

March 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

Reeling in Non-Core Broadmedia

Broadmedia's share price has risen by +21% since AVI's TOB completed in late-January, while management have divested the non-core fishing-related media business amid earnings growth.

[Read more below](#)

Wakamoto – First OP Since 2023

Wakamoto has forecast its first operating profit since the financial year ending March 2023, while it was also announced President Igarashi would move to the role of Chairman effective April 2026.

[Read more below](#)

Kurabo – OP Guidance -18% YoY

Since the Feb earnings announcement, which forecast full-year operating profit down -18% YoY, the shares have returned -19%. The buyback program through Sep 2026 is c.50% complete.

[Read more below](#)

THE TRUST

Share Price (pence)

167.0

NAV p/s (pence)

175.8

Prem./Disc.

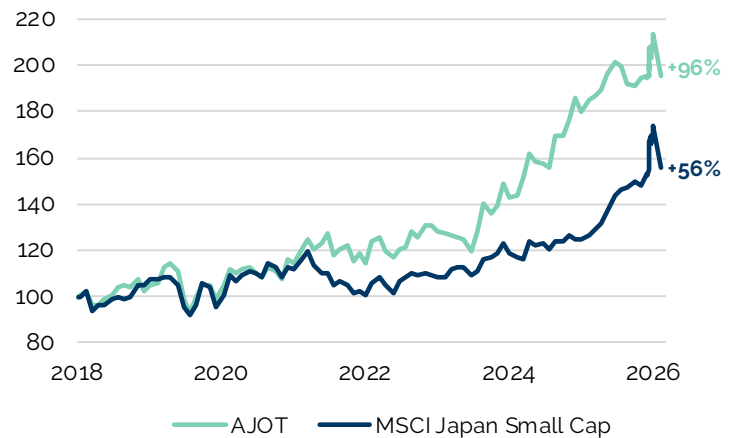
(5.0)%

Net Performance

	Total Returns (%)	Month	1Y	3Y	5Y
GBP	NAV p/s	-8.3	8.9	50.3	74.5
	MSCI Japan Small Cap	-10.1	25.7	42.0	37.0
JPY	NAV p/s	-8.3	18.3	91.6	140.1
	MSCI Japan Small Cap	-10.2	36.6	81.0	88.5

All performance shown net of fees total returns as of 31/03/2026
Source: Morningstar

NAV Total Return Since Inception (GBP)



Source: Morningstar as of 31/03/2026

PORTFOLIO

Top Ten Holdings

	% ¹
Mitsubishi Logistics	9.1
Sharingtechnology	8.9
Eiken Chemical	8.3
Kurabo Industries	7.5
Broadmedia	6.9
Maruzen Showa Unyu	6.0
Wacom	5.8
Asiro	5.7
Sanyo Shokai	5.0
Foster Electric	4.9
TOTAL	68.1
No of Holdings	28

Contributors/Detractors (GBP)²

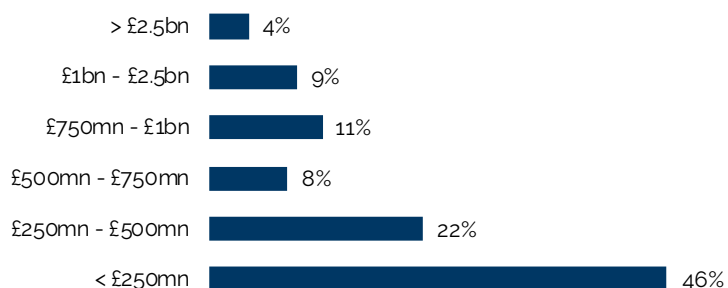
Largest Contributors	1M Contrib. bps	% ¹
Broadmedia	19	6.9
Wakamoto Pharmaceutical	7	1.3
ASOVIEW	0	1.4
GO	0	0.8
StudyPlus	0	0.5

Largest Detractors	1M Contrib. bps	% ¹
Kurabo Industries	-122	7.5
Atsugi	-93	4.7
Wacom	-88	5.8
Synchro Food	-80	3.5
Saxa	-80	3.0

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

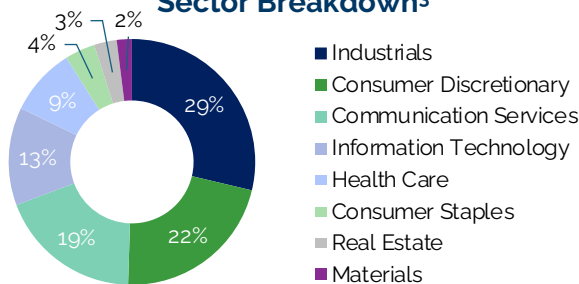
PORTFOLIO (continued)

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 3.3% of NAV as at 31/03/2026 have been excluded from analysis. Source: Capital IQ

MANAGER'S COMMENT

AJOT's NAV returned -8.3% (in GBP) and -8.3% (in JPY) over the month, while the benchmark returned -10.1% (in GBP) and -10.2% (in JPY).

