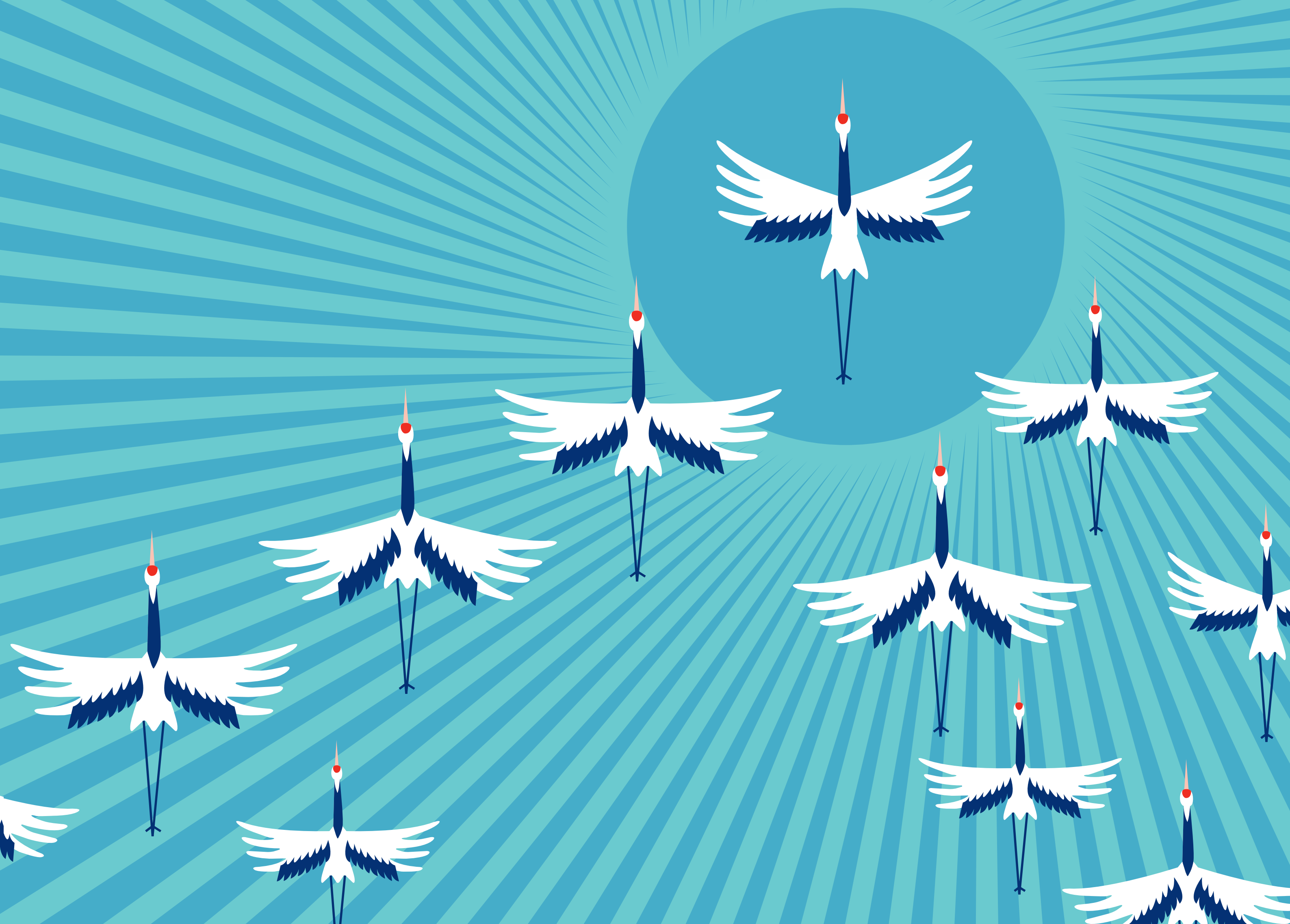
AJOT

AVI Japan Opportunity Trust

AVI

Driving positive change through constructive engagement

Interim Report 30 June 2025



Welcome to our 2025 Interim Report

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:
£234 million

Launch date:
23 October 2018

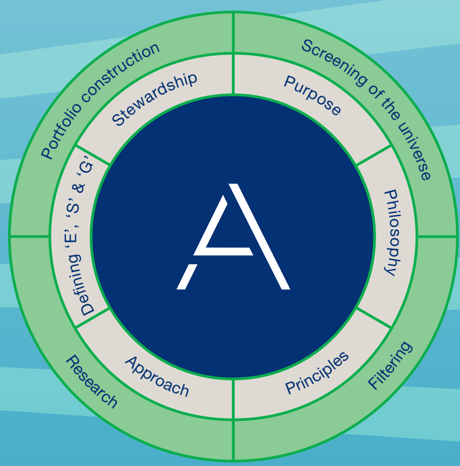
Annualised return (in GBP):
10.0%

Ongoing Charges Ratio:
1.4%

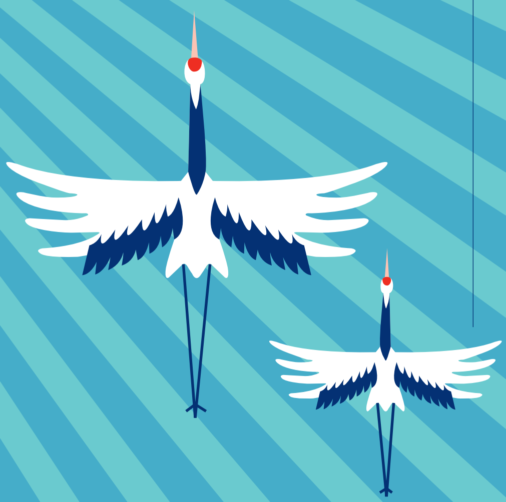
AN ACTIVE APPROACH TO INVESTING RESPONSIBLY

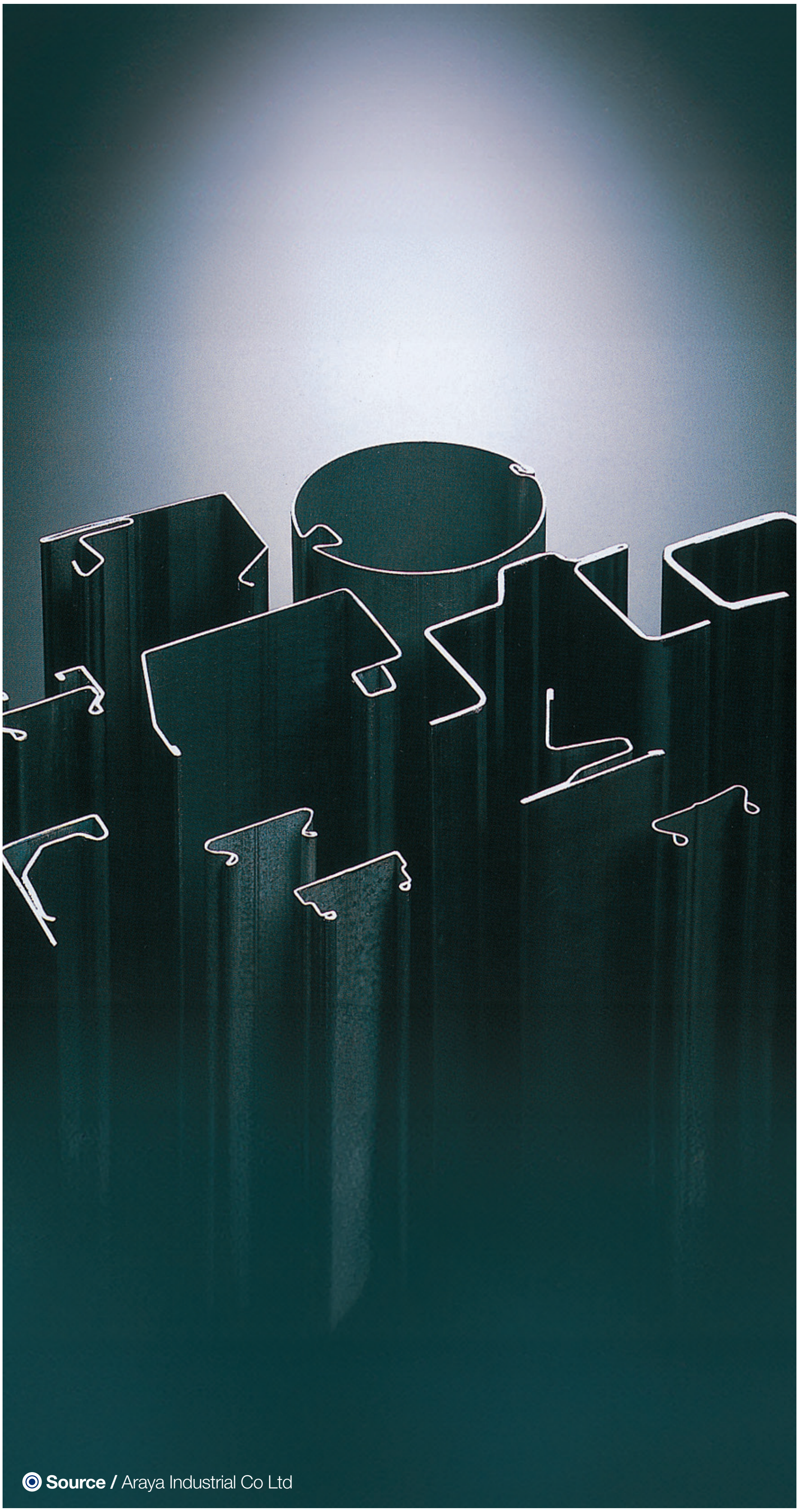
As an active investor, AVI considers all drivers relevant to each company's success, offering suggestions to enhance sustainable corporate value in consideration of all stakeholders and in the best long-term interest of our clients.

