

The logo for AJOT, where 'A' is white and 'JOT' is teal. The letters are in a clean, sans-serif font.

AJOT

AVI Japan Opportunity Trust

## 2026 AGM Presentation

Joe Bauernfreund, CEO & Portfolio Manager

# AJOT Overview

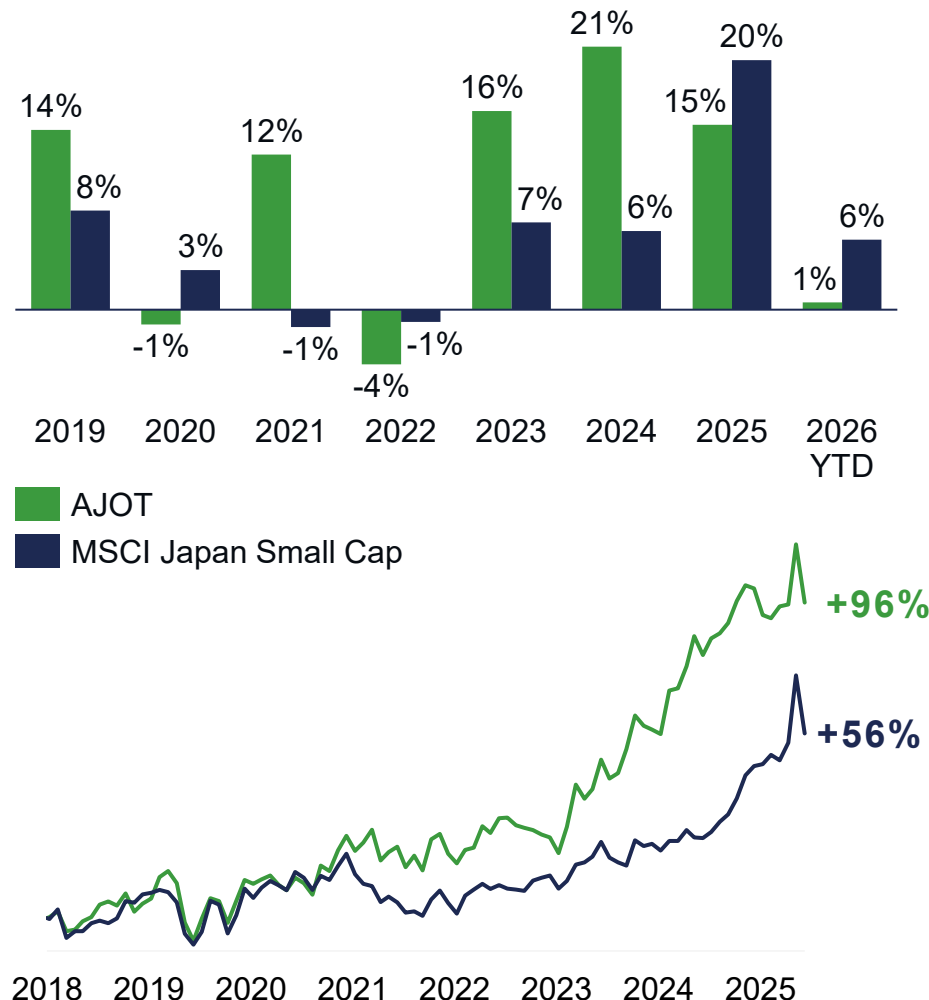
AJOT Total Assets:	£423m
Benchmark:	MSCI Japan Small Cap
% Active Share:	99%
Target Holdings:	15-25
Premium / (Discount):	(5.0%)
Net Gearing (% of NAV)	6.0%
Redemption Opportunity:	Annual
	1.0% < £300m
Management Fee <sup>1</sup> : (25% reinvested in AJOT shares)	0.95% £300m - £350m
	0.90% > £350m
AVI Ltd & AVI Ltd Employee Share Ownership in AJOT	£4.4m

## +39.8%

AJOT outperformance<sup>2</sup>  
since inception Oct-18

**Note:** (as of 31/03/2026). <sup>1</sup>The Management Fee is calculated on the lesser of NAV or Market Cap. <sup>2</sup>Return figure since inception and not annualised, net of fees (GBP). Equivalent to +3.3% annualised outperformance of the benchmark, net of fees. AJOT inception date is 23/10/2018.

