

September 2025

Investment Objective: To achieve capital growth through investing in a focused portfolio of over-capitalised small-cap Japanese equities. Asset Value Investors will leverage its three decades of experience investing in asset-backed companies to engage with company management and help to unlock value in this under-researched area of the market.

HEADLINES

Wacom – AVI Public Campaign

AVI launched a public campaign for Wacom in May titled 'Draw Wacom's Future'. In September, constructive yet active investor Kaname Capital joined AVI on the register with a 5% declaration.

[Read more below](#)

Atsugi – New Medium-Term Plan

In mid-September, we declared a 21.2% ownership in Atsugi combined across all AVI funds. Shortly after, the company announced a new medium-term plan with quantitative FY27 earnings targets.

[Read more below](#)

Kurabo – Y6bn Buyback Complete

In September Kurabo announced it had completed the Y6bn buyback programme (7.3% of total shares) started in November 2024. The shares drifted lower after a strong start to 2025.

[Read more below](#)

THE TRUST

Share Price (pence)

179.0

NAV p/s (pence)

181.9

Prem./(Disc.)

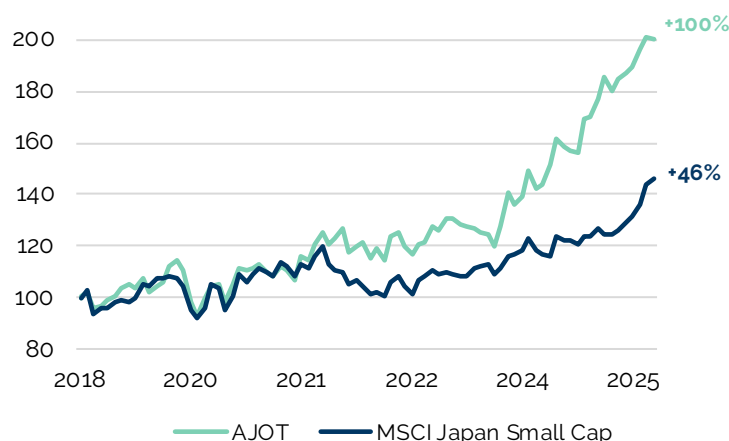
(1.6)%

Net Performance

		Month	1Y	3Y	5Y
GBP	NAV p/s	-0.5%	27.3%	67.4%	79.4%
	MSCI Japan Small Cap	2.0%	19.3%	39.8%	34.3%
JPY	NAV p/s	-0.2%	31.9%	106.0%	161.4%
	MSCI Japan Small Cap	2.2%	23.7%	72.1%	95.7%

All performance shown net of fees total returns as of 30/09/2025
Source: Morningstar

NAV Total Return Since Inception (GBP)



Source: Morningstar as of 30/09/2025

PORTFOLIO

Top Ten Holdings

	% ¹
Raito Kogyo	10.9
Wacom	10.3
Eiken Chemical	9.9
Rohto Pharmaceutical	9.8
Mitsubishi Logistics	8.1
Atsugi	7.8
Kurabo Industries	7.8
Aoyama Zaisan Networks	7.3
Sharingtechnology	7.3
Broadmedia	6.3
TOTAL	85.5
No of Holdings	21

Contributors/Detractors (GBP)²

Largest Contributors	1M Contrib. bps	% ¹
Wacom	121	10.3
Atsugi	9	7.8
Sanyo Shoka	8	1.4
Synchro Food	8	5.7
Ines Corp	6	1.7

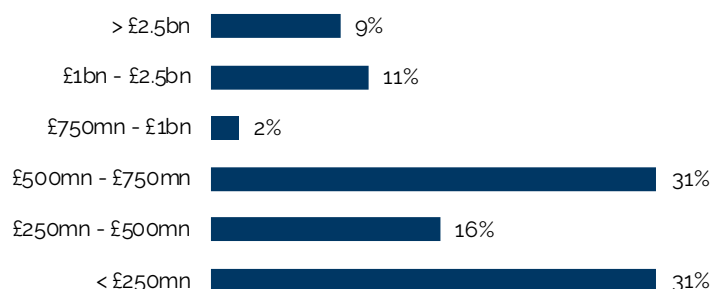
Largest Detractors	1M Contrib. bps	% ¹
Kurabo Industries	-63	7.8
Sharingtechnology	-56	7.3
Aoyama Zaisan Networks	-28	7.3
Raito Kogyo	-16	10.9
Maruzen Showa Unyu	-10	2.6

¹All Figures shown as % of Net Asset Value

²Contributors and detractors from Factset

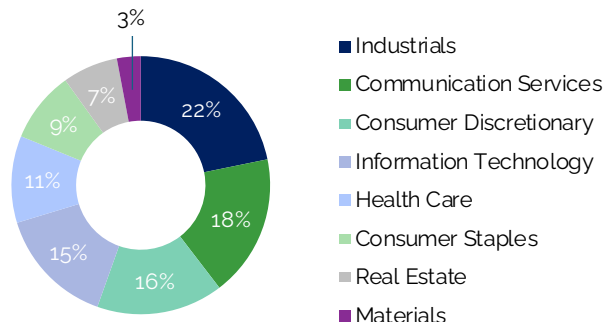
PORTFOLIO (continued)

Market Cap Breakdown³



Figures may not total to 100 due to rounding.

