

February 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

Eiken – Earnings & TOB Reports

Eiken Chemical announced operating income to Q3 of the financial year ending March 2026 had grown by +6% YoY, before reports of a potential tender offer sent the shares +25% higher.

[Read more below](#)

Raito – Announced Key Measures

Alongside +32% YoY growth in operating income, Raito Kogyo announced several key measures, including M&A strategy, ESG commitments, reconsideration of their P/B target, and 5.4% share buyback.

[Read more below](#)

Synchro – Operating Income -43%

Synchro Food released its earnings results to Q3, with cumulative revenue rising by +24% YoY, however, the YoY operating profit decline of -43% sent the share price -11% lower to month-end.

[Read more below](#)

THE TRUST

Share Price (pence)

192.0

NAV p/s (pence)

191.6

Prem./Disc.

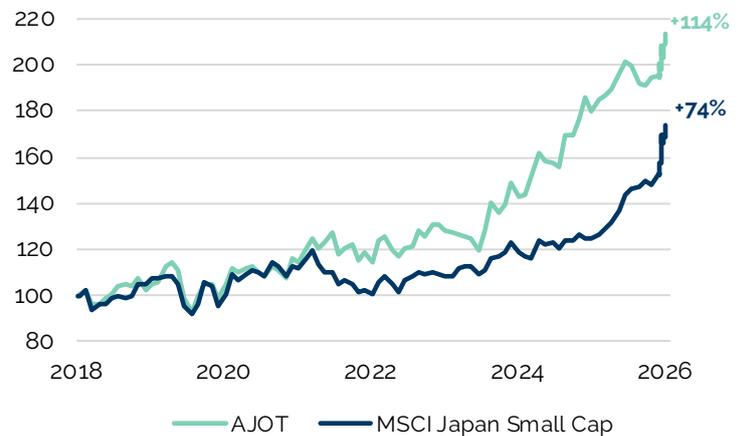
0.2%

Net Performance

	Total Returns (%)	Month	1Y	3Y	5Y
GBP	NAV p/s	9.3	15.0	69.8	96.9
	MSCI Japan Small Cap	13.3	39.6	59.6	60.2
JPY	NAV p/s	8.4	27.3	116.1	177.5
	MSCI Japan Small Cap	12.4	54.4	103.2	125.8

All performance shown net of fees total returns as of 28/02/2026
Source: Morningstar

NAV Total Return Since Inception (GBP)



Source: Morningstar as of 28/02/2026

PORTFOLIO

Top Ten Holdings

	% ¹
Mitsubishi Logistics	9.2
Kurabo Industries	8.3
Sharingtechnology	8.1
Eiken Chemical	7.9
Wacom	6.3
Broadmedia	6.3
Raito Kogyo	5.6
Atsugi	5.2
Maruzen Showa Unyu	5.2
Asiro	5.1
TOTAL	67.2
No of Holdings	27

Contributors/Detractors (GBP)²

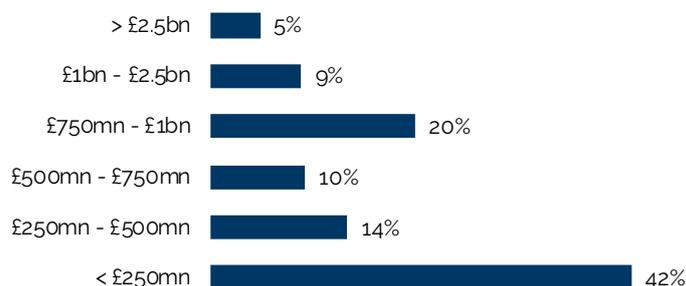
Largest Contributors	1M Contrib. bps	% ¹
Eiken Chemical	215	7.9
Raito Kogyo	143	5.6
Kurabo Industries	118	8.3
Wacom	117	6.3
Mitsubishi Logistics	85	9.2

Largest Detractors	1M Contrib. bps	% ¹
Synchro Food	-55	4.1
Aoyama Zaisan Networks	-28	2.6
Atsugi	-25	5.2
Rohto Pharmaceutical	-23	5.0
DTS	-20	1.6