## AJOT NAV Total Return (GBP)<sup>3</sup>



**Source:** AVI, Morningstar (as at 31/03/2026). **Note:** <sup>3</sup>All returns in GBP, net of fees. 2019 includes the period from 23/10/2018 to 31/12/2018.

# AJOT + FJV:

## Shared Success Through Synergies

- **Tiered Management Fee:**

Tier (lower of market capitalisation or NAV)	Annual management fee
< £300 million	1.00%
£300 million - £350 million	0.95%
£350 million +	0.90%

**25% of the fee** will continue to be reinvested by AVI into AJOT shares

- **Discount control:**

**An active buyback programme & uncapped annual realisation opportunity** as part of AJOT's discount control mechanisms

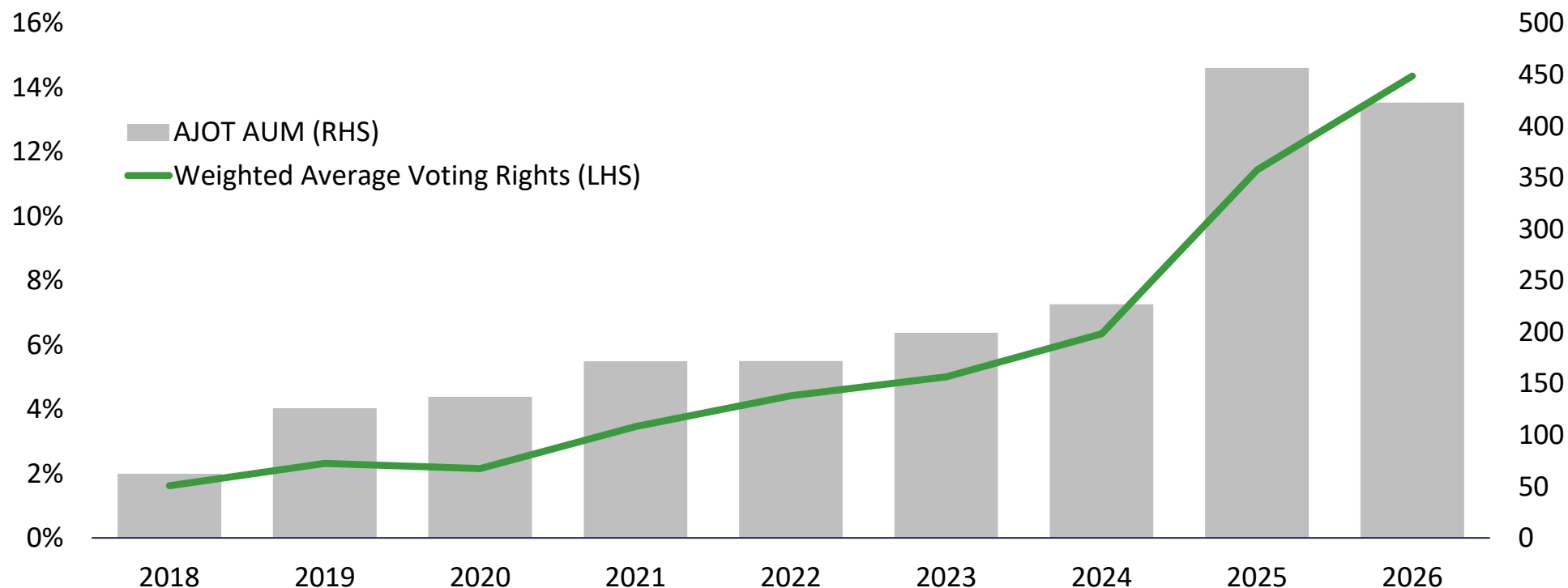


# AJOT + FJV:

## Increased AUM Has Supported Higher AVI Ownership<sup>1</sup>

- The completed combination with FJV will **amplify the impact and potential returns** from engagement with each portfolio company

AVI Voting Rights in AJOT Portfolio Companies (%) as AUM Increased (£m)