Sector Breakdown³



Figures may not total to 100 due to rounding. ³Shown as % of Portfolio

MANAGER'S COMMENT

AJOT's NAV decreased by -0.5% (in GBP) and -0.2% (in JPY) over the month, while the benchmark returned +2.0% (in GBP) and +2.2% (in JPY).

The two largest contributors to performance over the month were Wacom (+12% share price), which AVI launched a public campaign for in May 2025, with another activist joining the register in September, and Atsugi (+1%), which AJOT increased its stake in shortly before the company announced a new medium-term plan. Meanwhile, Kurabo Industries (-7%) was the most significant detractor, with a modest decline in the share price following strong appreciation in 2025.

Following the resignation of former Prime Minister Shigeru Ishiba in early-September, shortly after month-end Sanae Takaichi was announced as the new President of the LDP party. Initial expectations that Takaichi would be the new PM have since been shaken by the dissolution of the LDP/Komeito party coalition. We expect market volatility to continue until results of the Premiership race become clearer. We note that while this will not directly impact AVI's constructive engagement strategy, Takaichi was a well-known protege of the late PM Abe and his policies, and indicated a desire for Japanese corporates to reduce excess cash holdings in the past.

The team continues to identify attractive undervalued, overcapitalised, high-quality companies in the small to mid-cap space, and have several ideas in the pipeline. We look forward to unlocking substantial value through our constructive engagement initiatives, with a unique focus on operational improvements in addition to the traditional engagement areas.

Across the AJOT portfolio, AVI made several large ownership declarations in September, with AVI's combined stake across funds more than 5% of the voting rights in 9 portfolio names, which account for 59% of NAV. During September, AVI declared increased stakes in Eiken Chemical (6.0%), Sharingtechnology (16.6%), Atsugi (21.2%) and Synchro Food (18.4%).

AJOT is a major shareholder that is involved in the combined AVI engagement highlighted below. Investment Manager AVI's constructive engagement strategy has a unique focus on operational improvements, in addition to the traditional activist themes of capital efficiency, shareholder communication, and corporate governance. Building large stakes is beneficial for AVI's

differentiated engagement strategy, as it signals to management teams our intention to unlock long-term value through constructive engagement, focusing on operational improvements in addition to typical engagement areas.

Wacom (6727) – Share price rises following AVI campaign, other activist declaration

Wacom was the largest contributor over the month, adding +121bps to performance as its share price increased +12%.

Across all funds, AVI controls over 13% of the vote in Wacom, which is the global leader of digital pen solutions. Our investment is premised on the increased adoption of digital drawing and writing, relative undervaluation, and scope for improvement through engagement. Wacom manufactures its own branded tablets and sells its technology to other electronic device manufacturers.

In May 2025, AVI launched a public campaign titled 'Draw Wacom's Future', in which we highlighted several constructive suggestions, since which the share price has risen by +47%. We are concerned by the poor performing Branded Business Segment, which has consistently posted losses since 2022*.

Alongside the public campaign, we formally submitted shareholder proposals to the AGM. These proposals called for appointment of an independent director, establishment of a Transformation Plan Supervisory Committee, better handling of acquisition proposals, allowing shareholders to determine the dividend at the AGM, a share buyback, and defining total shareholder return as a metric to determine stock-based compensation for internal directors.

During September, constructive yet active investor Kaname Capital declared 5% ownership in Wacom, with the shares rising a further +5% to month-end. Although the Branded Business segment continues to face challenges, we are confident that through shortening the product development cycle for entry-level products and strengthening e-commerce channels, Wacom can further reinforce its position as the global leader.

*After HQ costs are allocated

MANAGER'S COMMENT (continued)

Added to the portfolio in August 2021, the company accounted for 10.3% of AJOT's NAV at month-end as the second largest holding. We see significant upside through our constructive engagement and to month-end, our investment has generated an ROI of +27% for an IRR of +14% (in JPY).

Atsugi (3529) – New medium-term plan as AVI increases stake

Atsugi was the second largest, albeit modest, contributor over the month, adding +9bps to performance as its share price rose +1%.

Atsugi is an apparel manufacturer primarily known for producing stockings, innerwear, and legwear for women. The company manufactures and retails under its own brands.

In mid-September, we declared 21.2% ownership in Atsugi combined across all AVI funds, as we seek to increase our engagement influence with the company. On the 24th of September, Atsugi announced its new medium-term plan for 2025-2027, in which FY2027 targets were disclosed for revenue and operating profit of ¥27.3bn and ¥1.0bn, respectively. For context, in FY2024, Atsugi generated an operating loss of -¥0.9bn from revenue of ¥21.8bn. The shares rose by +11% to month-end.

