the year ended 31 December 2024

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13. Share Capital

Allotted, called up and fully paid	As at 31 December 2024 Ordinary Shares of 1p each Number of shares	As at 31 December 2024 Ordinary Shares of 1p each Nominal value £'000	As at 31 December 2023 Ordinary Shares of 1p each Number of shares	As at 31 December 2023 Ordinary Shares of 1p each Nominal value £'000
Balance at beginning of year	140,836,702	1,408	137,461,702	1,375
Ordinary Shares bought back – Tender Offer	(3,637,759)	(36)	–	–
Issue of Ordinary Shares	–	–	3,375,000	33
	137,198,943	1,372	140,836,702	1,408
Treasury shares:				
Balance at beginning of year	400,000		400,000	
Issue of Ordinary Shares from treasury	–		(985,000)	
Buyback of Ordinary Shares into treasury	425,716		985,000	
Balance at end of year	825,716		400,000	
Total Ordinary Share capital excluding treasury shares	136,373,227		140,436,702	

During the year ended 31 December 2024, no Ordinary Shares (31 December 2023: 4,360,000) were issued for a net consideration of £nil (31 December 2023: £5,258,000), including no Ordinary Shares issued from treasury (31 December 2023: 985,000).

During the year, 425,716 Ordinary Shares (31 December 2023: 985,000) were bought back and placed in treasury for an aggregate consideration of £584,000 (31 December 2023: £1,134,000).

Exit Opportunity

During the year, the Company offered an Exit Opportunity, allowing eligible Shareholders to tender all or part of their holdings. The Board intends to offer this Exit Opportunity to Shareholders annually, at its discretion.

In the 2024 Exit Opportunity, the Company received applications from eligible Shareholders to tender a total of 3,637,759 shares, representing 2.58% of the issued Ordinary Share capital, at a price of 152.37 pence per share. These Ordinary Shares were bought back and cancelled for an aggregate consideration of £5,907,000.

14. NAV per Ordinary Share

The NAV per Ordinary Share is based on net assets of £211,981,000 (31 December 2023: £182,943,000) and on 136,373,227 (31 December 2023: 140,436,702) Ordinary Shares, being the number of Ordinary Shares in issue excluding Treasury Shares at the year end.

	31 December 2024 NAV per Ordinary Share Pence	31 December 2024 Net asset value attributable £'000	31 December 2023 NAV per Ordinary Share Pence	31 December 2023 Net asset value attributable £'000
Basic and diluted	155.44	211,981	130.27	182,943

15. Financial Instruments and Capital Disclosures

Investment Objective and Policy

The investment objective of the Company is to achieve a total return through a focused portfolio of investments, particularly in companies whose share prices stand at a discount to estimated underlying NAV.

The Company's investment objective and policy are detailed on page 25.

The Company's financial instruments comprise equity investments, cash balances, receivables, payables and borrowings. The Company makes use of borrowings to achieve improved performance in rising markets.

Risks

The risks identified arising from the financial instruments are market risk (which comprises market price risk, interest rate risk and foreign currency risk), liquidity risk and credit and counterparty risk. The Company may also enter into derivative transactions to manage risk.

The Board and Investment Manager consider and review the risks inherent in managing the Company's assets which are detailed below.

Market Risk

Market risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss which the Company might suffer through holding market positions by way of price movements, interest rate movements, exchange rate movements and systematic risk (risk inherent to the market, reflecting economic and geopolitical factors). The Investment Manager assesses the exposure to market risk when making each investment decision and these risks are monitored by the Investment Manager on a regular basis and the Board at quarterly meetings with the Investment Manager.

15. Financial Instruments and Capital Disclosures continued

Market Price Risk

Market price risk (i.e. changes in market prices other than those arising from currency risk or interest rate risk) may affect the value of investments.

Adherence to investment policies mitigates the risk of excessive exposure to any particular type of security or issuer. The portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis, with the objective of maximising overall returns to shareholders. The assessment of market risk is based on the Company's portfolio as held at the year end. The Company has experienced volatility in the fair value of investments during recent years due to geopolitical events. The Company has used 10% to demonstrate the impact of a reduction/increase in the fair value of the investments and the impact upon the Company that might arise from future events.

The portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis with the objective of maximising overall returns to Shareholders. If the fair value of the Company's investments at the year end increased or decreased by 10%, then it would have had an impact on the Company's capital return through (losses)/gains on investments held at fair value, impacting profit/(loss) and the NAV by £22,086,000 (31 December 2023: £18,586,000).

Foreign Currency

The value of the Company's assets and the total return earned by the Company's Shareholders can be significantly affected by foreign exchange rate movements as most of the Company's assets are denominated in currencies other than Pounds Sterling, the currency in which the Company's financial statements are prepared. Income denominated in foreign currencies is converted to Pounds Sterling upon receipt. The JPY exchange rate at 31 December 2024 was ¥196.915:£1 (31 December 2023: ¥179.74:£1).

Currency Risk

	GBP £'000	JPY £'000	Total £'000
At 31 December 2024			
Receivables	122	1,134	1,256
Cash and cash equivalents	13	5,390	5,403
JPY revolving credit facility	–	(14,879)	(14,879)
Payables	(316)	(348)	(664)
Currency exposure on net monetary items	(181)	(8,703)	(8,884)
Investments held at fair value through profit or loss	–	220,865	220,865
Total net currency exposure	(181)	212,162	211,981

	GBP £'000	JPY £'000	Total £'000
At 31 December 2023			
Receivables	64	324	388
Cash and cash equivalents	311	13,119	13,430
JPY revolving credit facility	–	(16,301)	(16,301)
Payables	(282)	(149)	(431)
Currency exposure on net monetary items	93	(3,007)	(2,914)
Investments held at fair value through profit or loss	–	185,857	185,857
Total net currency exposure	93	182,850	182,943

A 5% decline in Sterling against foreign currency denominated (i.e. non Pounds Sterling) assets and liabilities held at the year end would have increased the net assets and exchange gains and losses, impacting profit/(loss) by £10,608,000 (31 December 2023: £9,143,000). A 5% rise in Sterling against foreign currency denominated assets and liabilities held at the year end would have decreased the net assets and exchange gains and losses, impacting profit/(loss) by £10,608,000 (31 December 2023: £9,143,000).

Interest Rate Risk

Interest rate movements may affect:

- the level of income receivable on cash deposits; and
- the interest payable on variable rate borrowings.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

The exposure at 31 December of financial assets and financial liabilities to interest rate risk is shown by reference to floating interest rates.

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15. Financial Instruments and Capital Disclosures continued

Interest Rate Risk continued

	31 December 2024 £'000	31 December 2023 £'000
Exposure to floating interest rates		
Cash and cash equivalents	5,403	13,430
JPY revolving credit facility	(14,879)	(16,301)

If the above level of cash and JPY revolving credit facility was maintained for a year, a 1% increase in interest rates would decrease the revenue return and net assets by £95,000 (£15,000). Management proactively manages cash balances. If there was a fall of 1% in interest rates. The total effect would be a change in profit/(loss) and the NAV, through a cost increase/revenue reduction, of £95,000 (31 December 2023: £15,000).

The estimated current interest rate chargeable on the revolving credit facility (the "facility") is 1.78% and the estimated effective interest rate 1.78%. The effective rate chargeable for a year on the current drawn down balance of ¥2.9 billion is £265,000. The facility has been extended to 2 April 2026, after which it will be renewed when terms have been agreed.

Liquidity Risk

Liquidity risk is mitigated by the fact that the Company has £5,403,000 (2023: £13,430,000) cash at bank, the assets are readily realisable, which can be easily sold to meet funding commitments and further short-term flexibility is available through the use of bank borrowings. The current revolving credit facility is repayable on 2 April 2026, or prior to that date at the discretion of the Company. Repayment may be completed through cash repayments, further borrowings and/or disposal of investments. Unlisted investments, if any, in the portfolio are subject to liquidity risk which is taken into account by the Directors when arriving at their valuation.

The Company is a closed-ended fund, assets do not need to be liquidated to meet redemptions, and sufficient liquidity is maintained to meet obligations as they fall due.

