

September 2025

Investment Objective: The investment objective of the Fund is to generate long-term returns through investment in a focused portfolio of over-capitalised Japanese equities while engaging with company management to help unlock value.

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](#)

Kurabo – Y6bn Buyback Complete

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

[Read more below](#)

AVI Builds Stake in Top 10 Names

During September, AVI declared increased stakes in Eiken Chemical (6.0%), Sharingtechnology (16.6%), Atsugi (21.2%) and Synchro Food (18.4%).

[Read more below](#)

THE FUND

Fund Launch Date

22/04/24

A GBP NAV per share

£129.02

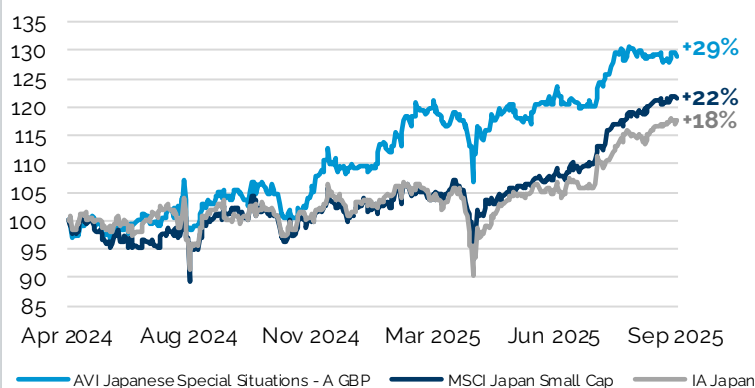
Cash

5.7%

Net Performance (GBP)

	Month	3 Month	YTD	SI ¹
A GBP Share Class	-0.7%	6.3%	17.8%	29.0%
MSCI Japan Small Cap	2.0%	11.2%	18.5%	21.6%
IA Japan	2.5%	9.5%	14.1%	17.6%

NAV Total Return Since Inception (GBP)



Past performance does not predict future returns. All performance is shown in GBP, net of fees and including net dividends as at 30/09/2025. Returns may increase or decrease as a result of currency fluctuations. Source: Morningstar. Benchmark: MSCI® Japan Small Cap Net Total Return Index. The Fund is actively managed with reference to the MSCI® Japan Small Cap Index Net Total Return for performance comparison purposes. The portfolio is unconstrained by the benchmark and holdings may deviate significantly from those in the benchmark index. The fund was attributed the IA Japan sector by The IA. The IA Japan sector consists of The IA member UK based funds which invest at least 80% of their assets in Japanese equities. The use of the IA Japan sector is purely indicative and should not be used as a benchmark. For further information on the The IA and its sectors, visit www.theia.org. ¹Share Class Launch Date 22nd April 2024.

PORTFOLIO

Top Ten Holdings

	% ²
Rohto Pharmaceutical	8.4
Mitsubishi Logistics	8.1
Raito Kogyo	7.9
Eiken Chemical	7.8
Wacom	5.2
Kyocera Corp	4.5
Sharingtechnology	4.4
Synchro Food	4.4
Atsugi	4.3
Aoyama Zaisan Networks	4.1
TOTAL	59.1
No of Holdings	26

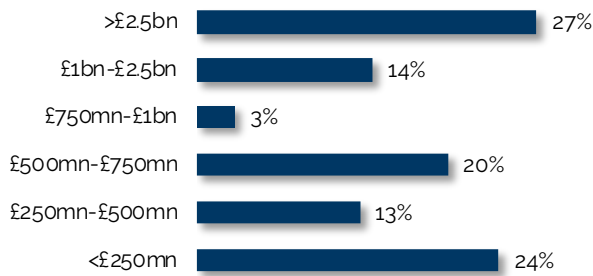
Contributors & Detractors (GBP)³

Largest Contributors	1M Contrib. bps	% ²
Wacom	55	5.2
Kyoto Financial Group	22	3.2
Sanyo Shoka	8	1.9
Dai Nippon Printing	8	4.1
Shin-Etsu Polymer	8	2.5