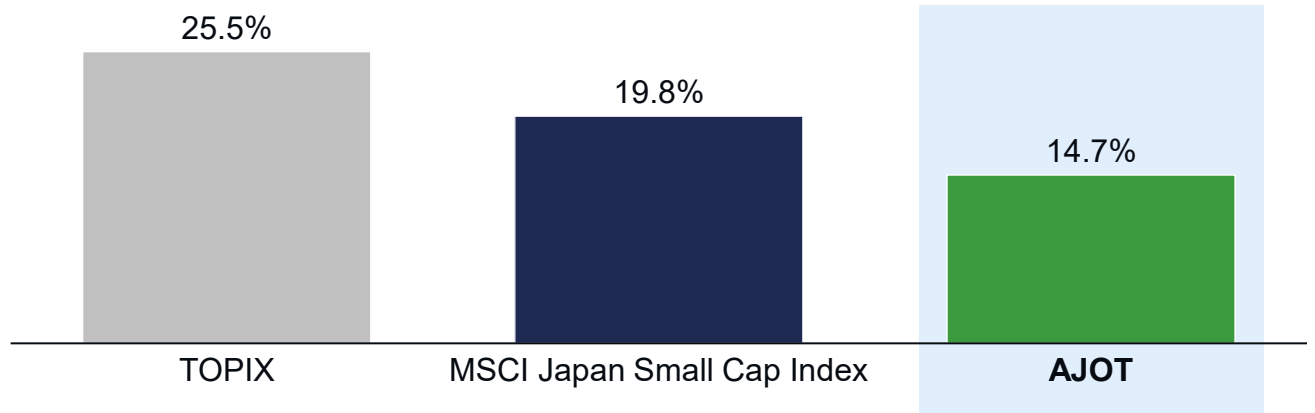


*Combination with FJV  
completed in Nov 2025*

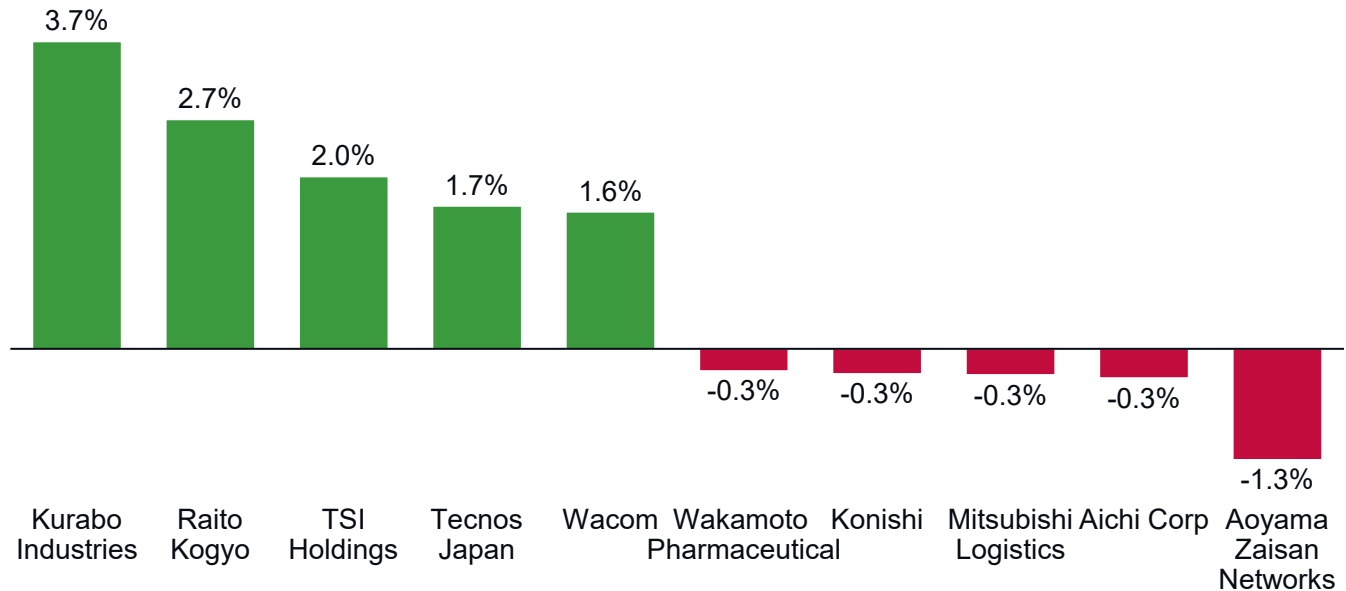
# Review of 2025

- **IN THE FACE OF** continued macro headwinds, the portfolio rose +23% in absolute terms (JPY) but trailed the index by -5.5%.
- **EXERTED PRESSURE** on portfolio companies. Submitted **3 shareholder resolutions**, launched **2 public campaigns** for Rohto Pharmaceutical and Wacom. **Called an EGM** at Synchro Food which saw two internal directors dismissed, and AVI's **Head of Research Kaz Sakai appointed** as an independent Director. Successfully **completed a minority tender offer** for an additional 10% of Broadmedia.
- **CONTINUED** engagement success momentum amongst portfolio companies, with 10 buybacks announced, 4 updated MTPs, 3 stock splits and 1 TOB announcement.
- **FJV Rollover** was a milestone for AJOT with 68% of FJV shareholders electing to roll into AJOT.