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





Source / Araya Industrial Co Ltd

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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

Company Performance

Performance Summary

	30 June 2025	30 June 2024
Net Asset Value* (£'000)	234,098	195,593
Net Asset Value per share (total return) for the Period	11.7%	7.7%
Net Asset Value per share (p)	172.3	139.4
Comparator Benchmark		
MSCI Japan Small-Cap Index (£ adjusted total return for the Period)	6.5%	(0.2%)
Portfolio Valuation*		
Net Cash as % of Market Cap	21.2%	30.6%
Net Financial Value as % of Market Cap	51.2%	49.0%
EV/EBIT	7.2x	7.7x
FCF Yield	5.4%	4.9%
	Six months to 30 June 2025	Six months to 30 June 2024
Earnings and Dividends		
Profit before tax	£25.0m	£14.3m
Investment income	£4.1m	£2.8m
Revenue earnings per share	2.2p	1.3p
Capital earnings per share	15.9p	8.7p
Total earnings per share	18.1p	10.0p
Ordinary dividends per share	1.6p	1.0p
Special dividends per share	0.6p	–
Ongoing Charge		
Management, marketing and other expenses (as a percentage of average Shareholders' funds)	1.4%	1.5%

2025 Period's Highs/Lows	High	Low
Net Asset Value per share	176.1p	149.2p

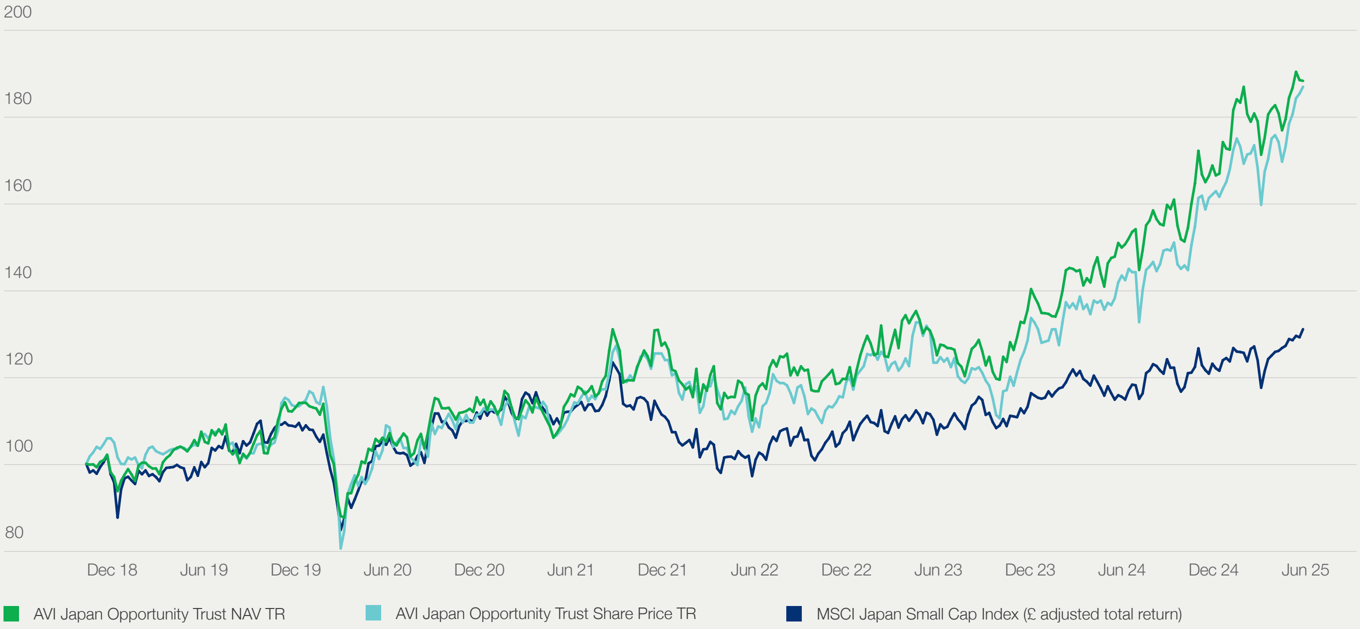
Net Asset Value per share at 30 June 2025	172.3p
Share price at 30 June 2025	174.5p
Premium (discount) as at 30 June 2025	+1.3%
(difference between share price and Net Asset Value)	2.2p

NAV TR (GBP)	Since inception	H1 2025	2024	2023	2022	2021	2020	2019	2018[1]
AJOT	89.7%	11.7%	20.9%	15.8%	(4.3%)	12.3%	(1.2%)	19.0%	(4.0%)
MSCI Japan Small Cap	31.5%	6.5%	6.2%	6.9%	(1.0%)	(1.4%)	3.2%	14.7%	(6.0%)
Relative Performance	*+58.1%*	*+5.1%*	*+14.6%*	*+8.8%*	*(3.4%)*	*+13.7%*	*(4.3%)*	*+4.3%*	*+2.0%*