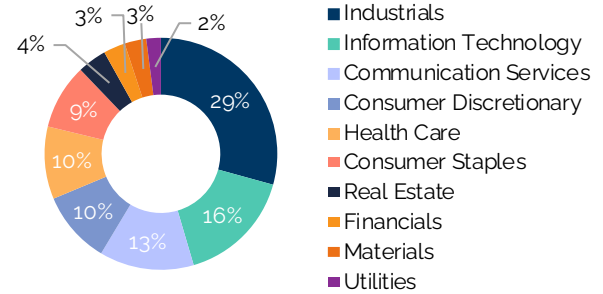
Largest Detractors	1M Contrib. bps	% ²
Kurabo Industries	-45	3.6
Sharingtechnology	-37	4.4
Aoyama Zaisan Networks	-16	4.1
Tokyo Gas	-14	2.3
Raito Kogyo	-13	7.9

²Shown as % of Net Asset Value. ³Contributors and detractors from Factset

PORTFOLIO (continued)

Market Cap Breakdown⁴

Figures may not total to 100 due to rounding.

Sector Exposure⁴Figures may not total to 100 due to rounding. ⁴Shown as % of Portfolio

PERFORMANCE SUMMARY

%	Share Class	NAV per share	Month	3 Month	YTD	SI ¹
GBP	A GBP	£129.02	-0.7	6.3	17.8	29.0
	MSCI Japan Small Cap	-	2.0	11.2	18.5	21.6
JPY	A JPY	¥13,430.26	-0.3	7.0	17.9	34.3
	MSCI Japan Small Cap	-	2.2	11.7	19.7	26.7
EUR	B EUR	€127.82	-1.5	4.1	11.8	27.8
	MSCI Japan Small Cap	-	1.2	9.1	12.2	20.2
GBP	B GBP	£129.44	-0.7	6.4	18.0	29.4
	MSCI Japan Small Cap	-	2.0	11.2	18.5	21.6
JPY	B JPY	¥12,569.41	-0.3	7.1	18.2	25.7
	MSCI Japan Small Cap	-	2.2	11.7	19.7	23.1
USD	B USD	\$141.13	-0.9	4.3	25.8	41.1
	MSCI Japan Small Cap	-	1.6	9.2	27.3	32.7
GBP	B1 GBP ⁵	£126.87	-0.6	6.5	17.0	26.9
	MSCI Japan Small Cap	-	2.0	11.2	18.5	21.6

Past performance does not predict future returns. All performance is shown net of fees and including net dividends as at 30/09/2025. Source: Morningstar. Benchmark: MSCI[®] Japan Small Cap Index Net Total Return. The Fund is actively managed with reference to the MSCI[®] Japan Small Cap Net Total Return Index for performance comparison purposes as well as for the purposes of calculating the performance fee. The performance of each share class is stated in the share class relevant currency as specified in the table. The performance of the benchmark has been converted into the currency of the relevant share class for comparison purposes. Returns may increase or decrease as a result of currency fluctuations. The portfolio is unconstrained by the benchmark and holdings may deviate significantly from those in the benchmark index. ¹Share Classes Launch Date was 22nd April 2024 except for the B JPY Share Class which launched on 28th June 2024. ⁵Performance fee share class - 0.50% management fee + 15% of outperformance of benchmark.

MANAGER'S COMMENT

AJSS' NAV decreased by -0.7% over the month, while the benchmark returned +2.0% (both in GBP).

The largest contributor to performance over the month was Wacom (+12% share price), which AVI launched a public campaign for in May 2025, with another activist joining the register in September. 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 protégé 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.

MANAGER'S COMMENT (continued)

Across the AJSS 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 38% of NAV. During September, AVI declared increased stakes in Eiken Chemical (6.0%), Sharingtechnology (16.6%), Atsugi (21.2%) and Synchro Food (18.4%).