## 2025 NAV Total Return (GBP)

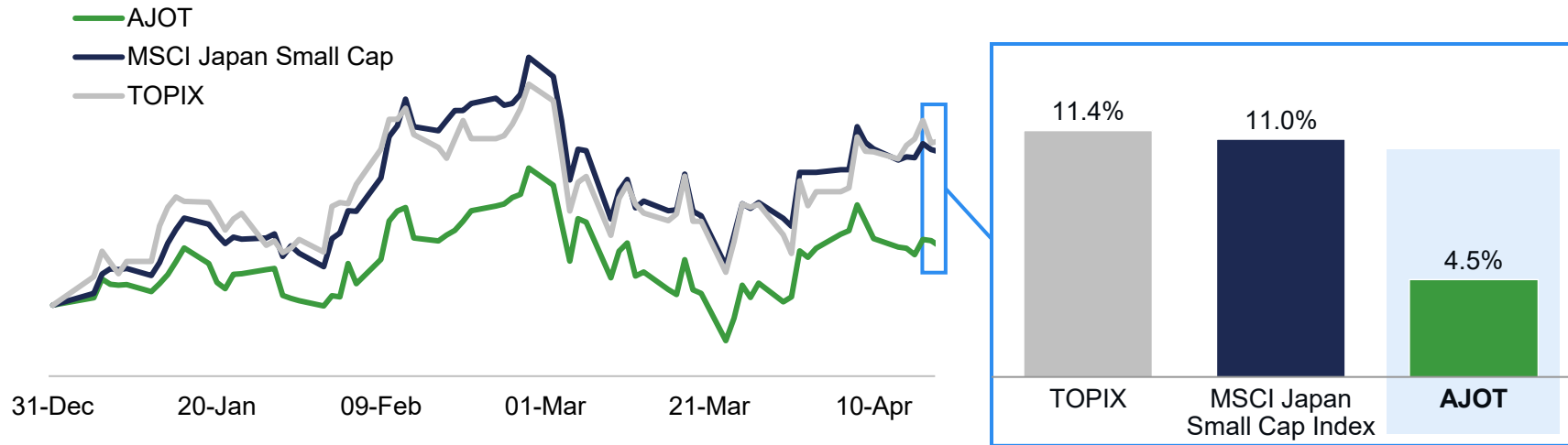


## 2025 Top Contributors & Detractors (GBP)

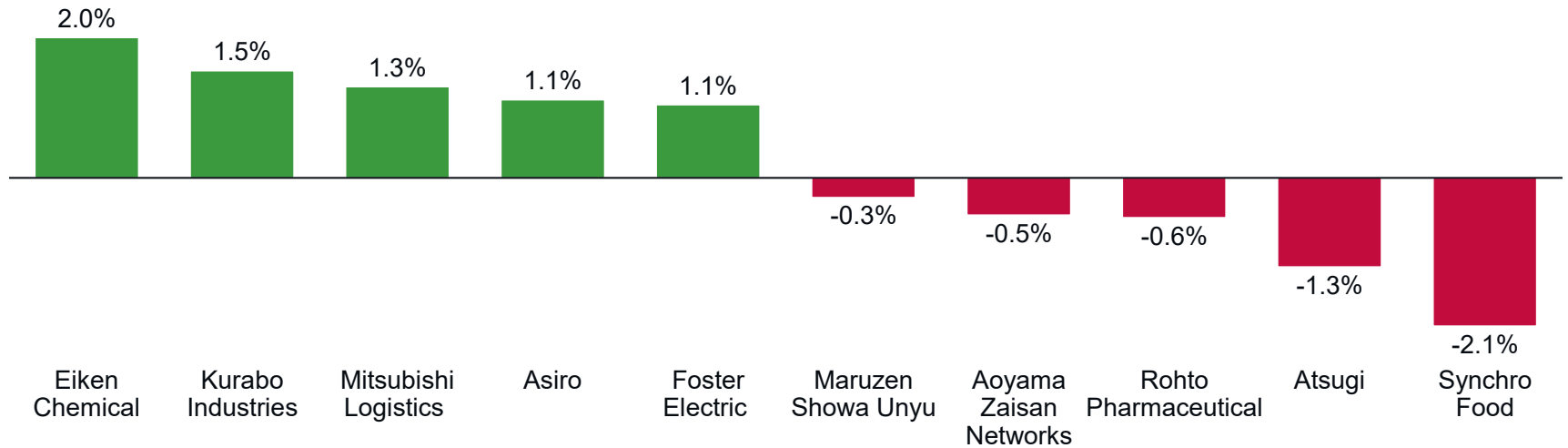


# 2026 Performance Year-to-Date

## 2026 YTD NAV Total Return (GBP)<sup>1</sup>



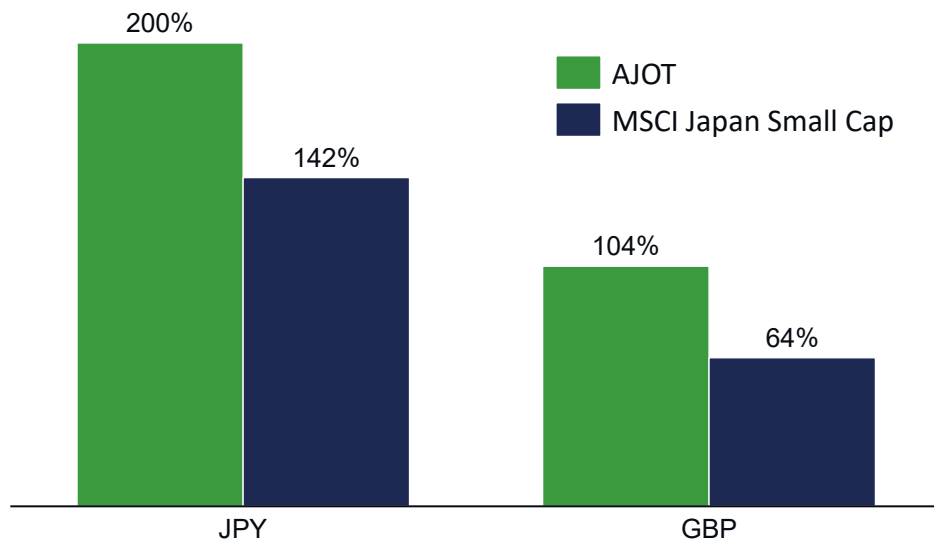
## 2026 YTD Top Contributors & Detractors (GBP)



# Weak Yen

		Month	3 Month	YTD	1Y	3Y	SI <sup>1</sup>
GBP	AJOT NAV	3.8%	0.5%	4.5%	14.4%	55.3%	103.7%
	MSCI Japan Small Cap	4.0%	4.6%	11.0%	33.4%	49.4%	64.2%
JPY	AJOT NAV	4.8%	1.8%	6.2%	30.2%	100.0%	200.0%
	MSCI Japan Small Cap	5.0%	5.9%	12.8%	51.9%	92.4%	141.9%

## Impact on Net Returns Since Inception<sup>1</sup>



The Yen has lost over a third of its value since 2021. This has been a headwind to the strategy in two ways:

- A marked difference between Yen and Sterling returns.
- A weak-yen has boosted share-price performance of large-cap exporters, which the strategy is typically not exposed to.