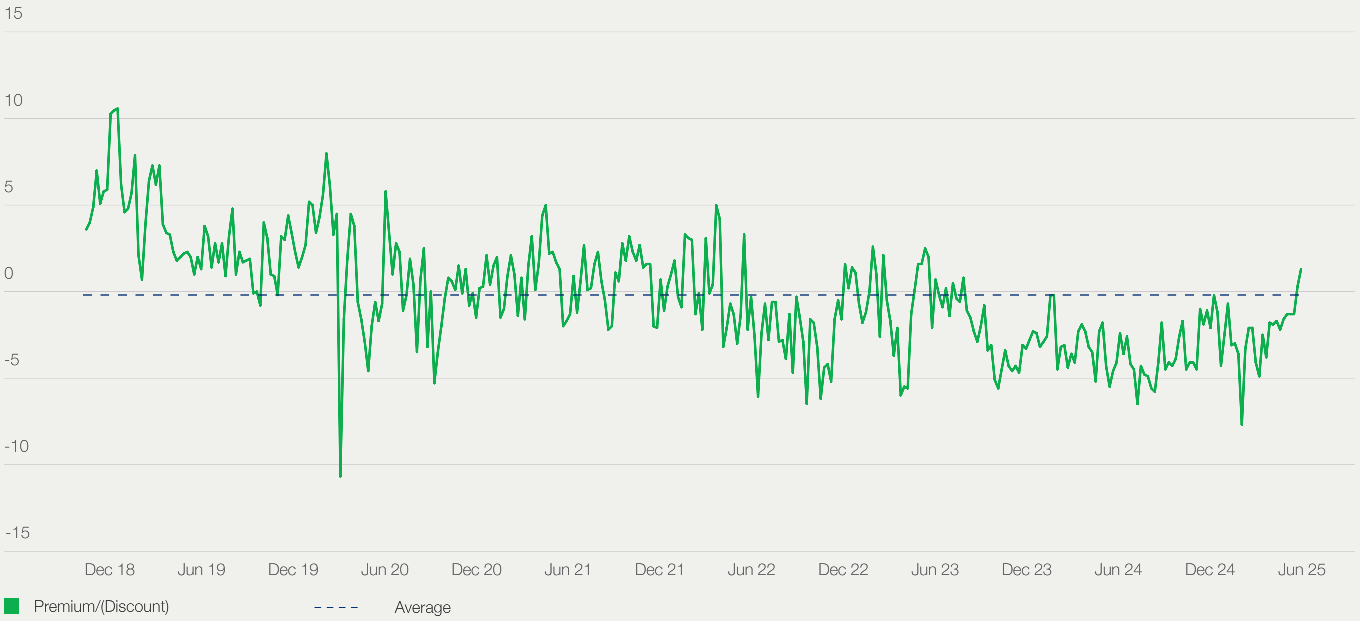
* For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 21 and 22.

1 Since inception on 23 October 2018.

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 21 and 22.

Chairman's Statement

NORMAN CRIGHTON

Chairman, Non-Executive Director

Joined the Board in 2018

AVI continues to identify compelling opportunities in Japan's under-researched small to mid-cap space, employing its constructive engagement strategy to unlock substantial corporate value.

Performance and Introduction

Welcome to the sixth interim report for AVI Japan Opportunity Trust plc ("the Company" or "AJOT"), covering the period from 1 January 2025 to 30 June 2025 ("the Period"). The year to date has seen a continuation of corporate reform in Japan, as regulators have stepped up the pressure on companies to enhance corporate value. The Tokyo Stock Exchange ("TSE") has introduced several mechanisms for improvement, including mandating timely English disclosures of both quantitative and, perhaps more importantly, qualitative information. In line with this, it was also announced that the TSE plans to make dedicated investor relations systems mandatory to enhance companies' relationships with investors.

To date this year, the MSCI Japan Small Cap Index has returned +6.5% (in GBP) and +7.1% (in JPY), compared to the TOPIX's total return of +3.8% (in JPY) and +3.4% (in GBP). AJOT returned +11.7% (in GBP) and +12.3% (in JPY), delivering outperformance of +5.1% (in GBP) and +5.2% (in JPY) relative to the Benchmark Index. AJOT also outperformed its peer group of UK-listed Japan smaller companies investment trusts over the same period.

The Board maintains high conviction in the AJOT strategy, which it believes is set to benefit from the ever-improving corporate outlook in Japan. Your manager, AVI, continues to identify compelling opportunities in Japan's under-researched small- to mid-cap space, employing its constructive engagement strategy to unlock substantial corporate value across a high-conviction, concentrated portfolio of overcapitalised and high-quality businesses.

In H1 2025, AVI launched public campaigns for two portfolio companies: Rohto Pharmaceutical and Wacom. AVI's comprehensive presentation, "Awakening Rohto", highlights the team's focus on strategy enablement and operational improvement backed by years of collective experience at top consulting firms in Japan, in addition to the traditional engagement areas targeted by "activist" investors, such as capital efficiency and corporate governance. The Board views this expertise as a key differentiator from other Japan engagement strategies. This was further demonstrated during the Period as AVI released "Draw Wacom's Future", which details over a dozen constructive suggestions to management.

The investment team travelled to Japan during the Period to continue their engagement efforts with portfolio companies and to strengthen relationships with management, as well as hold meetings with several other investors.

Since AJOT's launch in October 2018, the portfolio has subtly shifted focus towards more operationally resilient companies that hold strong market positions and exhibit high-quality, growing earnings. Portfolio companies remain significantly overcapitalised, with net cash and securities covering 51% of the market cap on average, and undervalued, with an average EV/EBIT of 7.2x. However, this greater focus on high-quality companies has enabled AJOT to perform resiliently despite the volatility seen in the global market in recent times. Additionally, the small- to mid-cap focus has seemingly shielded the portfolio from tariff uncertainty, as around 80% of portfolio companies' revenues are derived from the domestic market.

The macroeconomic environment in Japan has entered a period of relative stability, with modest inflation, record nominal wage growth (while real wage growth remains flat), and a stable Yen. The benchmark interest rate is not expected to be raised as quickly as previously thought, with the Bank of Japan hoping to see sustained economic strength before increasing the current 0.5% rate.

The Board is pleased to report the continued outperformance by AJOT over what has been a volatile year for global markets thus far, and we remain confident in AVI's differentiated engagement strategy.

Dividend

The Board has elected to propose an interim ordinary dividend of 1.6 pence per share, as well as a special dividend of 0.6 pence per share, reflecting the receipt of non-recurring income from investments during the period. As stated in the Prospectus at the Initial Public Offering ("IPO"), the Company intends to distribute substantially all net revenue arising from the portfolio and is expected to pay an annual dividend. However, this may vary substantially from year to year.

Investment Strategy

AJOT was listed in October 2018 to take advantage of the highly attractive opportunity to invest in undervalued, overlooked Japanese small-cap equities with strong underlying business fundamentals. We believed then, as much as we still do, that AVI's unique brand of constructive engagement and high-quality research would enable the unlocking of valuation anomalies rarely found in other global developed markets, offering the potential for attractive absolute and relative returns.

Discount and Buybacks

As of 30 June 2025, your Company's shares traded at a premium of +1.3% to net asset value per share. Over the Period, this ranged from a -9.5% discount to a +1.5% premium. The Board monitors the discount/premium situation closely, ensuring investors are protected on the downside from a widening discount while also taking advantage of the premium to grow the Company.

During the Period, the Company bought back 535,000 shares. No further shares have been bought back since the Period end on 30 June 2025. All repurchased shares are held in treasury rather than cancelled, so they may be reissued if sufficient demand arises.

At the end of the Period, the total number of shares in issue was 137,198,943. Of these, 1,360,716 shares were held in treasury. As a result, the total voting rights attached to the shares in issue stood at 135,838,227.

During the Period, AVI purchased 170,000 shares as part of its ongoing commitment to invest one quarter of its management fee in AJOT shares, at an average discount of -3.9%.

Debt Structure and Gearing

At the end of the Period, AJOT held £33.3 million worth of Yen debt, with net gearing equal to 8.2% of NAV.

Annual General Meeting

The Company's Annual General Meeting was held on 20 May 2025. All resolutions were passed with at least a 97% approval. The Board thanks Shareholders for their continuing support.

Proposed combination with Fidelity Japan Value ("FJV")

A significant development since the period end is the proposed combination of the Company with Fidelity Japan Trust Plc ("FJV").

Background

After a comprehensive review process, the FJV Board of Directors concluded that a combination with the Company, pursuant to a scheme of reconstruction, together with an alternative shareholder election for cash, should be put forward to FJV shareholders. On 12 August 2025, the Boards of FJV and the Company announced that they had entered into a set of non-binding Heads of Terms for the proposed combination of the Company with FJV, pursuant to a scheme of reconstruction of FJV under section 110 of the Insolvency Act 1986.

