

January 2026

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

Mitsubishi Logistics – Buybacks

Mitsubishi Logistics announced that over 13m shares (3.5% of shares outstanding) had been repurchased for a cost of c.Y15bn, implying its ongoing buyback program is now 77% complete.

[Read more below](#)

Asiro – AVI Builds Stake to c.28%

AVI now holds more than 28% of the shares across all client funds, as part of our constructive engagement strategy. During January alone, we filed ten ownership amendment disclosures.

[Read more below](#)

Synchro Food – Shares Drift Lower

Having returned +22% in December, Synchro Food's share price drifted -15% lower in January to end +3% higher over the volatile two-month period. AVI holds over 27% of the shares combined.

[Read more below](#)

THE TRUST

Share Price (pence)

174.5

NAV p/s (pence)

175.3

Prem./Disc.

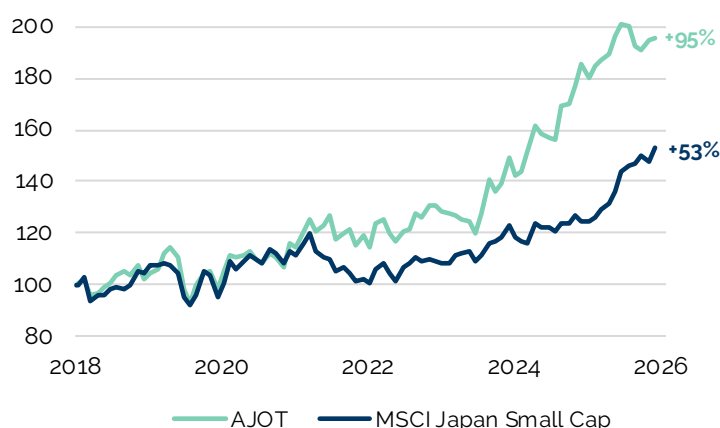
(0.4)%

Net Performance

	Total Returns (%)	Month	1Y	3Y	5Y
GBP	NAV p/s	0.3	10.6	52.8	77.6
	MSCI Japan Small Cap	3.7	21.0	38.9	39.5
JPY	NAV p/s	0.7	21.7	102.0	161.5
	MSCI Japan Small Cap	4.1	33.1	83.7	105.4

All performance shown net of fees total returns as of 31/01/2026
Source: Morningstar

NAV Total Return Since Inception (GBP)



Source: Morningstar as of 31/01/2026

PORTFOLIO

Top Ten Holdings

	% ¹
Kurabo Industries	9.5
Mitsubishi Logistics	9.4
Sharingtechnology	6.9
Eiken Chemical	6.7
Raito Kogyo	6.2
Atsugi	6.0
Wacom	6.0
Rohto Pharmaceutical	5.8
Sanyo Shokai	5.3
Synchro Food	5.1
TOTAL	66.9
No of Holdings	28

Contributors/Detractors (GBP)²

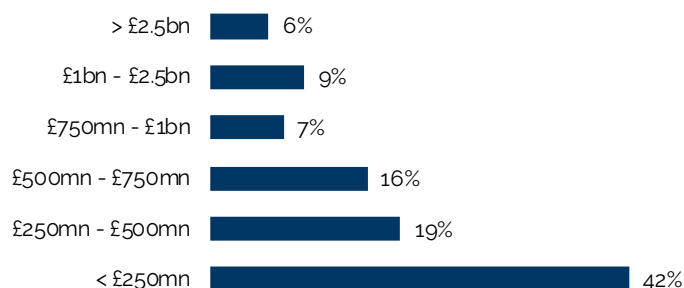
Largest Contributors	1M Contrib. bps	% ¹
Mitsubishi Logistics	71	9.4
Asiro	52	4.2
Kurabo Industries	51	9.5
Sanyo Shokai	47	5.3
Listed Index Fund TOPIX	34	2.0

Largest Detractors	1M Contrib. bps	% ¹
Synchro Food	-90	5.1
Atsugi	-54	6.0
Wacom	-53	6.0
Broadmedia	-32	4.3
Rohto Pharmaceutical	-17	5.8

¹All Figures shown as % of Net Asset Value. ²Contributors and detractors from Factset.