The remaining contractual payments on the Company's financial liabilities at 31 December 2024, based on the earliest date on which payment can be required and current exchange rates at the Balance Sheet date undiscounted amounts, were as follows:

	In 1 year or less £'000	In more than 1 year but not more than 2 years £'000	Total £'000
At 31 December 2024			
Revolving credit facility	–	(14,879)	(14,879)
Payables	(664)	–	(664)
	(664)	(14,879)	(15,543)

	In 1 year or less £'000	In more than 1 year but not more than 2 years £'000	Total £'000
At 31 December 2023			
Revolving credit facility	(16,301)	–	(16,301)
Payables	(431)	–	(431)
	(16,732)	–	(16,732)

Credit Risk

Credit risk is mitigated by diversifying the counterparties through which the Investment Manager conducts investment transactions. The credit standing of all counterparties is reviewed periodically, with limits set on amounts due from any one counterparty. As at 31 December 2024, cash was held with J.P. Morgan Chase Bank (A2* Moody's credit rating).

The total credit exposure represents the carrying value of cash and receivable balances and totals £6,660,000 (31 December 2023: £13,818,000).

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15. Financial Instruments and Capital Disclosures continued

Fair Values of Financial Assets

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value is the amount at which the asset could be sold or the liability transferred in an orderly transaction between market participants, at the measurement date, other than a forced or liquidation sale.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

- Level 1 – valued using quoted prices unadjusted in active markets for identical assets or liabilities.
- Level 2 – valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included within Level 1.
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

The table below sets out fair value measurements of financial instruments as at the year end, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial assets at fair value through profit or loss at 31 December 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	220,865	–	–	220,865
	220,865	–	–	220,865

Financial assets at fair value through profit or loss at 31 December 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	185,857	–	–	185,857
	185,857	–	–	185,857

There have been no transfers during the year between Levels 1, 2 and 3.

Capital Management Policies and Procedures

The structure of the Company's capital is described on page 39 and details of the Company's reserves are shown in the Statement of Changes in Equity on page 57.

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern;
- to achieve capital growth through a focused portfolio of investments, particularly in companies whose share prices stand at a discount to estimated underlying NAV, through an appropriate balance of equity capital and debt; and
- to maximise the return to Shareholders while maintaining a capital base to allow the Company to operate effectively and meet obligations as they fall due.

The Board, with the assistance of the Investment Manager, regularly monitors and reviews the broad structure of the Company's capital on an ongoing basis. These reviews include:

- the level of gearing, which takes account of the Company's position and the Investment Manager's views on the market; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are set out in the Strategic Report. The Company is subject to externally imposed capital requirements:

- as a public company, the Company is required to have a minimum share capital of £50,000; and
- in accordance with the provisions of Sections 832 and 833 of the Companies Act 2006, the Company, as an investment company:
  - is only able to make a dividend distribution to the extent that the assets of the Company are equal to at least one and a half times its liabilities after the dividend payment has been made; and
  - is required to make a dividend distribution each year such that it does not retain more than 15% of the income that it derives from shares and securities.

These requirements are unchanged since last year and the Company has complied with these requirements at all times since commencing trading on 23 October 2018.

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16. Related Party Disclosures and Investment Management Fees

Fees paid to the Company's Directors are disclosed in the Directors' Remuneration Report on page 47 and in note 3 on page 63.

The Company paid management fees to AVI during the year amounting to £1,835,000 (2023: £1,613,000). As at the year end, £170,000 remained outstanding in respect of management fees (2023: £133,000). At 31 December 2024, AVI held 1,890,000 Ordinary Shares (2023: 1,500,000 Ordinary Shares) of the Company.

Finda Telecoms Oy and City of London Investment Management Company Limited ("City of London"), significant Shareholders of the Company, are deemed to be related parties of the Company for the purposes of the Listing Rules by virtue of their holding in the Company's issued share capital. During the year under review, no material transactions took place between the Company and Finda Telecoms Oy or City of London. As at 31 December 2024, the Company had not been notified of any change to Finda Telecoms Oy's holding. At 31 December 2024, Finda Telecoms Oy's holding represented 22% of the voting rights. City of London informed the Company on 16 December 2024 that its holding had increased to 13.25% of the voting rights from 12.88% on 6 November 2024. As at 1 April 2025, no further notifications have been received from either of the significant Shareholders.

17. Post Balance Sheet Events

The Company on 28 March 2025 increased its unsecured revolving credit facility to ¥6.6 billion (£34.5 million) from ¥2.93 billion (£14.9 million).