Expected Benefits

- Lower ongoing charges: The new management fee structure and economies of scale will reduce ongoing charges of the Company.
- Lower management fees: Subject to completion of the combination, AVI, has agreed to reduce its management fee to a competitive tiered fee rate and will continue to reinvest 25% of the fee into shares of the Company.
- Greater Scale: Shareholders will benefit from a more liquid, larger fund. The enlarged Company is also expected to have increased capability to take influential positions in companies where AVI has identified a significant opportunity to unlock value through AVI's active engagement process.

Expected Timing

General meetings of FJV and the Company are expected to be convened later in 2025 with the transaction becoming effective by no later than the end of November 2025.

Completion will be conditional upon, inter alia, approval from the shareholders of both FJV and the Company, tax clearance and Financial Conduct Authority approval.

Closing Remarks

Your Board continues to have full confidence in the investment thesis and in the ability of the Investment Manager to execute it. However, wanting to lead by example, your Company stands by its commitment, outlined in the original Prospectus, to offer Shareholders the opportunity to exit at close to NAV regularly. The rationale behind including this clause was to ensure that, if the original investment thesis did not generate the expected returns, or if circumstances had changed to make Japan unattractive, Shareholders would not be penalised for wishing to exit.

I am very pleased to note that, since the IPO, neither of the scenarios has materialised. Both the Board and the Investment Manager firmly believe that the opportunities are now more attractive than they were when the Company was launched in 2018. Nevertheless, we intend to offer shareholders a redemption opportunity in the fourth quarter of this year.

The Board would like to thank Shareholders for their continued trust and support. As always, if you have any queries, please do not hesitate to contact me personally (norman.crighton@ajot.co.uk) or speak to our broker, Singer Capital Markets, to arrange a meeting.

Norman Crighton
Chairman

16 September 2025

Investment Manager's Report

JOE BAUERNFREUND

Portfolio Manager

> We look forward to continuing to uncover opportunities in the under-researched small to mid-cap market, with a focus on overcapitalised high-quality companies with scope for improvement through our constructive engagement.

Over the six-month period to 30 June 2025 ("the Period") and despite turbulent global markets, AVI Japan Opportunity Trust has delivered +5.2% outperformance vs the benchmark, and +11.7% in absolute returns (in GBP).

Encouragingly, performance was driven by meaningful engagement successes, such as Kurabo Industries' disclosure of plans to close down its largest and least profitable textiles factory and TSI Holdings' sale of real estate equal to 30% of its market cap in January 2025. In addition, we continue to see evidence of Japan's burgeoning market for corporate control, with Tecnos Japan receiving a tender offer at a 39% premium to the undisturbed share price.

The Annual General Meeting (AGM) season in June 2025 has proved particularly fruitful. Leveraging our strong relationships with investee companies and our proven expertise in exercising voting rights and shareholder proposals effectively, the team submitted shareholder resolutions to three companies this season. Notably, one of two AVI shareholder proposals at Eiken Chemical successfully passed, which was a partial amendment to the articles of incorporation to allow the dividend to be determined by resolution of a general meeting of shareholders, in addition to a resolution of the Board of Directors. This shareholder proposal was passed with 73% approval, exceeding the 66% super majority required. The other proposal requesting share buybacks did not pass, with 38% approval. The 2025 AGM season saw a record high 52 companies receive proposals from "activist" investors, up from 46 in 2024.

As corporate reform in Japan continues unabated, it was announced that the Tokyo Stock Exchange ("TSE") is set to make investor relations systems mandatory for listed companies to facilitate relationship building with shareholders and prospective investors. The TSE had recently mandated timely English disclosure for both qualitative and quantitative information. In late June 2025, it was also reported that the TSE is planning to introduce new rules to enhance the protection of minority shareholders amid a surge in management buyouts.

During the Period, the team launched public campaigns for both Rohto Pharmaceuticals and Wacom. AVI's recommended framework for lifting Rohto's valuations are encompassed in a 100-page report, "Awakening Rohto", available for viewing on our website. Each of AVI's 17 key suggestions are detailed, ranging from business segment restructuring to improved dialogue with shareholders. Similarly, AVI's "Draw Wacom's Future" report highlights 13 recommendations for the company, focusing on operational issues as well as capital consciousness.

Outside of the headline engagement successes which drove the portfolio's main contributors (further details below), the portfolio benefited from numerous but no less important positive outcomes from the team's engagement efforts. Across the portfolio we saw galvanising of corporate governance structures and procedures, unwinding of cross-shareholdings, more clarity around financial targets, new Mid-Term Plans announced (some for the first time), and an increased focus on capital policy and shareholder return. A clear illustration of this was Wacom, Maruzen Showa, Takuma, Raito Kogyo, Araya, Mitsubishi Logistics, Kurabo and Kokuyo all announcing new share buyback programs.

Across the AJOT portfolio, AVI made several large ownership declarations. At the time of writing, AJOT holds more than 5% of the voting rights in seven names, which account for 45% of NAV. When combined with AVI's holdings across other funds, some of which are invested in the same names as AJOT, AVI holds more than 5% of the voting rights in 11 AJOT portfolio names, which account for 76% of NAV.

Having added 13 new names to the portfolio in 2024, so far this year we have added five additional names to the portfolio. We continued to engage extensively with portfolio companies, attending 80 meetings during the Period with 22 companies, while also sending six letters and seven presentations. Each of these meetings and letters focused on our core engagement areas of capital efficiency, operational improvements, corporate governance and shareholder communication.

At the time of writing, net gearing stood at 8.2%.

PORTFOLIO TRADING ACTIVITY

With the team identifying plenty of new opportunities, annualised turnover was 67% over the Period, which was elevated by the privatisation of Tecnos Japan, discussed further below. Annualised turnover since inception is 41%. We exited 8 positions entirely and five new companies entered the portfolio during the Period.

The team has several high-conviction ideas in the pipeline, and we look forward to continuing to uncover opportunities in the under-researched small to mid-cap market, with a focus on overcapitalised high-quality companies with scope for improvement through our constructive engagement. Management receptiveness to engagement in dialogue with shareholders remains an important consideration, and we are willing to move onto more promising opportunities if we view further engagement as being unlikely to yield results in a timely manner.

Sales

The largest sale over the Period was Beenos, the former largest position in the portfolio, which we fully exited in May 2025 following the tender offer announced in December 2024, which represented a +19% premium to the undisturbed share price. We initiated our position in Beenos in January 2024, generating an ROI of +127% and IRR of +113% in JPY over the holding period.

Takuma was the second largest sale during the Period, as in June 2025 we exited the position we had held since April 2023. Our investment in Takuma generated an ROI of +33% for an IRR of +19% in JPY.

Other sales included exits in Araya Industrial and Tecnos Japan, which received a tender offer at a +39% premium to the undisturbed share price, as well as Aichi Corp, Nihon Kohden, Jade Group and A-One Seimitsu.

Purchases

The largest purchase during the Period was Rohto Pharmaceutical, as we built the holding to be a top 10 position in the portfolio from initiation in September 2024. As mentioned, during the Period, we published a 100-page report, "Awakening Rohto", available for viewing on our website.

The next largest purchase was in Raito Kogyo, the number one market leader in the specialist construction market, a position we initiated in March 2024 and which has to date achieved an ROI of +24% for an IRR of +44% in JPY.

We also added to our position in Wacom, as we launched a public campaign, "Draw Wacom's Future" in May 2025, a comprehensive multi-year strategy that encompasses 13 key recommendations, focusing on operational issues as well as capital consciousness.

Other notable purchases to the portfolio during the Period were Synchro Food, Mitsubishi Logistics and Kokuyo. We also added to several other established positions such as Atsugi, TSI Holdings and Broadmedia, in which AVI now holds a combined +28% of the voting rights across all AVI funds.

