

February 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

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 FUND

Fund Launch Date

22/04/24

A GBP NAV per share

£143.11

Cash

0.7%

Net Performance (GBP)

Total Returns (%)	Month	3 Month	YTD	SI ¹
A GBP Share Class	11.3	13.6	12.1	43.1
MSCI Japan Small Cap	13.3	16.2	17.5	44.4
IA Japan	11.5	14.3	15.3	39.5

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 28/02/2026. 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. ¹Share Class Launch Date 22nd April 2024.

PORTFOLIO

Top Ten Holdings

	% ²
Mitsubishi Logistics	8.0
Eiken Chemical	7.3
Kyocera Corp	5.8
Raito Kogyo	4.9
Dai Nippon Printing	4.9
Kurabo Industries	4.3
Sharingtechnology	4.2
Rohto Pharmaceutical	3.8
Tokyo Gas	3.8
Toyota Industries	3.7
TOTAL	50.7
No of Holdings	31

Contributors & Detractors (GBP)³

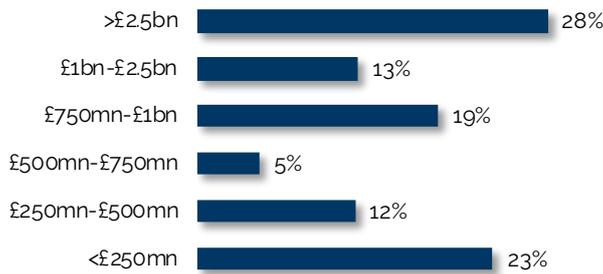
Largest Contributors	1M Contrib. bps	% ²
Eiken Chemical	196	7.3
Raito Kogyo	136	4.9
Kyocera Corp	110	5.8
Dai Nippon Printing	88	4.9
Mitsubishi Logistics	69	8.0

Largest Detractors	1M Contrib. bps	% ²
Synchro Food	-32	2.4
DTS	-18	1.4
Rohto Pharmaceutical	-16	3.8
Atsugi	-15	3.2
Aoyama Zaisan Networks	-7	0.7

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

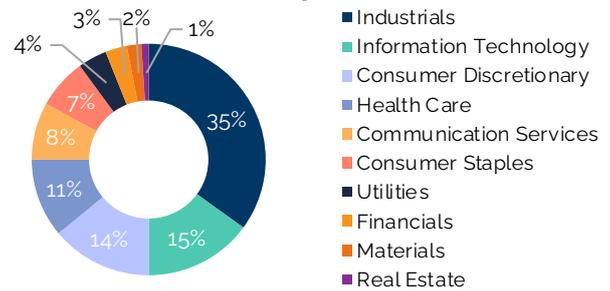
PORTFOLIO (continued)

Market Cap Breakdown⁴



Figures may not total to 100 due to rounding.

Sector Exposure⁴



Figures may not total to 100 due to rounding. ⁴Shown as % of Portfolio. Source: Capital IQ

PERFORMANCE SUMMARY

%	Share Class	NAV per share	Month	3 Month	YTD	SI ¹
GBP	A GBP	£143.11	11.3	13.6	12.1	43.1
	MSCI Japan Small Cap	-	13.3	16.2	17.5	44.4
JPY	A JPY	¥15,714.05	10.2	15.6	11.8	57.1
	MSCI Japan Small Cap	-	12.4	17.9	17.0	58.9
EUR	B EUR	€141.55	10.1	13.6	11.5	41.6
	MSCI Japan Small Cap	-	11.9	15.9	16.8	42.0
GBP	B GBP	£143.70	11.3	13.6	12.1	43.7
	MSCI Japan Small Cap	-	13.3	16.2	17.5	44.4
JPY	B JPY	¥14,729.26	10.2	15.7	11.8	47.3
	MSCI Japan Small Cap	-	12.4	17.9	17.0	54.5
USD	B USD	\$157.02	8.8	15.9	11.8	57.0
	MSCI Japan Small Cap	-	11.0	17.9	17.4	57.5
GBP	B1 GBP ⁵	£141.02	11.3	13.7	12.2	41.0
	MSCI Japan Small Cap	-	13.3	16.2	17.5	44.4
USD	B1 USD ⁵	-	-	-	-	-
	MSCI Japan Small Cap	-	-	-	-	-

Performance to be shown after 12 months

Past performance does not predict future returns. All performance is shown net of fees and including net dividends as at 28/02/2026. 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. ¹Share Classes Launch Date was 22nd April 2024 except for the B JPY Share Class which launched on 28th June 2024 and B1 USD Share Class which launched on 25th November 2025. Performance data for the B1 USD Share Class will be presented once a minimum track record of 12 months has been established. ⁵Performance fee share class - 0.50% management fee + 15% of outperformance of benchmark.

MANAGER'S COMMENT

AJSS' NAV returned +11.3% over the month, while the benchmark returned +13.3% (in GBP).

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.

In recent months, we have meaningfully increased AVI's combined stakes across the AJSS portfolio, now controlling more than 5% of the voting rights in 15 names, which account for 43% of AJSS' NAV in aggregate.

MANAGER'S COMMENT (continued)

The weighted average voting rights held in the portfolio is c.8%, providing us with meaningful engagement influence to support our constructive agenda as we seek to unlock substantial corporate value for all stakeholders.

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.

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

Eiken Chemical was the largest contributor over the month, adding +196bps 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.

Held in AJSS since portfolio inception in April 2024, Eiken Chemical is now the second largest holding in AJSS, accounting for 7.3% of NAV at month-end. The investment has generated a +33% ROI for an IRR of +54% 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 +136bps 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%.

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 ¥7bn. 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.

Raito Kogyo is another position that has been held in the AJSS portfolio since inception in April 2024, and at month-end accounted for 4.9% of AJSS' NAV as a top five holding. To date, the investment has generated an ROI of +44% for an IRR of +78% (in JPY).

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

Synchro Food was the largest detractor over the month, reducing performance by -32bps 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 2.4% of AJSS' NAV at month-end. We see significant upside through our constructive engagement. To month-end, the investment has generated an ROI of -1% for an IRR of -2% (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 25.3bn / GBP 120.5m
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
B1 (USD) ⁵	0.85	IE0001QXC6O7	AVIJSFB 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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