The largest contributor to performance over the month was Broadmedia (+3% share price), with the shares trending higher following the completion of AJOT's tender offer for c.10% of the shares and +40% YoY operating income growth. Wakamoto Pharmaceutical (+6%) was the second largest contributor as it forecast its first full year operating profit since 2023 and its CEO moved to the role of Chairman. Meanwhile, Kurabo Industries (-15%) was the most significant detractor as full year operating income management guidance forecast a -18% YoY decline.

Amid ongoing geopolitical conflict in the Middle East and associated energy-price volatility, our conviction in Japanese small to mid-caps remains high in 2026. Around 80% of portfolio revenues are derived from Japan, and our companies typically have resilient, growing earnings, overcapitalised balance sheets (NFV of c.37%) and leading positions in niche products and services, which reduces sensitivity to global trade shocks and volatility in fuel prices.

Modest expected GDP growth of about 1% in 2026 and inflation close to the BoJ's 2% target suggest only gradual normalisation of interest rates rather than aggressive hikes. In this environment, we believe conditions remain favourable for AJOT's portfolio companies and continue to support our engagement agenda around improving capital efficiency, including reducing excess net cash and optimising the cost of capital through low-cost borrowing and returning excess capital to shareholders.

The Financial Services Agency (FSA) is currently conducting its first review of the Corporate Governance Code since 2021. Shortly after March-end, the FSA held its third meeting to discuss amendments to be included in the revised code aimed at speeding up and clarifying timelines for capital efficiency improvements by companies. While no specific date has been set, it has been reported the revision will be completed in 2026.

Across client funds, AVI controls more than 5% of the voting rights in 15 AJOT portfolio names, which account for 73% of NAV. 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.

Broadmedia (4347) – AJOT TOB, Business Streamlining & Positive Earnings

Broadmedia was the largest contributor over the month, adding +19bps to performance as the shares returned +3%.

As a reminder, Broadmedia is mainly engaged in online education and IT services. 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's IT service business distributes Akamai Technologies' software and solutions to domestic clients.

Since the completion of AJOT's tender offer for c.10% of the shares, which took AVI's combined ownership in Broadmedia to 40% of the voting rights, the share price has risen by +21% to March-end. In early February, Broadmedia released its cumulative earnings to Q3 of the financial year ending March 2026, with operating income rising by +40% YoY as revenue fell modestly by -1%. The company also announced further streamlining of its business portfolio through the sale of its non-core fishing-related media operation, a key engagement focus for the AVI team. Positively, management guidance for the full-year forecast implies strong Q4 performance that would take full-year operating income and revenue growth to +56% and +6%, respectively. Following the earnings announcement, the shares have returned +11% to March-end vs the benchmark's +1% return.

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.

Added to the portfolio in April 2024, Broadmedia is now a top 5 holding in AJOT, accounting for 6.9% of NAV at month-end. The investment has generated a +26% ROI for an IRR of +30% to month-end (in JPY).

Wakamoto Pharmaceutical (4512) – First Operating Profit Since FY23/03, CEO Steps Down

Wakamoto Pharmaceutical ("Wakamoto") was the second largest contributor, adding +7bps as its share price returned +6%.

MANAGER'S COMMENT (continued)

Wakamoto is a specialty pharma company manufacturing ethical and over-the-counter drugs, with strengths in gastrointestinal remedies and ophthalmic therapeutics in Japan.

Its portfolio includes long-established self-medication brands such as Strong Wakamoto alongside ophthalmic prescription, diagnostic and supplement products, with growing overseas sales of unique and patented formulas. Rohto Pharmaceutical, which accounts for 4.1% of AJOT's NAV, is the largest shareholder in Wakamoto, with over 11% of the voting rights. Combined across client funds, AVI controls more than 11% of the voting rights.