CONTRIBUTORS AND DETRACTORS

Kurabo Industries (3106)

Kurabo Industries ("Kurabo"), a conglomerate with a diverse collection of business segments, was the largest contributor, with a +33% share price total return during the Period adding +306bps to performance in GBP.

Kurabo was originally established as a textile manufacturer, however, it has diversified its operations over the years to include chemicals, advanced technology, food and services, and real estate. Kurabo has a history of stable revenues and has doubled its operating margin in recent years.

Much of our engagement with the company has focused on encouraging management to direct resources towards the high-quality chemicals and advanced technology segments, and away from the unprofitable textiles business. Pleasingly, in March 2025, Kurabo announced plans in line with our recommendations, to close down its largest and most unprofitable textile factory, the Anjo Plant, by 30 June 2025.

During May 2025, Kurabo implemented many of AVI's suggestions into its annual results and Mid-Term-Plan. Highlights include introducing a 10% Return on Equity target for 2027, a ¥20 billion buyback, a 4% Dividend on Equity target, committing to reducing cross-shareholdings to 20% of net assets by 2027 and committing to sell underutilised real estate. Operating profit guidance for FY26 is down -22% year-on-year, partly due to the one-off cost associated with shutting down the unprofitable textile factory.

In June 2025, Kurabo announced the introduction of stock-based compensation plans for the company's directors. This positive step will help to ensure alignment of management actions with shareholders' best interests. At the AGM held in June 2025 the CEO saw his approval rating decline by -13% relative to the prior year. Additionally, the company continued its 12-month share buyback plan announced last November to buy back 7.3% of shares, with 48,700 shares repurchased in June 2025 and the plan now 63% complete.

Kurabo Industries was added to the portfolio in January 2024 and is now the largest holding, accounting for 12.5% of AJOT's NAV, with the investment already generating a +70% ROI, for an IRR of +85% to period-end (in JPY).

Investment Manager's Report continued

CONTRIBUTORS AND DETRACTORS CONTINUED

TSI Holdings (3608)

TSI Holdings, an apparel holding company, achieved a share price total return of +14% over the Period, adding +218bps to performance in GBP as the second largest contributor.

TSI Holdings is an apparel holding company with a diversified collection of brands including Pearly Gates, HUF, and Margaret Howell. Our investment thesis was predicated on valuation of their real estate assets, investment securities and net cash exceeding the market cap at the time of investment, as well as their diversified brand portfolio and diminishing founding family influence. Encouragingly, in line with our suggestions, in April 2024 the company announced a mid-term plan focusing on improving EBIT margin as well as optimising non-operating assets to improve capital efficiency.

In line with that announcement, in mid-January 2025, TSI Holdings announced the sale of its former HQ building for a value equal to 30% of the market cap. The share price responded positively to the disclosure, rising +30% in the subsequent day of trading.

Following this, in April 2025 TSI Holdings released its full-year earnings results. Despite forecasting record EBIT for FY2025, the share price fell -10% in the following trading day, as the market was left disappointed by the lack of a buyback announcement. We note, however, that the company remains committed to continuing to the already announced two-year buyback programme equal to c.13% of current market cap.

Post the Period end, TSI Holdings announced the acquisition of Daytona International, a Japanese online/offline fashion retailer focusing on casual, sports and outdoor styles. Daytona will be made a wholly owned subsidiary at the cost of ¥28.3 billion, significantly reducing the company's pre-deal net cash pile of ¥30.7 billion. At the same time, the company announced a 6.4% buyback programme (shares to be retired) which was positively received by the market.

Added to the portfolio in July 2022, TSI Holdings accounted for 11.5% of the portfolio at period-end as the second-largest holding. To period-end, our investment has generated an ROI of +97% for an IRR of +48% in JPY.

Tecnos Japan (3666)

Tecnos Japan, an IT services company, was the third largest contributor during the Period, adding +142bps to performance in GBP with a share price total return of +33%. The company is engaged in the business of providing information technology services, especially the installation of Enterprise Resource Planning (ERP) systems. Our investment thesis was built on the track-record of high-quality earnings under the digitalisation trends in Japan, with revenue growing steadily and operating margins consistently in the low double digits, in addition to the overcapitalised balance sheet that had net financial value equal to c.35% of the market cap.

During the Period, Tecnos Japan was the recipient of a tender offer bid by Ant Capital Partners at a price of ¥1,155 per share, representing a +39% premium to the undisturbed closing price on 4 February 2025. As per the regulatory news service announcement on 4 February 2025, AVI signed a tender agreement with Ant Capital Partners Co., Ltd. ("the Offeror") for AVI funds' combined 10% stake in Tecnos Japan.

As the largest holder of voting rights in Tecnos Japan, AVI engaged extensively with the company's board on ways to enhance corporate value and returns to shareholders. Tecnos Japan serves as another example of how AJOT's concentrated portfolio of asset-backed Japanese small-caps can benefit from AVI's active engagement strategy against a backdrop of rapidly increasing corporate activity in Japan.

Tecnos Japan held a position in the portfolio from April 2024 to exit in March 2025, with the investment generating a +62% ROI for a +109% IRR (in JPY).

Rohto Pharmaceutical (4527)

Over the Period, Rohto Pharmaceutical ("Rohto"), the largest skincare and eye-drop manufacturing company in Japan, was the largest detractor, reducing performance by -121bps in GBP as its shares returned -23%.

Despite Rohto's top market share in skincare and eye-drop manufacturing in Japan, the company trades at a significant discount to peers. AVI believes that Rohto's undervaluation is explained by management's apparent lack of focus on its core businesses, misleading IR communication, and lower allocation to shareholder returns than its peers. Specifically, management needs to reallocate its R&D spending from low-profit business areas such as the prescription drug business and regenerative medicine business, towards its high-value, high market share product lines, such as skin care products.

In April 2025, we published a 100-page report, "Awakening Rohto", outlining 17 constructive suggestions to enhance corporate value, ranging from business segment restructuring to improved dialogue with shareholders.

During May 2025, Rohto announced its full-year earnings to 31 March 2025, and despite strong Q4 headline numbers of revenue growing +19% year-on-year and EBIT growing +39% year-on-year, the company failed to meet its original annual guidance. In a positive move and in line with our suggestions, Rohto announced its first mid-term plan, which indicated management now views the core skincare and eye-drops businesses as long-term growth drivers.

Added to the portfolio in September 2024, Rohto Pharmaceutical accounted for 6.2% of AJOT's NAV at period-end as a top 10 holding. We see significant upside to the current share price, and to month-end, our investment has returned an ROI of -12% for an IRR of -43% (in JPY).

Konishi (4956)

Konishi, the manufacturer of the number one adhesive brand in Japan, 'Bond', was the second largest detractor over the Period, reducing performance by -61bps in GBP as its shares returned -13%.

In late April 2025, the company announced its full-year earnings results, with sales growing by +2.2% year-on-year, while EBIT increased modestly by +3.5% in line with previous guidance. In terms of guidance for the next financial year, EBIT is projected to increase by just +0.2% year-on-year as revenue is forecast to rise +4.5%.

Konishi's top market share in construction adhesives has allowed it to steadily grow revenue at +2.5% CAGR over the last 15 years, while nearly doubling its operating margin from 4.3% to 7.8% in FY2025. With more than 4% of the voting rights held across AVI funds, we continue to engage with the company on suggestions to address the undervaluation.

AJOT has held a position in Konishi since inception, with the company now accounting for 3.3% of AJOT's NAV at period-end. The investment to date has generated an ROI of +65% for an IRR of +12% in JPY.

Aoyama Zaisan Networks (8929)

Aoyama Zaisan Networks ("AZN"), a wealth management consultancy, was the third largest detractor over the Period, with its -4% share price total return reducing performance by -41bps in GBP.

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.