AJSS 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 +55bps 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.

Added to AJSS in May 2025, the company accounted for 5.2% of AJSS' NAV at month-end as a top 5 holding. We see significant upside through our constructive engagement and to month-end, our investment has generated an ROI of +17% for an IRR of +121% (in JPY).

Kurabo Industries (3106) – Buyback program complete

Kurabo Industries ("Kurabo") was the largest detractor, reducing performance by -45bps 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 Y20.0bn buyback plans.

In September Kurabo announced it had completed the Y6bn buyback program (7.3% of total shares) started in November 2024.

With the share price having risen by +114% to 31st August 2025 since AJSS inception in April 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 3.6% of AJSS' NAV at month-end. To date, the investment has returned an ROI of +32% for an IRR of +56% (in JPY).

RISK & REWARD

Fund Attributes

- High-conviction concentrated portfolio
- Actively managed with specialist experience in constructive engagement
- Sector agnostic, bottom-up approach
- Capitalising on corporate governance reform in Japan

Fund Risks

As a focused equity portfolio of between 25 and 35 investments, the fund can involve higher risk and higher volatility. The value of an investment can fall as well as rise as a result of market and currency movement; you may not get back the amount originally invested. You should therefore regard your investment as long term. Details on the risk factors are included in the fund's prospectus, available on our website.

ESG

ESG Integration

ESG is integrated into each stage of our investment process. AVI has eschewed a box-ticking approach to ESG and developed a proprietary ESG monitoring system.

Engagement is central to our strategy. Our ESG monitoring system helps to highlight areas where we can actively engage with portfolio companies to build resilience to sustainability risks, promote responsible attitudes, and enhance sustainable corporate value.

For more information, AVI's ESG Report can be accessed on its website [here](#)

Article 6

This Fund has an Article 6 classification within the meaning of the Sustainable Finance Disclosure Regulation (SFDR). Engagement is central to delivering long term returns, and we integrate environmental, social and governance (ESG) factors into our risk management on an ongoing basis. As part of our engagement process, we monitor the climate-related risks of our portfolio companies within a bespoke system developed for AVI. However, the Fund does not have a sustainability objective.

FUND DETAILS

AVI Japanese Special Situations Fund

Fund Launch Date	22 nd April 2024
Base Currency	JPY
Net Assets Value	JPY 9.3bn / GBP 47m
IA Sector	Japan
Fund Structure	UCITS
Fund Domicile	Ireland
Investment Manager	Asset Value Investors
Manager	Gateway Fund Services
Administrator/Transfer Agent	Société Générale
Dealing	Daily
Subscription Deadline	1 Business Day prior by 12PM
Dealing Information*	info@assetvalueinvestors.com

*Also available on all major platforms.

Share Classes

Share Class	OCF ⁶ (%)	ISIN	Ticker
A (GBP)	1.35	IE0000B7RI69	AVIJASA ID
A (JPY)	1.35	IE000SRLWUF2	AVIJAAJ ID
B (EUR)	1.15	IE000Z7QO7O0	AVIJASB ID
B (GBP)	1.15	IE000STVDBB6	AVIJABG ID
B (JPY)	1.15	IE000BBWIQL4	AVIJPSB ID
B (USD)	1.15	IE000UIN5KK5	AVIJABU ID
B1 (GBP) ⁵	0.85	IE000OPWA0E7	AVIJAB1 ID

Benchmark: MSCI® Japan Small Cap Total Return Index

⁵Performance fee share class - 0.50% management fee + 15% of outperformance of benchmark

⁶Ongoing Charges Figure

Investment Manager – Joe Bauernfreund

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The share price can be found in *AJSS - Asset Value Investors*

Further information may be found 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") 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 Japanese Special Situations (the "Fund"). The contents of this message are not intended to constitute, and should not be construed as, investment advice. Potential investors in the Fund 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.

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