The Company released an announcement regarding a proposed acquisition of assets from Fidelity Japan Trust plc ("FJV") on 3 April 2025, setting out a written proposal submitted to the FJV Board during 2024, such that FJV shareholders can independently assess FJV's performance and consider the alternative solution presented to their board. Under the proposal, FJV shareholders would be offered the choice of (i) rolling their investment into new shares to be issued by AJOT and/ or (ii) electing for a cash exit, capped at 25 per cent. of FJV's shares in issue (excluding treasury shares). At the time of writing, there can be no certainty that engagement will progress, that heads of terms will be agreed, or whether this proposed transaction will take place.

Shareholder Information / AIFMD Disclosures

The Company's AIFM is Asset Value Investors Limited.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. Those disclosures that are required to be made pre-investment are included within an AIFMD Investor Disclosure Document. This, together with other necessary disclosures required under AIFMD, can be found on the Company's website **www.ajot.co.uk**. All authorised AIFMs are required to comply with the AIFMD Remuneration Code. The AIFM's remuneration disclosures can be found on the Company's website **www.ajot.co.uk**.

Shareholder Information / Glossary

Alternative Performance Measure ("APM")
An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework.

The definitions below are utilised for the measures of the Company, the investment portfolio and underlying individual investments held by the Company. Certain of the metrics are to look through to the investments held, excluding certain non-core activities, so the performance of the actual core of the investment may be evaluated. Where a company in the investment portfolio holds a number of listed investments these are excluded in order to determine the actual core value metrics.

Comparator Benchmark
The Company's Comparator Benchmark is the MSCI Japan Small Cap Index, expressed in Sterling terms. The benchmark is an index which measures the performance of the Japan Small-Cap equity market. The weighting of index constituents is based on their market capitalisation. Dividends paid by index constituents are assumed to be reinvested in the relevant securities at the prevailing market price. The Investment Manager's investment decisions are not influenced by whether a particular company's shares are, or are not, included in the benchmark. The benchmark is used only as a yardstick to compare investment performance.

Cost
The book cost of each investment is the total acquisition value, including transaction costs, less the value of any disposals or capitalised distributions allocated on a weighted average cost basis.

Derivatives
The Company may use a variety of derivative contracts to gain long and short exposure. This enables the Company to gain exposure to specific securities and markets with reduced capital requirements enhancing returns where the underlying asset grows in value (or losses if falls in value). Total Return Equity Swaps (which are synthetic equities) are valued by reference to the market values of the investments' underlying securities. The sources of the return under the Equity Swap contracts (e.g. notional dividends, financing costs, interest returns and realised and unrealised gains and losses) are allocated to the revenue and capital accounts in alignment with the nature of the underlying source of income.

Discount/Premium (APM)
If the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price of 152.3p (2023: 127.0p) from the NAV per share of 155.4p (2023: 130.3p) and is usually expressed as a percentage of the NAV per share, 2.1% (2023: 2.5%). If the share price is higher than the NAV per share, this situation is called a premium.

The discount and performance are calculated in accordance with guidelines issued by The AIC. The discount is calculated using the net asset values per share inclusive of accrued income.

Earnings Before Interest and Taxes ("EBIT")
EBIT is equivalent to profit before finance costs and tax set out in the Statement of Comprehensive Income.

Enterprise Value ("EV")
Enterprise Value reflects the economic value of the business by taking the market capitalisation less cash, investment securities and the value of treasury shares plus debt and net pension liabilities.

Enterprise Value ("EV")/Earnings Before Interest and Taxes ("EBIT")
A multiple based valuation metric that takes account of the excess capital on a company's balance sheet. For example, if a company held 80% of its market capitalisation in NFV (defined under Net Financial Value/Market Capitalisation), and had a market capitalisation of 100 and EBIT of 10, the EV/EBIT would be 2x, (100-80)/10.

Enterprise Value ("EV") Free Cash Flow Yield ("EV FCF Yield")
A similar calculation to free cash flow yield, except the free cash flow excludes interest and dividend income and is divided by enterprise value. This gives a representation for how overcapitalised and undervalued a company is. If a company were to pay out all of its NFV (defined under Net Financial Value/ Market Capitalisation) and the share price remained the same, the EV FCF Yield would become the FCF yield. For example, take a company with a market capitalisation of 100 that had NFV of 80 and FCF of 8. The FCF yield would be 8%, 8/100, but if the company paid out all of its NFV the FCF yield would become 40%, 8/(100-80). This gives an indication of how cheaply the market values the underlying business once excess capital is stripped out.