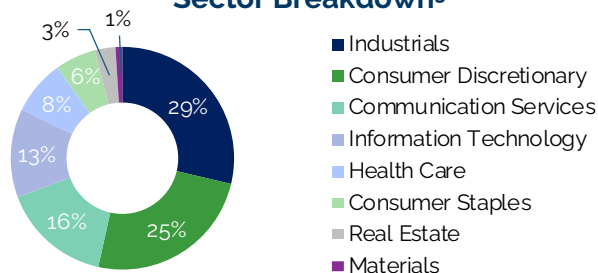
PORTFOLIO (continued)

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 listed Portfolio. Unlisted holdings which represent 3.4% of NAV as at 31/01/2026 have been excluded from analysis. ETFs are excluded as temporary holdings following the transfer from Fidelity Japan Trust and do not reflect AJOT's long-term strategy.

MANAGER'S COMMENT

AJOT's NAV returned +0.3% (in GBP) and +0.7% (in JPY) over the month, while the benchmark returned +3.7% (in GBP) and +4.1% (in JPY).

The two largest contributors to performance over the month were Mitsubishi Logistics (+10% share price), which announced its Y20bn buyback program was 77% complete, and Asiro (+23%), in which AVI increased its combined stake across client funds to c.28% by month-end. Meanwhile, Synchro Food (-15%) was the most significant detractor as its share price pulled back, having risen +22% in December 2025.

Since the merger with Fidelity Japan Trust completed in late November 2025, the team has added three new names to the portfolio, operating within the audio equipment, electronic equipment, and media services sectors. By early January 2026, all capital received as part of the merger had successfully been deployed in these new names as well as existing high-conviction investments, where we continue to engage extensively with management to unlock catalysts.

One of the three new holdings is in Foster Electric, a position in which we declared above 5% ownership on January 29th 2026. Foster Electric manufactures audio equipment mainly for the automotive sector. Foster Electric holds approximately a 30% global market share in automotive audio equipment, enjoying business relationships with major automotive manufacturers.

As discussed further below, we also added Asiro to the portfolio in December 2025, and continued building a substantial stake in January 2026, now controlling c.28% of the shares across AVI client funds.

As mentioned in [last month's newsletter](#), in December 2025 AVI announced its intention to increase its combined stake in Broadmedia 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. We are pleased to confirm that the tender offer was successfully completed on January 28th, raising AVI's combined holding across client funds to c.38% of outstanding shares.

We believe this larger stake will support our constructive engagement initiatives and be beneficial to minority shareholders.

AJOT 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. Our constructive engagement strategy remains unchanged in 2026, and we look forward to unlocking substantial corporate value in our portfolio companies.

Mitsubishi Logistics (9301) – Y20bn buyback program 77% complete

Mitsubishi Logistics was the largest contributor over the month, adding +71bps to performance as its share price rose by +10%.

Mitsubishi Logistics is a third-party logistics provider covering the entire supply chain. The company is the largest warehouse operator in Japan, enjoys a strong presence at all seven of Japan's major ports, and operates an overseas air logistics business.

The company has an ongoing share buyback program, announced on April 30th 2025, to repurchase a maximum of Y20bn worth of shares by March 2026. Since that announcement the share price has risen by +34%. On January 6th, Mitsubishi Logistics announced that over 13m shares (3.5% of shares outstanding) had been repurchased for a cost of c.Y15bn, implying the program is now 77% complete. At the end of January, Mitsubishi Logistics announced its earnings to Q3 for the financial year ending March 2026, with cumulative revenue down -4% YoY and operating income down -25% YoY.

Added to the portfolio in January 2025, Mitsubishi Logistics is now the second largest holding in AJOT, accounting for 9.4% of NAV at month-end. The investment has so far generated a +13% ROI for an IRR of +32% to month-end (in JPY).

Asiro (7378) – AVI builds combined stake to c.28%

Asiro was the second largest contributor, adding +52bps as its share price rose by +23%.

Asiro primarily operates media platforms that connect law firms with individual clients (c.56% of revenue) via its legal matching site 'Bengoshi Navi', and connects recruitment agencies with job seekers (c.37% of revenue) on its career site 'Carrhythm'.