At the time we initiated our investment (March 2024), AZN's stock price had been flat for the previous five years, despite operating income that had continued to grow steadily and non-operating assets that had expanded to c.47% of its market cap as of the end of December 2023.

In early February 2025, AZN disclosed its full-year FY2024 earnings, with revenue rising +26% year-on-year as EBIT grew +7% year-on-year. Guidance from the company forecasts +10% year-on-year EBIT growth in FY2025. In May 2025, the company announced its FY2025 Q1 earnings, with EBIT falling -9% year-on-year, although revenue grew +24% year-on-year. Historically, AZN has produced somewhat volatile results on a quarterly basis, and the company has not changed its full-year annual guidance.

Since initiating our position in AZN, the investment has generated an ROI of +34% for an IRR of +75% in JPY. We anticipate unlocking substantial upside to the current share price through our constructive engagement initiatives with management. At period-end, AZN accounted for 6.4% of AJOT's NAV as the eighth largest holding.

OUTLOOK

The portfolio performed positively over the Period, achieving a +11.7% return, compared to the benchmark, the MSCI Japan Small Cap Index, which returned +6.5% (both in GBP). In local currency terms, the portfolio achieved a total return over the Period of +12.3%, with Yen weakness less of a headwind to sterling-based returns than in prior years since AJOT's inception. Overall, the portfolio trades at an attractive average EV/EBIT of 7.2x, with net cash and listed securities covering 51% of the market cap at period-end.

Japan's equity market is undergoing a notable transformation, supported by foreign capital, structural reforms, and a renewed commitment to shareholder value. Early signs of progress are now becoming tangible, opening-up a broad array of attractive investment opportunities. Our strategy remains disciplined: we continue to build a focused portfolio of 15 to 25 high-conviction positions, guided by selectivity and long-term potential.

Joe Bauernfreund
Asset Value Investors

16 September 2025

Investment Portfolio

As at 30 June 2025

Company	Stock Exchange Identifier	% of net assets	Cost £'000	Equity Exposure £'000	% of investee company	NFV/Market capitalisation[1]	EV/EBIT[1]
Kurabo Industries	TSE: 3106	12.5%	18,216	29,300	4.3%	64.8%	4.3
TSI Holdings	TSE: 3608	11.6%	16,484	27,014	6.3%	91.4%	2.9
Raito Kogyo	TSE: 1926	9.2%	18,099	21,411	3.3%	36.9%	6.3
Atsugi	TSE: 3529	7.9%	13,426	18,583	17.0%	106.5%	
Wacom	TSE: 6727	7.7%	19,032	17,979	3.8%	14.8%	7.7
Eiken Chemical	TSE: 4549	7.4%	15,029	17,391	4.2%	14.8%	19.9
Broadmedia	TSE: 4347	7.2%	14,762	16,921	23.9%	43.8%	10.5
Aoyama Zaisan Networks	TSE: 8929	6.4%	12,909	14,932	6.5%	10.6%	11.3
Rohto Pharmaceutical	TSE: 4527	6.2%	18,194	14,479	0.6%	12.0%	10.6
Sharingtechnology	TSE: 3989	5.9%	11,710	13,898	11.1%	15.0%	10.1
Top ten investments		**82.0%**	**157,861**	**191,908**			
Synchro Food	TSE: 3963	4.6%	9,815	10,668	12.9%	30.8%	10.3
Mitsubishi Logistics	TSE: 9301	4.0%	8,962	9,260	0.4%	198.8%	
DTS	TSE: 9682	3.4%	5,063	7,932	0.7%	15.5%	12.2
Konishi	TSE: 4956	3.3%	7,324	7,793	2.0%	43.3%	4.0
Maruzen Showa Unyu	TSE: 9068	2.8%	5,626	6,526	0.9%	20.7%	7.4
Kokuyo	TSE: 7984	2.2%	4,589	5,216	0.3%	63.1%	5.8
Shin Etsu Polymer	TSE: 7970	1.9%	3,669	4,532	0.6%	32.8%	7.1
Wakamoto Pharmaceutical	TSE: 4512	1.9%	4,519	4,374	8.1%	80.2%	
SK Kaken	TSE: 4628	1.3%	4,746	3,077	0.5%	91.7%	0.8
Helios Techno Holding	TSE: 6927	0.8%	1,949	1,913	1.9%	79.6%	3.7
Total Investments		**108.2%**	**214,123**	**253,199**			
Other net current assets less current liabilities		(8.2%)		(19,101)			
Net assets		**100.0%**		**234,098**			

1 Estimates provided by AVI. Please refer to the Glossary on pages 21 and 22.

Principal Risks and Uncertainties

The principal risks and uncertainties associated with the Company's business are broadly unchanged from those set out in the 2024 Annual Report and include, but are not limited to, risks relating to the investment objective, gearing, reliance on the Investment Manager and other service providers, cyber security, portfolio liquidity and foreign exchange. Information on these risks and how they are managed is set out on pages 36 and 37 of the 2024 Annual Report.

The Board regularly performs a high-level review of the principal risks to ensure that the risk assessment is correct and relevant, adjusting mitigating factors and procedures as appropriate.

Directors' Responsibility Statement

The Directors confirm that to the best of their knowledge:

the condensed set of financial statements has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting; and gives a true and fair view of assets, liabilities, financial position and profit and loss of the Company; and

this Interim Report includes a fair review of the information required by:

a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the Period under review and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place during the Period ended 30 June 2025 and have materially affected the financial position or performance of the Company during that period and any material changes in the related party transactions described in the last Annual Report.

This Interim Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Norman Crighton
Chairman

16 September 2025

Statement of Comprehensive Income (unaudited)

For the period ended 30 June 2025

		For the six months to 30 June 2025			For the six months to 30 June 2024			For the year ended 31 December 2024		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income										
Investment income	2	4,068	–	4,068	2,764	–	2,764	4,761	–	4,761
Gains on investments held at fair value		–	21,896	21,896	–	12,408	12,408	–	36,663	36,663
Exchange losses on currency balances		–	(36)	(36)	–	(1,221)	(1,221)	–	(1,106)	(1,106)
		4,068	21,860	25,928	2,764	11,187	13,951	4,761	35,557	40,318
Expenses										
Investment management fee		(105)	(943)	(1,048)	(90)	(814)	(904)	(187)	(1,684)	(1,871)
Other expenses		(560)	–	(560)	(490)	–	(490)	(959)	–	(959)
Profit before finance costs and tax		3,403	20,917	24,320	2,184	10,373	12,557	3,615	33,873	37,488
Finance costs		(24)	(215)	(239)	(14)	(129)	(143)	(30)	(267)	(297)
Exchange gains on revolving credit facility	3	–	912	912	–	1,892	1,892	–	1,422	1,422
Profit before taxation		3,379	21,614	24,993	2,170	12,136	14,306	3,585	35,028	38,613
Taxation		(411)	–	(411)	(289)	–	(289)	(488)	–	(488)
Profit for the Period		2,968	21,614	24,582	1,881	12,136	14,017	3,097	35,028	38,125
Earnings per Ordinary Share (pence)	5	2.18	15.88	18.06	1.34	8.65	9.99	2.21	25.00	27.21

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 Period.

There is no other comprehensive income, and therefore the profit/loss for the six months after tax is also the total comprehensive income.