# Index Focused on Different Sectors

- The focus on large-caps has been furthered by PM Takaichi's announcement of "17 Strategic Sectors", including Semiconductors/AI, Materials, Shippers and Energy.
- Although the strategy has continued to deliver strong absolute returns, the relative performance has dragged due to lack of exposure to the "Takaichi Trade".
- Corporate activity across the portfolio has remained subdued for over a year. We have used this period constructively to deepen our positions and expand our influence within underlying holdings, strengthening our platform to help shape strategic outcomes as activity resumes in the months ahead.

## MSCI Japan Small Cap Index (%)<sup>1</sup>

## AJOT<sup>2</sup>

	Weight	Share Price TR	Weight	Share Price TR <sup>3</sup>
Industrials	25%	65%	29%	54%
Consumer Discretionary	15%	33%	22%	65%
Materials	12%	72%	1%	29%
Information Technology	12%	44%	13%	64%
Financials	10%	76%		
Real Estate	8%	23%	3%	-30%
Consumer Staples	8%	27%	5%	14%
Health Care	4%	33%	9%	29%
Communication Services	3%	12%	18%	30%
Utilities	2%	48%		
Energy	1%	76%		

# Regulatory Tailwinds Continue

## Corporate Governance Code Update & TOPIX Index Reform in 2026

### FSA Continuing to Drive Reform

- FSA publishes “Action Program for Corporate Governance Reform” (Jun 2024 and 2025)
- FSA publishes Asset Owner Principles promoting stewardship (Aug 2024)
- FSA revision to Stewardship Code (Jun 2025)
- FSA ongoing **review of Corporate Governance Code** with a focus on cash allocation (Oct 2025), last updated in 2021



### Japan’s Corporate Governance Code

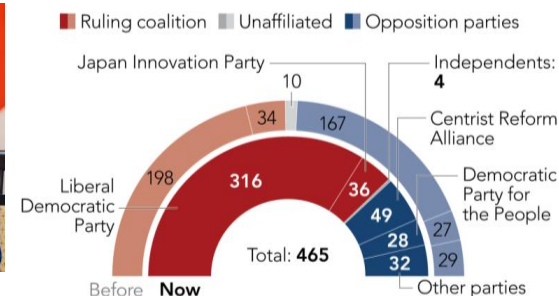
Seeking Sustainable Corporate Growth and Increased Corporate Value over the Mid- to Long-Term

### Takaichi Supporting Capital Efficiency

- PM **Takaichi advocates taxing retained earnings** in her 2021 book, "Toward a Beautiful, Strong, and Growing Nation"
- Encouraging increased wages for employees
- Supermajority snap election win (Feb 2026) provides a clear 4-year runway to enact legislation



#### Japan’s lower house, number of seats by party



### Tokyo Stock Exchange Embracing Activists

- TSE started publishing a list of companies who disclose measures to improve their share price (Jan 2024)
- **TSE started disclosing “bad practices”** of listed companies’ disclosures, regarding measures to improve share price and cost of capital (Nov 2024)
- **TSE mandates English disclosures** (Mar 2025)
- Revised continued listing requirements for growth companies (Sept 2025)
- 2-year Topix Index revision beginning October 2026



**Companies to be more “conscious of share price and cost of capital”**

# Recent Engagement Highlights



*AJOT's portfolio saw several impactful announcements during H2 2025, including Kurabo's buyback equivalent to 6% of shares outstanding announced on 11<sup>th</sup> November.*

## Portfolio Company Announcements



- Mid-term plan announced on 24 September 2025, committing to the sale of idling real estate and the continued unwinding of cross-shareholdings



- Announcement of a new buyback programme equivalent to 4.7% of shares outstanding



- Announcement of the cancellation of treasury shares (10.4% of shares outstanding)



- Announcement of a new buyback programme equivalent to 6.0% of shares outstanding

24<sup>th</sup> Sept

10<sup>th</sup> Oct

14<sup>th</sup> Oct

31<sup>st</sup> Oct

30<sup>th</sup> Oct

7<sup>th</sup> Nov

11<sup>th</sup> Nov

9<sup>th</sup> Dec

26<sup>th</sup> Dec



- Announcement of a 3-for-1 stock split on 10<sup>th</sup> October

- Announcement of the cancellation of treasury shares (18.6% of shares outstanding)



Shin-Etsu Polymer Co.,Ltd.