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

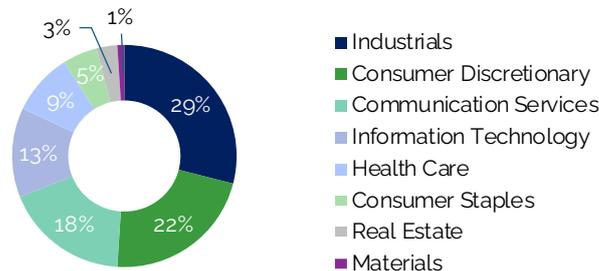
PORTFOLIO (continued)

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 listed Portfolio. Unlisted holdings which represent 3.1% of NAV as at 28/02/2026 have been excluded from analysis. Source: Capital IQ

MANAGER'S COMMENT

AJOT's NAV returned +9.3% (in GBP) and +8.4% (in JPY) over the month, while the benchmark returned +13.3% (in GBP) and +12.4% (in JPY).

The two largest contributors to performance over the month were Eiken Chemical (+31% share price), which announced operating income to Q3 had grown by +6% YoY before rumours of a potential tender offer began to swirl, and Raito Kogyo (+25%), which announced +32% YoY operating income growth and measures to enhance capital efficiency. Meanwhile, Synchro Food (-11%), following a strong end to 2025, was the most significant detractor as its share price continued to weaken in 2026 as it announced operating income to Q3 was down by -43% YoY.

In late-January 2026, Prime Minister Sanae Takaichi's LDP party announced that a snap election would be held on February 8th, with the LDP successfully winning a landslide supermajority of seats (316/465 seats) in the House of Representatives. Combined with its coalition partner, Japan Innovation Party, the coalition won 352 seats, giving it over 75% of the House and the ability to enact major legislation.

This mandate gives PM Takaichi a clear four-year runway to advance her agenda, which appears likely to include policies aimed at improving capital efficiency. Combined with the ongoing conflict in the Middle East, PM Takaichi's major victory can be expected to benefit the defence, semiconductor and industrial sectors. Overall, we view the election result as supportive of our constructive engagement strategy and the corporate reform story that continues unabated in Japan.

Since the combination with Fidelity Japan Trust completed in late November 2025, we have meaningfully increased AVI's combined stakes across the AJOT portfolio, now controlling more than 5% of the voting rights in 15 names, which account for 71% of AJOT's NAV in aggregate. The weighted average voting rights held in the portfolio is c.14%, providing us with meaningful engagement influence to support our constructive agenda as we seek to unlock substantial corporate value for all stakeholders.

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.

Eiken Chemical (4549) – Tender Offer Reports, Operating Income +6% YoY

Eiken Chemical was the largest contributor over the month, adding +215bps to performance as its share price rose by +31%.

Eiken Chemical is a diagnostics company specialising in manufacturing medical chemicals that react with body samples to obtain a diagnosis for cancer, disease or infection. Our investment thesis centred on Eiken's fundamentals, attractive valuation and room for improvement through our constructive engagement. The company has a track record of earnings growth, benefits from structural tailwinds such as the ageing population, and holds a leading market position in colon cancer screening.

On January 30th 2026, the company reported its Q3 earnings for the financial year ending March 2026, with cumulative revenue rising by +2% YoY and operating profit growth of +6%. The share price rose +6% higher in the first trading day of February. Additionally, rumour of a potential tender offer bid for Eiken Chemical began swirling in mid-February, with the share price recording a +25% gain from February 19th to month-end.

Added to the portfolio in July 2023, Eiken Chemical is now the fourth largest holding in AJOT, accounting for 7.9% of NAV at month-end. The investment has generated a +64% ROI for an IRR of +39% to month-end (in JPY).

Raito Kogyo (1926) – Operating Income Up +32%, Measures to Improve Capital Efficiency

Raito Kogyo was the second largest contributor, adding +143bps as its share price rose by +25%.