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

Statement of Changes in Equity (unaudited)

For the period ended 30 June 2025

	Ordinary Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the six months to 30 June 2025							
Balance as at 31 December 2024	1,372	36	64,255	70,653	73,223	2,442	211,981
Tender Offer costs	–	–	–	(4)	–	–	(4)
Ordinary Shares bought back and held in Treasury	–	–	–	(831)	–	–	(831)
Total comprehensive income for the Period	–	–	–	–	21,614	2,968	24,582
Ordinary dividends paid	–	–	–	–	–	(1,630)	(1,630)
Balance as at 30 June 2025	1,372	36	64,255	69,818	94,837	3,780	234,098
For the six months to 30 June 2024							
Balance as at 31 December 2023	1,408	–	64,255	77,144	38,195	1,941	182,943
Ordinary Shares bought back and held in Treasury	–	–	–	(174)	–	–	(174)
Total comprehensive income for the Period	–	–	–	–	12,136	1,881	14,017
Ordinary dividends paid	–	–	–	–	–	(1,193)	(1,193)
Balance as at 30 June 2024	1,408	–	64,255	76,970	50,331	2,629	195,593
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 issued from 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

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

Balance Sheet (unaudited)

As at 30 June 2025

	Notes	As at 30 June 2025 £'000	As at 30 June 2024 £'000	As at 31 December 2024 £'000
Non-current assets				
Investments held at fair value through profit or loss	8	253,199	199,513	220,865
		253,199	199,513	220,865
Current assets				
Total Return Swap assets	8	–	133	–
Receivables		1,417	4,420	1,256
Cash and cash equivalents		14,056	7,232	5,403
		15,473	11,785	6,659
Total assets		268,672	211,298	227,524
Current liabilities				
Revolving credit facility	3	(33,340)	–	–
Other payables		(1,234)	(1,296)	(664)
		(34,574)	(1,296)	(664)
Total assets less current liabilities		234,098	210,002	226,860
Non-current liabilities				
Revolving credit facility	3	–	(14,409)	(14,879)
Net assets		234,098	195,593	211,981
Equity attributable to equity Shareholders				
Ordinary Share capital	7	1,372	1,408	1,372
Capital redemption reserve		36	–	36
Share premium		64,255	64,255	64,255
Special reserve		69,818	76,970	70,653
Capital reserve		94,837	50,331	73,223
Revenue reserve		3,780	2,629	2,442
Total equity		234,098	195,593	211,981
Net Asset Value per Ordinary Share – basic and diluted (pence)	6	172.34	139.41	155.44
Number of shares in issue excluding treasury shares	7	135,838,227	140,301,702	136,373,227

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

Statement of Cash Flows (unaudited)

For the period ended 30 June 2025

	Six months to 30 June 2025 £'000	Six months to 30 June 2024 £'000	Year to 31 December 2024 £'000
Reconciliation of profit before taxation to net cash inflow from operating activities			
Profit before taxation	24,993	14,306	38,613
Gains on investments held at fair value through profit or loss	(21,896)	(12,408)	(36,663)
Decrease/(increase) in other receivables	202	(968)	(434)
Exchange gains on revolving credit facility	(912)	(1,892)	(1,422)
Exchange losses on currency balances	36	1,221	1,147
Interest paid	319	106	283
Increase in other payables	91	10	25
Taxation paid	(411)	(289)	(488)
Net cash inflow from operating activities	2,422	86	1,061
Investing activities			
Purchases of investments	(104,120)	(69,002)	(121,417)
Sales of investments	93,798	65,412	122,846
Net cash (outflow)/inflow from investing activities	(10,322)	(3,590)	1,429
Financing activities			
Dividends paid	(1,630)	(1,193)	(2,596)
Payments for Ordinary Shares bought back and held in treasury	(831)	(174)	(584)
Payments for Tender Offer Ordinary Shares bought back and cancelled	–	–	(5,543)
Tender Offer costs	(4)	–	(364)
Drawdown of revolving credit facility	19,373	–	–
Interest paid	(319)	(106)	(283)
Net cash inflow/(outflow) from financing activities	16,589	(1,473)	(9,370)
Increase/(decrease) in cash and cash equivalents	8,689	(4,977)	(6,880)
Reconciliation of net cash flow movement			
Cash and cash equivalents at beginning of Period	5,403	13,430	13,430
Exchange rate movements	(36)	(1,221)	(1,147)
Increase/(decrease) in cash and cash equivalents	8,689	(4,977)	(6,880)
Cash and cash equivalents at end of Period	14,056	7,232	5,403
Dividends received	4,229	2,644	4,388
Interest paid	158	168	303

Notes to the Financial Statements

For the period ended 30 June 2025

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1. Accounting Policies

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

The condensed set of financial statements for the half year ended 30 June 2025 has been prepared on the basis of the accounting policies set out in the audited financial statements for the year ended 31 December 2024.

Basis of Preparation

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 financial statements are presented in the Company's functional currency, Pounds Sterling, rounded to the nearest thousand except where otherwise indicated.

Comparative Information

The financial information contained in this Interim Report does not constitute statutory accounts as defined in the Companies Act 2006. The financial information for the six months to 30 June 2025, and the six months to 30 June 2024, has not been audited or reviewed by the Company's Auditor. The comparative figures for the financial period ended 31 December 2024 are not the Company's statutory accounts for that financial period. Those accounts have been reported on by the Company's Auditor and delivered to the Registrar of Companies. The report of the Auditor was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

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 based on detailed profit and loss and cash flow forecasts. These forecasts have been 'stressed' for inflation, as well as a severe but plausible and sudden downturn in market conditions under which it is assumed that the investment portfolio will lose 50% of its value. Even under this extreme "stress" scenario, 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. The Directors also regularly assess the resilience of key third-party service providers, most notably the Investment Manager and Fund Administrator. These have put in place contingency plans in the event of business disruption. The contingency plans and the viability of service providers are reviewed by the Directors on a regular basis. In making their assessments, the Directors have considered the likely impacts of international and economic uncertainties on the Company, operations and the investment portfolio, including geopolitical events. The Directors noted that the Company, with the current cash balance and holding a portfolio of liquid listed investments, is able to meet the obligations of the Company as they fall due.

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 current cash balance plus available additional borrowing, through the revolving credit facility, enable the Company to meet any funding requirements and finance future additional investments. The Company is a closed-ended fund, where assets are not required to be liquidated to meet day-to-day redemptions. Furthermore, 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.

2. Income

	Six months to 30 June 2025 £'000	Six months to 30 June 2024 £'000	Year to 31 December 2024 £'000
Income from investments			
Overseas dividends	4,108	2,889	4,880
Bank and deposit interest	2	(6)	(3)
Exchange losses on receipt of income*	(42)	(119)	(116)
Total income	4,068	2,764	4,761

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

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3. Revolving Credit Facility

	Six months to 30 June 2025		Six months to 30 June 2024		Year to 31 December 2024	
	¥'000	£'000	¥'000	£'000	¥'000	£'000
Opening balance	2,930,000	14,879	2,930,000	16,301	2,930,000	16,301
Proceeds from amounts drawn	3,670,000	19,373	–	–	–	–
Exchange rate movement	–	(912)	–	(1,892)	–	(1,422)
Closing balance	6,600,000	33,340	2,930,000	14,409	2,930,000	14,879
Maximum facility available	6,600,000	33,340	2,930,000	14,409	2,930,000	14,879

The Company extended the ¥2.93 billion revolving credit facility ("the facility") for a further two years to 2 April 2026. Interest is charged at the Tokyo Overnight Average Rate ("TONAR") plus 1.55%. On 28 March 2025 the Company agreed to increase the facility limit to ¥6.6 billion. There were additional drawdowns on the facility during April 2025 resulting in full utilisation of the new facility limit.

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 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.

Subject to the terms of the facility the Company may draw down and repay at its own discretion.

The 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 reserves. Interest costs are charged to capital and revenue in accordance with the Company's accounting policies.

Costs of £7,000 were incurred in relation to the extension of the facility.

4. Dividends per Ordinary Share

A final dividend of 1.2 pence per Ordinary Share for the Period ended 31 December 2024 was paid on 23 May 2025 to Ordinary Shareholders on the register at the close of business on 25 April 2025 (ex-dividend date 24 April 2025).

An interim dividend of 1.6 pence and a special dividend of 0.6 pence per Ordinary Share have been declared for the Period ended 30 June 2025 and will be paid on 7 November 2025 to Ordinary Shareholders on the register at the close of business on 10 October 2025 (ex-dividend date is 9 October 2025).