- Mid-term plan announced on 7 November 2025, targeting ROE of 10% by 2030



Broadmedia

- AVI intention announced to acquire additional 11% of shares via tender offer. The tender was successfully completed in Jan. 2026



Synchro Food

- AVI's Head of Japan Research, Kaz Sakai, appointed to the board. 2 internal directors dismissed



# Recent Engagement Highlights Cont.

*AJOT's portfolio has seen several impactful announcements so far in H1 2026, including a price increase at Rohto Pharmaceutical, a company for which we launched a public campaign for in 2025*

## Portfolio Company Announcements



- The company **announced a price increase of approximately 10%** for its core cosmetics brands, including Hada Labo.



**Maruzen Showa Unyu**

- Announcement of a new share **buy-back programme equivalent to 1.26% of shares outstanding.**

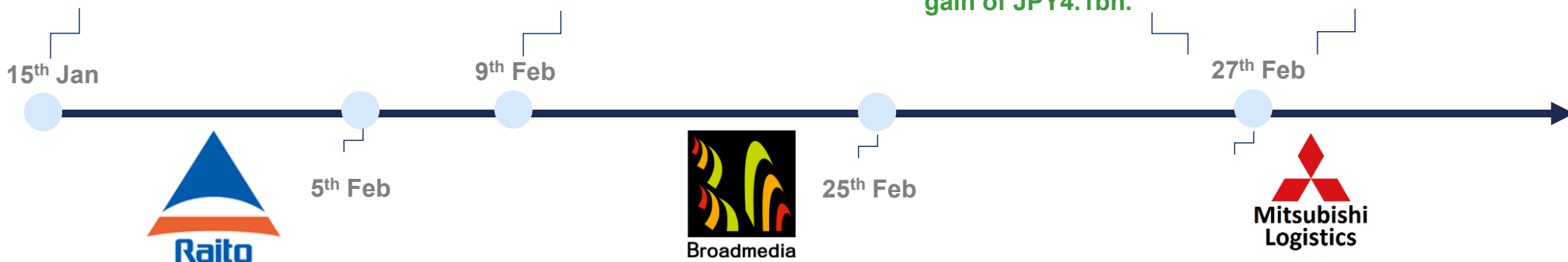


- Sanyo Shokai announced the **sale of cross-shareholdings, generating a disposal gain of JPY4.1bn.**



**SAXA Group**

- **Establishment of Business Transformation Committee.**



- Raito Kogyo announced a new **share buy-back programme equivalent to 5.37% of shares outstanding.**

- **Sale of the broadcasting business segment to CyberAgent** announced, leading to a more streamlined business structure focused on online education and IT services.

- Mitsubishi Logistics announced (i) **the sale of JPY20.5bn of strategic shareholdings**, (ii) **a new JPY10bn share buy-back programme**, and (iii) **the appointment of an external director from outside the Mitsubishi group.**

# Top 10 Holdings

High conviction in our best ideas

Name	Business	Date of entry	% NAV	ROI % (JPY)	AVI % Ownership <sup>1</sup>	EV / EBIT	NFV % Mkt Cap
Mitsubishi Logistics	Logistics	Jan 25'	9.1	+14.1	4.5	4.6	80%
Sharingtechnology	Service Matching Platform	Jul 24'	8.9	+24.8	28.7	11.8	15%
Eiken Chemical	Diagnostics	Jul 23'	8.3	+61.7	8.2	29.5	8%
Kurabo Industries	Textiles & Other	Jan 24'	7.5	+53.7	5.0	2.2	83%
Broadmedia	Online Education	Apr 24'	6.9	+26.5	38.0	11.7	33%
Maruzen Showa Unyu	Logistics	Jan 25'	6.0	+9.7	3.4	8.0	24%
Wacom	Digital Writing Solutions	Aug 21'	5.8	+15.4	13.7	7.0	12%
Asiro	Media & HR Platforms	Dec 25'	5.7	+27.7	35.4	9.2	10%
Sanyo Shokai	Apparel	Aug 25'	5.0	+6.2	12.1	6.9	53%
Foster Electric	Audio Equipment	Dec 25'	4.9	+5.3	6.8	9.0	5%
<b>Total / Average (Top 10)</b>			<b>68.1%</b>			<b>7.8x<sup>2</sup></b>	<b>38%<sup>2</sup></b>

> 5%<sup>1</sup> stake in 15/23 holdings allows us to apply pressure on management to drive reform

# Competitive Pipeline of Exciting Opportunities

## Recent Additions

 TAKI CHEMICAL CO.,LTD.













