

December 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

## Synchro Food – Successful EGM

The EGM was held in late-December, with AVI's Head of Japan Research, Kaz Sakai, successfully appointed to the board as an independent director and two internal directors dismissed.

[Read more below](#)

## Broadmedia – AVI Tender Offer

AVI announced its intention to increase its combined stake across client funds from c.29% to c.40% via tender offer, at a price of 2,200 Yen per share, a 29% premium to the undisturbed share price.

[Read more below](#)

## Aoyama – Earnings Revised Down

AZN revised its revenue guidance downwards by -11% for FY2025 due to revenue from transactions at Advantage Club, AZN's real estate co-ownership platform, being pushed to later periods.

[Read more below](#)

## THE FUND

Fund Launch Date

A GBP NAV per share

Cash

22/04/24

£127.68

3.7%

## NAV Total Return Since Inception (GBP)



## Net Performance (GBP)

| Total Returns (%)    | Month | 3 Month | YTD  | SI <sup>1</sup> |
|----------------------|-------|---------|------|-----------------|
| A GBP Share Class    | 1.3   | -1.0    | 16.6 | 27.7            |
| MSCI Japan Small Cap | -1.1  | 1.2     | 19.8 | 23.0            |
| IA Japan             | -0.8  | 3.0     | 17.5 | 21.1            |

Past performance does not predict future returns. All performance is shown in GBP, net of fees and including net dividends as at 31/12/2025. 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](http://www.theia.org). <sup>1</sup>Share Class Launch Date 22<sup>nd</sup> April 2024.

## PORTFOLIO

## Top Ten Holdings

|                      | % <sup>2</sup> |
|----------------------|----------------|
| Mitsubishi Logistics | 8.0            |
| Eiken Chemical       | 6.8            |
| Raito Kogyo          | 5.9            |
| Rohto Pharmaceutical | 5.2            |
| Dai Nippon Printing  | 5.0            |
| Kyocera Corp         | 4.9            |
| Atsugi               | 4.4            |
| Sharingtechnology    | 4.4            |
| Synchro Food         | 4.0            |
| Tokyo Gas            | 4.0            |
| <b>TOTAL</b>         | <b>52.6</b>    |
| No of Holdings       | 31             |

Contributors & Detractors (GBP)<sup>3</sup>

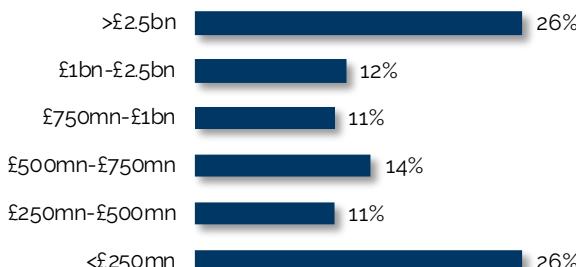
| Largest Contributors | 1M Contrib. bps | % <sup>2</sup> |
|----------------------|-----------------|----------------|
| Synchro Food         | 64              | 4.0            |
| Sharingtechnology    | 44              | 4.4            |
| Kurabo Industries    | 33              | 3.6            |
| Sanyo Shokai         | 32              | 2.7            |
| Broadmedia           | 30              | 1.9            |

## Largest Detractors

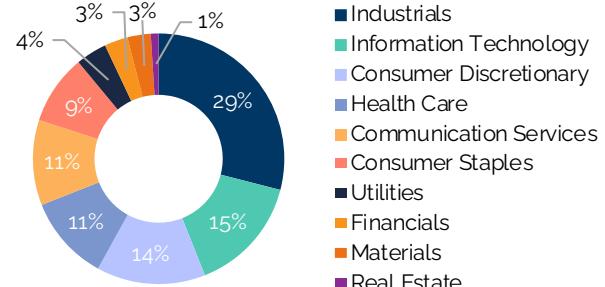
| Largest Detractors     | 1M Contrib. bps | % <sup>2</sup> |
|------------------------|-----------------|----------------|
| Aoyama Zaisan Networks | -43             | 1.1            |
| Eiken Chemical         | -33             | 6.8            |
| Wacom                  | -24             | 3.9            |
| Tokyo Gas              | -14             | 4.0            |
| Raito Kogyo            | -11             | 5.9            |

<sup>2</sup>Shown as % of Net Asset Value. <sup>3</sup>Contributors and detractors from Factset

## PORTFOLIO (continued)

Market Cap Breakdown<sup>4</sup>

Figures may not total to 100 due to rounding.