Having generated an operating loss in the previous two financial years, in early February, Wakamoto released its cumulative Q3 earnings for the financial year ending March 2026, with operating income turning positive and a forecast 2% operating margin for the full year. In the day following the earnings announcement, the share price rose by +10%. In late-February 2026, as part of the medium-term plan through March 2028, it was announced that President Arata Igarashi would step down from the role and move to the role of Chairman effective April 2026. Since this announcement, the shares have returned +9% to March-end, while the benchmark has returned -8%.

Added to the portfolio in February 2025, at month-end Wakamoto accounted for 1.3% of AJOT's NAV. To date, the investment has generated an ROI and IRR of +17% (in JPY).

Kurabo Industries (3106) – Full Year Operating Income Guidance Down -18% YoY

Kurabo Industries ("Kurabo") was the largest detractor over the month, reducing performance by -122bps as its shares returned -15%.

Kurabo, established in 1888 as a textile manufacturer, has diversified its operations over the years to include chemicals, advanced technology, food and services, and real estate. Kurabo Industries has a history of stable revenues and has doubled its operating margin to c.6% in recent years.

To recap, in 2025 Kurabo made several positive announcements in line with AVI's engagement suggestions. These included closing down its largest textile plant, with the legacy textiles business having been a drag on operating profits, as well as a new medium-term plan with increased commitment to shareholder returns, which included a 4.0% DOE target and Y20.0bn buyback plans.

Kurabo was another AJOT portfolio name to report Q3 earnings in February 2026. Cumulative operating income for the financial year ending March 2026 was down by -10% YoY as revenue declined by -6%, while full-year operating income was revised upward modestly, but is still expected to be down -18% YoY due to one-off textile restructuring costs. Since the earnings announcement on 9th February 2026, the shares have returned -19%. In early March 2026, Kurabo announced that 481,000 shares had been repurchased at a cost of Y3.7bn as part of its buyback program from November 2025 to September 2026 for a maximum of c.6% of shares outstanding or Y7.0bn total repurchase cost, making the program c.50% complete.

Added to the portfolio in January 2024, the company accounted for 7.5% of AJOT's NAV at month-end as a top 5 holding. The investment has so far generated an ROI of +54% for an IRR of +56% (in JPY).

STATISTICS

Performance Summary (GBP)

Total Returns (%)	1M	1Y	3Y	5Y	SI ⁴
Share Price	-13.0	7.8	48.5	60.4	82.5
NAV p/s	-8.3	8.9	50.3	74.5	96.0
MSCI Japan Small Cap	-10.1	25.7	42.0	37.0	56.2
CY Total Returns (%)	YTD	2025	2024	2023	2022
Share Price	-2.9	15.3	21.5	14.8	-6.0
NAV p/s	0.6	14.7	20.9	15.8	-4.3
MSCI Japan Small Cap	5.6	19.8	6.2	6.9	-1.0

All performance shown net of fees in GBP Total Return and as at 31/03/2026

Source: Morningstar

⁴Start Date 23 October 2018

Characteristics

Portfolio Statistics

EV/EBIT*	9.2x
Net Cash/Market Cap ⁵	11.4%
NFV/Market Cap ⁶	36.8%

⁵Net Cash = Cash - Debt

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

*Including Eiken Chemical. Excluding Eiken Chemical EV/EBIT is 7.4x

Trust Details

Capital Structure

Ordinary Shares	247,873,823
Shares held in Treasury	25,150,429
TONAR + 1.30% Revolving Credit Facility ⁷	¥6,600,000,000

Gross Assets/Gearing

Gross Assets	£422.9m
Gross value of debt (GBP)	£31.5m
Gearing (net) ⁸	6.0%

Fund Facts

Launch Date	23-Oct-18
Net Assets	£391.4m
Investment Manager	Asset Value Investors Limited
Value Owned by AVI ⁹	£4,381,307
Shareholder Services	MUFG Corporate Markets
Management Fee ¹⁰	Tiered fee between 1% and 0.9%
Ticker Code	AJOT.LN
ISIN	GB00BD6H5D36

⁷Figure shows amount drawn, full facility size is ¥12.7bn. Cost of borrowing is TONAR +1.30% on any drawn balance and 0.45% commitment fee on undrawn amounts

⁸Net gearing at fair value

⁹Value owned by AVI Ltd & AVI Ltd employees as at

¹⁰Annual 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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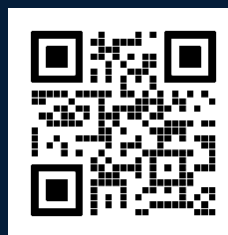
The share price can be found in The Financial Times.

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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