Raito Kogyo is a leading company in the specialist construction sector, with core operations in slope construction and ground improvement—together comprising over 70% of total sales orders. The company holds the largest domestic market share in these areas.

Raito Kogyo was another portfolio company to announce its earnings results in February 2026 for the financial year ending March 2026. The company announced on February 5th that revenue to Q3 had risen by +16% YoY, while operating income grew by +32% YoY as the operating margin reached +12%.

MANAGER'S COMMENT (continued)

The company also announced several key measures, including an M&A investment strategy and criteria, ESG commitments, and reconsideration of its price-to-book target, currently at 1.5x. Simultaneously, Raito Kogyo announced a 5.4% buyback program from February 6th to December 31st 2026 at a cost of up to Y7bn.

Shortly after the favourable sets of announcements, Raito Kogyo announced an upward revision of full-year guidance and a dividend hike towards the end of the month.

Added to the portfolio in March 2024, at month-end Raito Kogyo accounted for 5.6% of AJOT's NAV as a top ten holding. To date, the investment has generated an ROI of +46% for an IRR of +58% (in JPY).

Synchro Food (3963) – Operating Profit to Q3 Down -43% YoY

Synchro Food was the largest detractor over the month, reducing performance by -55bps as its share price fell by -11%.

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.

Our engagement with the company continues steadfast, controlling a combined c.28% of the shares across all AVI client funds. Two other foreign shareholders control a combined c.24% of the shares. Additionally, AVI's Head of Japan Research, Kaz Sakai, was successfully appointed to the board as an independent director in December 2025.

On February 13th 2026, Synchro Food released its earnings results to Q3 for the financial year ending March 2026, with cumulative revenue rising by +24% YoY, however, the YoY operating profit decline of -43% sent the share price -11% lower to month-end.

Added to the portfolio in March 2025, the company accounted for 4.1% of AJOT's NAV at month-end. We see significant upside through our constructive engagement. To month-end, the investment has generated an ROI of -2% for an IRR of -4% (in JPY).

STATISTICS

Performance Summary (GBP)

Total Returns (%)	1M	1Y	3Y	5Y	SI ⁴
Share Price	10.0	21.7	68.6	95.8	109.8
NAV p/s	9.3	15.0	69.8	96.9	113.6
MSCI Japan Small Cap	13.3	39.6	59.6	60.2	73.8
CY Total Returns (%)	YTD	2025	2024	2023	2022
Share Price	11.6	15.3	21.5	14.8	-6.0
NAV p/s	9.7	14.7	20.9	15.8	-4.3
MSCI Japan Small Cap	17.5	19.8	6.2	6.9	-1.0

All performance shown net of fees in GBP Total Return and as at 28/02/2026

Source: Morningstar

⁴Start Date 23 October 2018

Characteristics

Portfolio Statistics

EV/EBIT*	8.8x
Net Cash/Market Cap ⁵	10.2%
NFV/Market Cap ⁶	33.5%

⁵Net Cash = Cash - Debt

⁶Net Financial Value (NFV) = Net Cash + Investment Securities After Tax + Investment Real Estate After Tax - Minority Interest

*Excluding Eiken Chemical. Including Eiken Chemical EV/EBIT is 10.4x

Trust Details

Capital Structure

Ordinary Shares	247,873,823
Shares held in Treasury	27,150,429
TONAR + 1.55% Revolving Credit Facility	¥6,600,000,000

Gross Assets/Gearing

Gross Assets	£454.4m
Gross value of debt (GBP)	£31.5m
Gearing (net) ⁷	4.6%

Fund Facts

Launch Date	23-Oct-18
Net Assets	£422.9m
Investment Manager	Asset Value Investors Limited
Value Owned by AVI ⁸	£4,610,754
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 28/02/2026

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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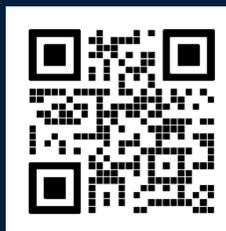
The share price can be found in [The Financial Times](#).

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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