Name	Entered	Business	Market Cap (£m)	NFV % <sup>1</sup> Market Cap	EV / EBIT LTM <sup>1</sup>
Taki Chemical	Mar 26'	Chemicals	169	80%	2x
Asiro	Dec 25'	Media & HR Platforms	69	10%	9x
Foster Electric	Dec 25'	Audio Equipment	309	10%	9x
Senshu Electric	Dec 25'	Electric Wires	479	40%	7x
Ines Corp	Aug 25'	IT	192	40%	7x
Quick Co	Aug 25'	Placement	224	30%	7x
Sanyo Shokai	Aug 25'	Apparel	187	50%	7x
<i>Company A</i>	<i>N/A</i>	<i>Healthcare</i>	<i>£1bn-£2.5bn</i>	<i>30%</i>	<i>10x</i>
<i>Company B</i>	<i>N/A</i>	<i>IT</i>	<i>&gt;£2.5bn</i>	<i>30%</i>	<i>10x</i>
<i>Company C</i>	<i>N/A</i>	<i>SPE<sup>2</sup></i>	<i>&lt; £250m</i>	<i>60%</i>	<i>10x</i>

## Reserve Ideas



# AVI Japan Team



**Joe Bauernfreund**  
CEO & CIO



30 years' industry experience  
Co-Portfolio Manager of Discovery Fund  
Portfolio Manager of AJOT & AJSS since inception  
London Business School – Masters in Finance

**Kaz Sakai, CFA**  
Head of Japan Research



15 years' industry experience  
Co-Portfolio Manager of AVI Japan Discovery Fund  
McKinsey & Company, Lone Star Funds  
Harvard Business School – MBA



**Nicola Takada Wood**  
Managing Director



21 years' industry experience  
Redwheel, Goldman Sachs, Mizuho Securities  
University of London & Waseda University - BSc

**Shuntaro Shimizu**  
Senior Investment Analyst



12 years' industry experience  
Bain & Company, Bank of Japan  
Stanford University – MBA



**Ross McGarry, CFA**  
Senior Investment Analyst



6 years' industry experience  
Nomura  
University of Bath – BSc Economics

**Luke Hutcherson, CFA**  
Investment Analyst



3 years' industry experience  
London Business School – MSc Financial Analysis  
University of Sydney – BComm



**Ben Levy**  
ESG Analyst

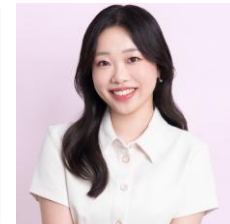


3 years' industry experience  
Imperial College London – MSc Climate Finance  
University of Glasgow – MA (Hons) Economics

**Yuiko Ozawa**  
Investment Analyst



3 years' industry experience  
McKinsey & Company  
Sophia University – BA Sociology



**Jason Bellamy (Japan-based)**  
Senior Engagement Consultant



40 years' industry experience  
Aberdeen Standard Investments  
London School of Economics – BSc Economics





## Track Record of Outperformance

- Since AJOT launch in 2018, AVI has delivered annualised returns<sup>1</sup> of **10.0% vs 6.8%** for the MSCI Japan Small Cap index
- **Proven** investment and engagement process
- A strategy that produces **idiosyncratic** total returns
- **High ownership** in several portfolio companies expected to drive catalysts

## Valuations remain compelling

- **Durable, overcapitalised** businesses are trading at discounted valuations
- **Under-researched**, differentiated portfolio companies
- The invest-able universe **continues to expand**

## Ripe Environment for Engagement

- Corporate Governance reform has reached **critical mass**. The environment for engagement and activism has **never been better**
- An experienced Japan Investment Team bringing **consulting expertise to constructive engagement**
- Capitalising on a **once-in-a-generation opportunity** of structural change
- Constant dialogue with **private equity firms** targeting small to mid-cap Japanese companies



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