

January 2026

**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

## Mitsubishi Logistics – Buybacks

Mitsubishi Logistics announced that over 13m shares (3.5% of shares outstanding) had been repurchased for a cost of c.£15bn, 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 FUND

Fund Launch Date

A GBP NAV per share

22/04/24

£128.60

Cash

0.3%

## Net Performance (GBP)

Total Returns (%)	Month	3 Month	YTD	SI <sup>1</sup>
A GBP Share Class	0.7	3.3	0.7	28.6
MSCI Japan Small Cap	3.7	4.4	3.7	27.5
IA Japan	3.4	2.1	3.4	25.2

## 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 31/01/2026. 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	8.7
Eiken Chemical	6.5
Raito Kogyo	6.0
Kyocera Corp	5.1
Dai Nippon Printing	5.1
Kurabo Industries	4.7
Rohto Pharmaceutical	4.5
Tokyo Gas	4.1
Sharingtechnology	3.8
Atsugi	3.8
<b>TOTAL</b>	<b>52.3</b>
No of Holdings	31

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

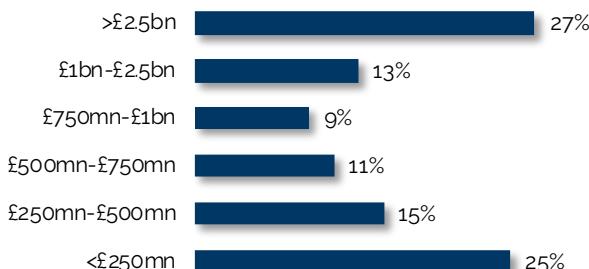
Largest Contributors	1M Contrib. bps	% <sup>2</sup>
Mitsubishi Logistics	74	8.7
Tokyo Gas	40	4.1
Sanyo Shokai	31	2.7
Kyoto Financial Group	27	3.6
Asiro	26	2.2

## Largest Detractors

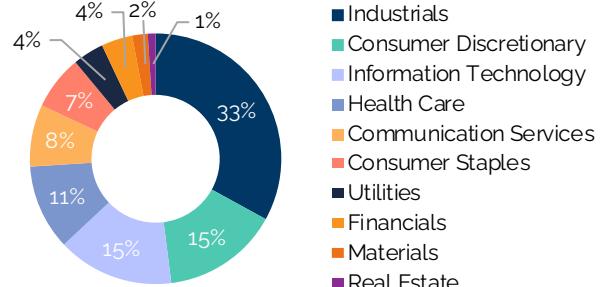
Largest Detractors	1M Contrib. bps	% <sup>2</sup>
Synchro Food	-56	3.0
Atsugi	-35	3.8
Wacom	-32	3.3
Rohto Pharmaceutical	-14	4.5
Broadmedia	-12	1.6

<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	£128.60	0.7	3.3	0.7	28.6
	MSCI Japan Small Cap	-	3.7	4.4	3.7	27.5
JPY	A JPY	¥14,258.00	1.4	8.2	1.4	42.6
	MSCI Japan Small Cap	-	4.1	9.2	4.1	41.4
EUR	B EUR	€128.51	1.2	5.0	1.2	28.5
	MSCI Japan Small Cap	-	4.4	5.8	4.4	26.9
GBP	B GBP	£129.11	0.7	3.3	0.7	29.1
	MSCI Japan Small Cap	-	3.7	4.4	3.7	27.5
JPY	B JPY	¥13,362.31	1.5	8.3	1.5	33.6
	MSCI Japan Small Cap	-	4.1	9.2	4.1	37.5
USD	B USD	\$144.35	2.8	8.5	2.8	44.4
	MSCI Japan Small Cap	-	5.8	9.1	5.8	41.8
GBP	B1 GBP <sup>5</sup>	£126.67	0.8	3.4	0.8	26.7
USD	B1 USD <sup>5</sup>	\$108.93	3.1	-	3.1	8.9
	MSCI Japan Small Cap	-	5.8	-	5.8	9.1

Past performance does not predict future returns. All performance is shown net of fees and including net dividends as at 31/01/2026. 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 +0.7% (in GBP) over the month, while the benchmark returned +3.7% (in GBP).

Two notable 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.

In recent months, the team has added five new names to the portfolio, operating within the audio equipment, consumer staples, healthcare, electronic equipment, and media services sectors. The team is strategically allocating capital to these new names as well as existing high-conviction investments, where we continue to engage extensively with management to unlock catalysts.

One of the five new holdings is in Foster Electric, a position in which we declared above 5% ownership on January 29<sup>th</sup> 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.

## MANAGER'S COMMENT (continued)

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. 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. 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 +74bps 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 30<sup>th</sup> 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 6<sup>th</sup>, 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 largest holding in AJSS, accounting for 8.7% of NAV at month-end. The investment has so far generated a +13% ROI for an IRR of +41% to month-end (in JPY).

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

Asiro was another notable contributor, adding +26bps 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'. 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 31<sup>st</sup> 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 2<sup>nd</sup> 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 19<sup>th</sup> 2025.

At month-end, Asiro accounted for 2.2% of AJSS' NAV. To date, the investment has generated an ROI of +15% (in JPY).

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

Synchro Food was the largest detractor over the month, reducing performance by -56bps 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 26<sup>th</sup> 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 22<sup>nd</sup> 2025, holding over 27% of the shares, combined across all AVI client funds.

Added to the portfolio in March 2025, the company accounted for 3.0% of AJSS' NAV at month-end. We see significant upside through our constructive engagement and to month-end, the investment has generated an ROI of +9% for an IRR of +22% (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 22.5bn / GBP 105.9m
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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