Free Cash Flow ("FCF") Yield
Free cash flow is the amount of cash profits that a business generates, adjusted for the minimum level of capital expenditure required to maintain the company in a steady state. It measures how much a business could pay out to equity investors without impairing the core business. When free cash flow is divided by the market value, we obtain the free cash flow yield.

Gearing (APM)
Gearing refers to the ratio of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company's assets grow, the Shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

The gearing of 7.0% (31 December 2023: 8.9%) represents borrowings of £14,879,000 (31 December 2023: £16,301,000) expressed as a percentage of Shareholders' funds of £211,981,000 (31 December 2023: £182,943,000). The gearing of 4.5% (31 December 2023: 1.6%) represents borrowings net of cash of (£9,476,000) (31 December 2023: (£2,915,000)) expressed as a percentage of Shareholders' funds of £211,981,000 (31 December 2023: £182,943,000).

NAV/Share Price Total Return (APM)

NAV total return is calculated by assuming that dividends paid out are re-invested into the NAV on the ex-dividend date. This is accounted for in the "Effect of reinvesting dividends" line. The NAV used here includes debt marked to fair value and is inclusive of accumulated income.

NAV total return over 1 year	Page	31 December 2024	31 December 2023	
Closing NAV per share (p)		155.4	130.3	a
Dividends paid out (p)	64	1.9	1.7	b
Effect of reinvesting dividends (p)		9.2	5.8	c
Adjusted NAV per share (p)		166.5	137.7	d= a+b+c
Opening NAV per share (p)		137.7	119.0	e
NAV total return (%)		20.9%	15.8%	+(d/e)-1

Share price total return over 1 year	Page	31 December 2024	31 December 2023	
Closing price per share (p)		152.3	1.27	a
Dividends paid out (p)	64	1.9	1.7	b
Effect of reinvesting dividends (p)		0.2	0.2	c
Adjusted price per share (p)		154.4	128.8	d= a+b+c
Opening price per share (p)		127.0	112.3	e
Share price total return (%)		21.5%	14.8%	+(d/e)-1

Net Asset Value ("NAV")

The NAV is Shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of all of the Company's assets, at their current market value, having deducted all liabilities and prior charges at their par value, or at their asset value as appropriate. The total NAV per share is calculated by dividing the NAV by the number of Ordinary Shares in issue.

Net Cash/Market Capitalisation

Net cash is equal to cash less debt. It is a measure of the excess cash on a company's balance sheet and, by implication, how much value the market attributes to the core operating business. Net cash = cash – debt. For example, the implied valuation of the core operating business of a company trading with a net cash/market capitalisation of 100% is zero.

Net Financial Value ("NFV")/Market Capitalisation

Net Financial Value is equal to net cash, less minority interest, plus investment securities (less capital gains tax) plus investment real estate assets (after tax). Net Financial Value ("NFV") = cash + investment securities – net debt – minority interest. A measure of the excess cash on a company's balance sheet and, by implication, how much value the market attributes to the core operating business. For example, the implied valuation of the core operating business of a company trading with a NFV/market capitalisation of 100% is zero.

Ongoing Charges Ratio (APM)

The Company's Ongoing Charges Ratio is its annualised expenses (excluding finance costs and certain non-recurring items) of £2,810,000 (2023: £2,485,000) being investment management fees of £1,871,000 (2023: £1,622,000) and other expenses of £959,000 (2023: £886,000) less non-recurring expenses of £20,000 (2023: £23,000) expressed as a percentage of the average daily net assets of £193,417,000 (2023: £166,887,000) of the Company during the year.

Portfolio Discount

A proprietary estimate of how far below fair value a given company is trading. For example, if a company with a market capitalisation of 100 had 80 NFV and a calculated fair value of the operating business of 90, we would attribute it a discount of -41%, 100/(90+80) -1. This indicates the amount of potential upside. The company trading on a -41% discount has a potential upside of +69%, 1/(1-0.41).

Portfolio Yield

The weighted-average dividend yield of each underlying company in AJOT's portfolio.