Sector Exposure<sup>4</sup>Figures may not total to 100 due to rounding. <sup>4</sup>Shown as % of Portfolio

## PERFORMANCE SUMMARY

| %   | Share Class          | NAV per share | Month | 3 Month | YTD  | SI <sup>1</sup> |
|-----|----------------------|---------------|-------|---------|------|-----------------|
| GBP | A GBP                | £127.68       | 1.3   | -1.0    | 16.6 | 27.7            |
|     | MSCI Japan Small Cap | -             | -1.1  | 1.2     | 19.8 | 23.0            |
| JPY | A JPY                | ¥14,056.42    | 3.4   | 4.7     | 23.4 | 40.6            |
|     | MSCI Japan Small Cap | -             | 0.8   | 7.3     | 28.4 | 35.9            |
| EUR | B EUR                | €126.95       | 1.9   | -0.7    | 11.1 | 27.0            |
|     | MSCI Japan Small Cap | -             | -0.8  | 1.1     | 13.5 | 21.6            |
| GBP | B GBP                | £128.16       | 1.3   | -1.0    | 16.8 | 28.2            |
|     | MSCI Japan Small Cap | -             | -1.1  | 1.2     | 19.8 | 23.0            |
| JPY | B JPY                | ¥13,171.06    | 3.4   | 4.8     | 23.8 | 31.7            |
|     | MSCI Japan Small Cap | -             | 0.8   | 7.3     | 28.4 | 32.1            |
| USD | B USD                | \$140.43      | 3.6   | -0.5    | 25.2 | 40.4            |
|     | MSCI Japan Small Cap | -             | 0.4   | 1.1     | 28.7 | 34.1            |
| GBP | B1 GBP <sup>5</sup>  | £125.71       | 1.3   | -0.9    | 15.9 | 25.7            |
|     | MSCI Japan Small Cap | -             | -1.1  | 1.2     | 19.8 | 23.0            |
| USD | B1 USD <sup>5</sup>  | \$105.69      | 3.5   | -       | -    | 5.7             |
|     | MSCI Japan Small Cap | -             | 0.4   | -       | -    | 3.2             |

Past performance does not predict future returns. All performance is shown net of fees and including net dividends as at 31/12/2025. 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. <sup>1</sup>Share Classes Launch Date was 22<sup>nd</sup> April 2024 except for the B JPY Share Class which launched on 28<sup>th</sup> June 2024 and B1 USD Share Class which launched on 25<sup>th</sup> November 2025. <sup>5</sup>Performance fee share class - 0.50% management fee + 15% of outperformance of benchmark.

## MANAGER'S COMMENT

AJSS' NAV returned +1.3% (in GBP) over the month, while the benchmark returned -1.1% (in GBP). Since inception in April 2024, AJSS has returned +27.7%, outperforming the benchmark by +4.7%.

The largest contributor to performance over the month was Synchro Food (+22% share price), which approved the appointment of AVI's Head of Japan Research, Kaz Sakai, to the Board as an independent director. Broadmedia was another notable contributor (+21%), in which AVI announced its intention to acquire an additional c.11% of shares via tender offer. Meanwhile, Aoyama Zaisan Networks (-16%) was the most significant detractor as it revised FY2025 revenue guidance downwards.

The team continues to allocate capital to both new and longstanding portfolio names as our constructive engagement continues steadfast in 2026. Maintaining a concentrated portfolio, in which the top ten holdings account for over 50% of NAV, is supportive of our engagement strategy as it allows us to devote

the resources required to drive change in each of our portfolio companies. The recent developments at Synchro Food and Broadmedia serve as examples of how this concentrated positioning, which allows us to build large stakes, can help exert influence on our portfolio companies.

AJSS is a major shareholder involved in AVI's constructive engagement strategy, building meaningful stakes to unlock value by driving improvements in business operations alongside traditional themes of capital efficiency, governance, and investor relations. Moving into 2026, our constructive engagement strategy remains unchanged, and we look forward to unlocking substantial corporate value in our portfolio companies.

As a reminder, the Financial Service Agency (FSA) is currently conducting a review of the Corporate Governance Code (last reviewed in June 2021) with a desire to see improved capital efficiency through companies both reinvesting excess cash into

## MANAGER'S COMMENT (continued)

their core business and increasing shareholder returns. We look forward to seeing the results of this review in 2026 as corporate reform in Japan continues to accelerate.

**Synchro Food (3963) – AVI Head of Japan Research appointed as outside director at EGM**

Synchro Food was the largest contributor over the month, adding +64bps to performance as its share price rose by +22%.