MANAGER'S COMMENT (continued)

Since its IPO in July 2021, the company has delivered above 30% annual revenue growth and an operating margin of 21% in the financial year ended October 31st 2025.

The core media business, which includes both the legal and recruitment matching services, has maintained consistently high (25-42%) operating margins since IPO. Meanwhile, the much smaller Legal HR segment achieved a meaningful operating profit for the first time in 2025, leading to an improvement in overall earnings.

As declared on February 2nd 2026, AVI now holds more than 28% of the shares in Asiro across all client funds, as part of our constructive engagement strategy with the company.

During January alone, we filed ten ownership amendment disclosures reflecting increases in our combined stake, having first declared above 5% ownership on December 19th 2025.

At month-end, Asiro accounted for 4.2% of AJOT's NAV. To date, the investment has generated an ROI of +19% (in JPY).

Synchro Food (3963) – Shares drift lower during volatile period

Synchro Food was the largest detractor over the month, reducing performance by -90bps as its share price fell by -15%.

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.

As mentioned in [last month's newsletter](#), at an EGM held on December 26th 2025, AVI's Head of Japan Research, Kaz Sakai, was 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.

Having returned +22% in December 2025, Synchro Food saw its share price drift -15% lower in January to end the month +3% higher over the volatile two-month period. AVI last declared an uplift in its stake on December 22nd 2025, holding over 27% of the shares, combined across all AVI client funds.

Added to the portfolio in March 2025, the company accounted for 5.1% of AJOT's NAV at month-end. We see significant upside through our constructive engagement and to month-end, the investment has generated an ROI of +10% for an IRR of +19% (in JPY).

STATISTICS

Performance Summary (GBP)

Total Returns (%)	1M	1Y	3Y	5Y	SI ⁴
Share Price	1.5	14.1	55.2	76.3	90.7
NAV p/s	0.3	10.6	52.8	77.6	95.4
MSCI Japan Small Cap	3.7	21.0	38.9	39.5	53.4
CY Total Returns (%)	YTD	2025	2024	2023	2022
Share Price	1.5	15.3	21.5	14.8	-6.0
NAV p/s	0.3	14.7	20.9	15.8	-4.3
MSCI Japan Small Cap	3.7	19.8	6.2	6.9	-1.0

All performance shown net of fees in GBP Total Return and as at 31/01/2026

Source: Morningstar

⁴Start Date 23 October 2018

Characteristics

Portfolio Statistics

EV/EBIT	9.3x
Net Cash/Market Cap ⁵	11.3%
NFV/Market Cap ⁶	36.5%

⁵Net Cash = Cash - Debt

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

Trust Details

Capital Structure

Ordinary Shares	247,873,823
Shares held in Treasury	31,350,429
TONAR + 1.55% Revolving Credit Facility	¥6,600,000,000

Gross Assets/Gearing

Gross Assets	£410.7m
Gross value of debt (GBP)	£31.2m
Gearing (net) ⁷	4.3%

Fund Facts

Launch Date	23-Oct-18
Net Assets	£379.5m
Investment Manager	Asset Value Investors Limited
Value Owned by AVI ⁸	£3,954,430
Shareholder Services	MUFG Corporate Markets
Management Fee ⁹	Tiered fee between 1% and 0.9%
Ticker Code	AJOT.LN
ISIN	GB00BD6H5D36

⁷Net gearing at fair value

⁸Value owned by AVI Ltd & AVI Ltd employees as at 31/01/2026

⁹Annual Management Fee: 1.0% (<£300m) / 0.95% (£300-£350m) / 0.90% (>£350m)
The Management Fee is calculated on the lesser of NAV or Market Cap. 25% of Management Fee is reinvested in shares in AJOT

Investment Manager – Joe Bauernfreund

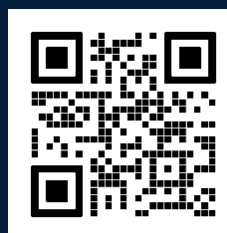
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The share price can be found in [The Financial Times](#).
ISIN: GB00BD6H5D36 Trading as: [AJOT:LN](#)

Information may be found on the following websites:

www.ajot.co.uk

www.assetvalueinvestors.com



IMPORTANT INFORMATION

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