Return on Equity ("ROE")

A measure of performance calculated by dividing net income by Shareholder equity.

ROE ex Non-Core Financial Assets

Non-core financial assets consists of cash and investment securities (less capital gains tax) less debt and net pension liabilities. The ROE is calculated as if non-core financial assets were paid out to Shareholders. Companies with high balance sheet allocations to non-core, low yielding financial assets have depressed ROEs. The exclusion of non-core financial assets gives a fairer representation of the true ROE of the underlying business.

Total Return – NAV and Share Price Returns

The combined effect of any dividends paid, together with the rise or fall in the share price or NAV. Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. Any dividends received by a Shareholder are assumed to have been reinvested in either additional shares in the Company or in the assets of the Company at the prevailing NAV, in either case at the time that the shares begin to trade ex-dividend.

Treasury Share

When a share is bought back it may be cancelled immediately or held (at zero value) as a Treasury Share. Shares that are held in treasury can be reissued for cash at minimal cost. The Company will only reissue shares from treasury at a price at or above the prevailing NAV per share.

Weight

Weight is defined as being each position's value as a percentage of net assets.

Weighted-average Discount (APM)

The weighted-average discount is calculated as being the sum of the products of each holding's weight in AJOT's portfolio times its discount.

AVI calculates an estimated sum-of-the-parts NAV per share for each holding in AJOT's portfolio. This NAV is compared with the share price of the holding in order to calculate a discount.

Weighted Average Shares (APM)

The weighted average shares outstanding is calculated by multiplying the outstanding number of shares after each share issue and buy back of shares during the year with the time weighted portion. The total of the weighted average of shares in issue excluding Treasury shares during the year is 140,095,962.

Shareholder Information / Investing in the Company

The Company's Ordinary Shares are listed on the London Stock Exchange and can be bought directly on the London Stock Exchange or through the platforms listed on **www.ajot.co.uk/how-to-invest/platforms/**.

Share Prices

The share price is published daily in The Financial Times, as well as on the Company's website: **www.ajot.co.uk**.

Dividends

Shareholders who wish to have dividends paid directly into a bank account, rather than by cheque to their registered address, can complete a mandate form for the purpose. Mandate forms may be obtained from Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA on request or downloaded from Equiniti's website **www.shareview.com**. The Company operates the BACS system for the payment of dividends. Where dividends are paid directly into Shareholders' bank accounts, dividend tax vouchers are sent to Shareholders' registered addresses.

Change of Address

Communications with Shareholders are mailed to the last address held on the share register. Any change or amendment should be notified to Equiniti Limited using the contact details given above, under the signature of the registered holder.

Daily NAV

The daily NAV of the Company's shares can be obtained from the London Stock Exchange or via the website: **www.ajot.co.uk**.

Shareholder Information / Company Information

Directors
Norman Crighton (Chairman)
Andrew Rose
(Appointed 12 February 2025)
Margaret Stephens
Ekaterina (Katya) Thomson
(Resigned 21 January 2025)
Thomas (Tom) Yoritaka
(Appointed 12 February 2025)
Yoshi Nishio
(Resigned 30 September 2024)

Administrator
Waystone Administration Solutions (UK) Limited
Broadwalk House
Southernhay West
Exeter
EX1 1TS

Auditor
BDO LLP
55 Baker Street
London
W1U 7EU

Corporate Broker
Singer Capital Markets
1 Bartholomew Lane
London
EC2N 2AX

Custodian
J.P. Morgan Chase Bank
National Association
London Branch
25 Bank Street
Canary Wharf
London
E14 5JP

Depositary
J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London
E14 5JP

Investment Manager and AIFM
Asset Value Investors Limited
2 Cavendish Square
London
W1G 0PU

Registered Office
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29 Wellington Street
Leeds
United Kingdom
LS1 4DL

Registrar and Transfer Office
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Registrar's Online Platform
www.shareview.co.uk

Registrar's Shareholder Helpline
Tel. 0371 384 2030

Lines are open 8.30am to 5.30pm, Monday to Friday.

Registrar's Broker Helpline
Tel. 0906 559 6025

Calls to this number cost £1 per minute from a BT landline, other providers' costs may vary. Lines are open 8.30am to 5.30pm, Monday to Friday.

Secretary
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