Synchro Food operates a service matching platform for restaurants in Japan, with much of its sales coming from job listings. The company operates "Inshokuten.com" which provides an end-to-end business platform for restaurants, including supplier search, accountant search, interior design, food truck support and bulk ordering services.

The EGM requested by AVI was held by Synchro Food on December 26<sup>th</sup> 2025, having initially received our request on October 2<sup>nd</sup> 2025, a week after LIM Japan Event Master Fund had made a separate EGM request. The results of the EGM were highly positive, with AVI's Head of Japan Research, Kaz Sakai, successfully appointed to the board as an independent director. Additionally, internal directors Morita and Nakagawa were both dismissed, with both a new CEO and Chairman stepping up consequently.

Added to the portfolio in March 2025, the company accounted for 4.0% of AJSS' NAV at year-end. We see significant upside through our constructive engagement and to month-end, our investment has generated an ROI of +26% for an IRR of +85% (in JPY).

**Broadmedia (4347) – AVI tender offer to increase stake to c.40%**

Broadmedia was another notable contributor over the month, adding +30bps to performance as its share price rose by +21%.

As a reminder, Broadmedia mainly engages in online education and IT service businesses. It is a leading player in Japan running online-learning secondary schools with the brand name "Renaissance High School Group," allowing students to learn at their own pace remotely and to focus on their individual learning interests. Broadmedia also operates an IT service business, specifically for distributing Akamai Technologies' software and solutions to domestic clients.

On December 9<sup>th</sup> 2025, AVI announced its intention to increase its combined stake across client funds from c.29% to c.40% via

tender offer, at a price of 2,200 Yen per share, a 29% premium to the undisturbed share price. The Board of Broadmedia took a neutral stance, leaving it up to shareholders to decide whether to accept the tender offer. We believe this larger stake will support our constructive engagement initiatives and be beneficial to minority shareholders.

Broadmedia serves as an example of AVI's constructive and creative approach to value enhancement in Japanese small-cap companies. AVI expects Broadmedia to continue driving business growth supported by rising demand in online education and IT services sectors.

Broadmedia has been in the portfolio since AJSS inception in April 2024 and now accounts for 1.9% of AJSS' NAV, with the investment having so far generated a +30% ROI for an IRR of +28% to month-end (in JPY).

**Aoyama Zaisan Networks (8929) – Revenue guidance revised downwards for FY2025**

Aoyama Zaisan Networks (AZN) was the largest detractor, reducing performance by -43bps as its share price fell by -16%.

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 aging Japanese population as the need for inheritance and business succession consulting is on the rise.

In December 2025, AZN revised its revenue guidance downwards by -11% for FY2025 due to revenue from transactions at Advantage Club, AZN's real estate co-ownership platform, being pushed into later periods due to the announcement of upcoming tax reform. While operating profit remained unchanged at Y3.85bn, the market perceived this as a negative signal for future earnings potential, with the share price drifting -7% lower in the following 5 trading days.

At the time we initiated our investment at AJSS inception in April 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.

At month-end AZN accounted for 1.1% of AJSS' NAV. To date, the investment has returned an ROI of -3% for an IRR of -6% (in JPY).

## RISK &amp; 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 <sup>nd</sup> April 2024  |
| Base Currency                | JPY  |
| Net Assets Value             | JPY 19.9bn / GBP 94.4m   |
| 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*         | <a href="mailto:info@assetvalueinvestors.com">info@assetvalueinvestors.com</a> |

\*Also available on all major platforms.

## Share Classes

| Share Class           | OCF <sup>6</sup> (%) | ISIN         | Ticker     |
|-----------------------|----------------------|--------------|------------|
| A (GBP)               | 1.35                 | IEooooB7RI69 | AVIJASA ID |
| A (JPY)               | 1.35                 | IEoooSRLWUF2 | AVIJAAJ ID |
| B (EUR)               | 1.15                 | IEoooZ7QO7O0 | AVIJASB ID |
| B (GBP)               | 1.15                 | IEoooSTVDBB6 | AVIJABG ID |
| B (JPY)               | 1.15                 | IEoooBBWIQL4 | AVIJPSB ID |
| B (USD)               | 1.15                 | IEoooUIN5KK5 | AVIJABU ID |
| B1 (GBP) <sup>5</sup> | 0.85                 | IEoooOPWAoE7 | AVIJAB1 ID |
| B1 (USD) <sup>5</sup> | 0.85                 | IEooo1QXC6O7 | AVIJSB ID  |

Benchmark: MSCI® Japan Small Cap Total Return Index

<sup>5</sup>Performance fee share class - 0.50% management fee + 15% of outperformance of benchmark

<sup>6</sup>Ongoing 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](http://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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