5. Earnings per Ordinary Share

	Six months to 30 June 2025			Six months to 30 June 2024			Year to 31 December 2024		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Net profit (£'000)	2,968	21,614	24,582	1,881	12,136	14,017	3,097	35,028	38,125
Weighted average number of Ordinary Shares			136,066,708			140,356,400			140,095,962
Earnings per Ordinary Share – basic and diluted (pence)	2.18	15.88	18.06	1.34	8.65	9.99	2.21	25.00	27.21

There are no dilutive instruments issued by the Company.

6. Net Asset Value per Ordinary Share

The Net Asset Value per Ordinary Share is based on net assets of £234,098,000 (30 June 2024: £195,593,000; 31 December 2024: £211,981,000) and on 135,838,227 Ordinary Shares (30 June 2024: 140,301,702; 31 December 2024: 136,373,227), being the number of Ordinary Shares in issue excluding treasury shares.

Notes to the Financial Statements continued
For the period ended 30 June 2025

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7. Share Capital

Allotted, called-up and fully paid	At 30 June 2025 Ordinary Shares of 1p each Number of shares	Nominal value £'000
Balance at beginning of Period	137,198,943	1,372
Balance at end of Period	137,198,943	1,372
Treasury shares		
Balance at beginning of Period	825,716	
Buyback of Ordinary Shares into treasury	535,000	
Balance at end of Period	1,360,716	
Total Ordinary Share capital excluding treasury shares	135,838,227	

During the Period to 30 June 2025, 535,000 Ordinary Shares (30 June 2024: 135,000; 31 December 2024: 425,716) were bought back and placed in treasury for an aggregate consideration of £831,000 (30 June 2024: £174,000; 31 December 2024: £584,000).

8. Values of Financial Assets and Financial Liabilities

Valuation of financial instruments

The Company measures fair values using the following 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 in 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.

Financial assets

The table below sets out fair value measurements of financial instruments as at the Period 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 30 June 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	253,199	–	–	253,199
	253,199	–	–	253,199

Financial assets at fair value through profit or loss at 30 June 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	199,513	–	–	199,513
Total Return Swaps	–	133	–	133
	199,513	133	–	199,646

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

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

8. Values of Financial Assets and Financial Liabilities continued

The Company may use a variety of derivative contracts including Total Return Swaps to enable the Company to gain long and short exposure to individual securities. The Total Return Swaps are valued by reference to the underlying instruments and exchange and therefore categorised as Level 2.

The gross positive exposure on the Total Return Swaps as at 30 June 2025 was £nil (30 June 2024: £6,049,000; 31 December 2024: £nil). The derivatives are secured against collateral held at Nomura consisting of £nil as at 30 June 2025 (30 June 2024: £836,000; 31 December 2024: £nil) which is included within receivables in the Balance Sheet.

The Company has 11 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
Broadmedia	23.9
Atsugi	17.0
Synchro Food	12.9
Sharingtechnology	11.1
Wakamoto Pharmaceutical	8.1
Aoyama Zaisan Networks	6.5
TSI Holdings	6.3
Kurabo Industries	4.3
Eiken Chemical	4.2
Wacom	3.8
Raito Kogyo	3.3

9. Related Parties and Transactions with the Investment Manager

Investment management fees for the Period amounted to £1,048,000 (six months to 30 June 2024: £884,000; year to 31 December 2024: £1,835,000).

At the Period end, £173,000 (30 June 2024: £153,000; 31 December 2024: £170,000) remained outstanding in respect of management fees.

The management fee of 1% per annum is calculated on the lesser of the Company's Net Asset Value or Market Capitalisation at each quarter end. The Investment Manager will invest 25% of the management fee it receives in shares of the Company and will hold these for a minimum of two years. As at 30 June 2025, AVI held 2,060,000 shares of the Company.

Fees paid to Directors for the Period ended 30 June 2025 amounted to £75,000 (six months to 30 June 2024: £101,000; year to 31 December 2024: £173,000). The prior period comparatives included £20,000 for Directors attending investee company meetings in Japan.

Finda Telecoms Oy, a significant Shareholder of the Company, is deemed to be a related party of the Company for the purposes of the Listing Rules by virtue of its holding in the Company's issued share capital. During the Period under review no material transactions took place between the Company and Finda Telecoms Oy. As at 30 June 2025 the Company has not been notified of a change to Finda Telecom Oy's holding of 30,000,000 Ordinary Shares reported in the Period to 31 December 2024, other than this holding now representing 22.04% of the total voting rights (six months to 30 June 2024: 21.38%; year to 31 December 2024: 22.00%).

10. Post Balance Sheet Events

The Company announced on 12 August 2025 that non-binding heads of terms have been agreed for the proposed combination of the Company with Fidelity Japan Trust plc ("FJV"). The proposed combination will be undertaken through a scheme of reconstruction of FJV under section 110 of the Insolvency Act 1986, under which FJV shareholders will be entitled to elect to receive either: i) new shares in AJOT (the default option) or ii) a cash exit, which will be limited to 50% of FJV shares in issue (excluding treasury shares), at a 1% discount to formula asset value per share.

It is intended that the scheme will become effective no later than the end of November 2025.

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**.

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.

Discount/Premium

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 from the NAV per share and is usually expressed as a percentage of the NAV per share. 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 with debt at market value.

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

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 14.2% (30 June 2024: 7.4%; 31 December 2024: 7.0%) represents borrowings of £33,340,000 (30 June 2024: £14,409,000; 31 December 2024: £14,879,000) expressed as a percentage of Shareholders' funds of £234,098,000 (30 June 2024: £195,593,000; 31 December 2024: £211,981,000).

The net gearing of 8.2% (30 June 2024: 3.2%; 31 December 2024: 4.5%) represents borrowings net of cash of £19,284,000 (30 June 2024: £6,341,000; 31 December 2024: (£9,476,000)) expressed as a percentage of Shareholders' funds of £234,098,000 (30 June 2024: £195,593,000; 31 December 2024: £211,981,000).

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 consists of cash and the value of treasury shares less debt and net pension liabilities. 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. 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 consists of cash, investment securities (less capital gains tax) and the value of treasury shares less debt and net pension liabilities. 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. For example, the implied valuation of the core operating business of a company trading with a NFV/market capitalisation of 100% is zero.

Glossary continued

Ongoing Charges Ratio

The Company's Ongoing Charges Ratio is its expenses (excluding finance costs and certain non-recurring items) of £1,545,000 (30 June 2024: £1,392,000; 31 December 2024: £2,810,000) (being investment management fees of £1,048,000 (30 June 2024: £904,000; 31 December 2024: £1,871,00) and other expenses of £560,000 (30 June 2024: £490,000; 31 December 2024: £959,000) less non-recurring expenses of £63,000 (30 June 2024: £2,000; 31 December 2024: £20,000) expressed as a percentage of the average net assets of £224,963,000 (30 June 2024: £184,456,000; 31 December 2024: £193,417,000) of the Company during the Period.

The expenses for the six month periods are annualised for the purposes of calculation and comparison.

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 to 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.

Total Return Swap

A Total Return Swap is a financial contract between two parties, whereby each party agrees to "swap" a series of cash flows. On long positions, AJOT receives income but pays floating rate interest and capital movement. Capital movement is based on the notional value (the equity exposure of the underlying security). On short positions, AJOT pays income and receives the floating rate interest and capital movement. In utilising these positions, AJOT is able to obtain equity exposure with the minimal outlay of capital.

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 this 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.

Registrar Customer Support Centre

Equiniti's Shareholder Helpline is available to answer any queries you have in relation to your shareholding:

+44 (0)371 384 2030 Lines are open 8.30am to 5.30pm, Monday to Friday.

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**.

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Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8:30am to 5:30pm, Monday to Friday, excluding public holidays in England and Wales.

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