Atsugi is now the sixth largest holding, accounting for 7.8% of AJOT's NAV, with the investment having so far generated a +17% ROI for an IRR of +27% to month-end (in JPY).

Kurabo Industries (3106) – Buyback program complete

Kurabo Industries ("Kurabo") was the largest detractor, reducing performance by -63bps as its share price fell -7%, after having risen +37% in 2025 to 31st August.

Kurabo, established in 1888 as a textile manufacturer, has diversified its operations over the years to include chemicals, advanced technology, food and services, and real estate. Kurabo Industries 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. To recap, in March this year, the company announced plans in line with our recommendations to close its largest and most unprofitable textile factory. In May, Kurabo announced a new medium-term plan with increased commitment to shareholder returns, which include a 4.0% DOE target and ¥20.0bn buyback plans.

In September Kurabo announced it had completed the ¥6bn buyback program (7.3% of total shares) started in November 2024.

With the share price having risen by +160% to 31st August 2025 since AJOT initiated its position in January 2024, in September we declared AVI's combined stake had reduced to 4.0% from 5.0%. We will continue to constructively engage with the company to unlock further upside.

At month-end, Kurabo accounted for 7.8% of AJOT's NAV at month-end as a top 10 holding. To date, the investment has returned an ROI of +66% for an IRR of +63% (in JPY).

On 12 August, the Boards of AVI Japan Opportunity Trust (AJOT) and Fidelity Japan Trust (FJV) confirmed that non-binding heads of terms have been agreed for the proposed rollover of the assets of FJV into AJOT. More information can be found at [The benefits of investing with AJOT - Asset Value Investors](#)

STATISTICS

Performance Summary (GBP)

Total Returns (%)	1M	1Y	3Y	5Y	SI ⁴
Share Price	1.7	29.5	71.4	77.1	93.1
NAV p/s	-0.5	27.3	67.4	79.4	100.2
MSCI Japan Small Cap	2.0	19.3	39.8	34.3	46.3
CY Total Returns (%)	YTD	2024	2023	2022	2021
Share Price	18.4	21.5	14.8	-6.0	10.0
NAV p/s	17.9	20.9	15.8	-4.3	12.3
MSCI Japan Small Cap	18.5	6.2	6.9	-1.0	-1.4

All performance shown net of fees in GBP Total Return and as at 30/09/2025

Source: Morningstar

⁴Start Date 23 October 2018

Characteristics

Portfolio Statistics

EV/EBIT	8.8x
Net Cash/Market Cap ⁵	12.8%
NFV/Market Cap ⁶	44.1%

⁵Net Cash = Cash - Debt

⁶Net Financial Value (NFV) = Net Cash + Investment Securities - Minority Interest

Trust Details

Capital Structure

Ordinary Shares	137,198,943
Shares held in Treasury	1,360,716
TONAR + 1.55% Revolving Credit Facility	¥6,600,000,000

Gross Assets/Gearing

Gross Assets	£280.2m
Gross value of debt (GBP)	£33.2m
Gearing (net) ⁷	7.2%

Fund Facts

Launch Date	23-Oct-18
Net Assets	£247m
Investment Manager	Asset Value Investors Limited
Value Owned by AVI ⁸	£5,913,153
Shareholder Services	MUFG Corporate Markets
Management Fee ⁹	1.0% of lower of market cap or NAV
Ticker Code	AJOT.LN
ISIN	GB00BD6H5D36

⁷Net gearing at fair value

⁸Value owned by AVI Ltd & AVI Ltd employees as at 30/09/2025

⁹Annual Management Fee. 25% of Management Fee is reinvested in shares of AJOT

Investment Manager – Joe Bauernfreund

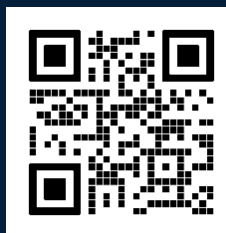
AVI Ltd. +44 20 7659 4800 info@ajot.co.uk

The share price can be found in [The Financial Times](#).
ISIN: GB00BD6H5D36 Trading as: [AJOT:LN](#)

Information may be found on the following websites:

www.ajot.co.uk

www.assetvalueinvestors.com



IMPORTANT INFORMATION

All figures are as at the period under review unless otherwise stated. All sources Asset Value Investors Ltd ("AVI") unless otherwise stated. AVI is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA") with reference number 119270 and is a registered investment adviser with the Securities and Exchange Commission of the United States. While AVI is registered with the SEC as an investment adviser, it does not comply with the Advisers Act with regard to its non-U.S. clients. This document does not constitute an offer to buy or sell shares in AVI Japan Opportunity Trust plc (the "Trust"). The contents of this message are not intended to constitute, and should not be construed as, investment advice. Potential investors in the Trust should seek their own independent financial advice. AVI neither provides investment advice to, nor receives and transmits orders from, investors in the Fund. Past performance is not an indicator of future results, and you may not get back the original amount invested.