

April 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

Atsugi Re-rating On Restructuring

Despite guiding for a FY03/26 operating loss, the shares of legwear leader, Atsugi, have rallied as investors look through near-term weakness to ongoing restructuring.

[Read more below](#)

Kurabo Buybacks Drive Value

Following plant closures and a new mid-term plan with a 4.0% DOE target, Kurabo has begun executing a buyback programme, supporting its move to a more focused, shareholder-friendly model.

[Read more below](#)

Sharingtechnology Core Platform

Upgraded FY09/26 guidance, driven by gains from carving out the franchise support business, allows management to reinvest in the core living-support platform.

[Read more below](#)

THE FUND

Fund Launch Date

22/04/24

A GBP NAV per share

£132.94

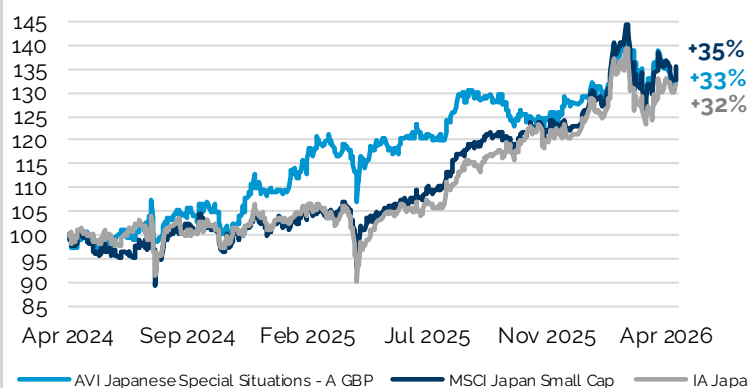
Cash

5.5%

Net Performance (GBP)

Total Returns (%)	Month	3 Month	YTD	SI ¹
A GBP Share Class	1.3	3.4	4.1	32.9
MSCI Japan Small Cap	4.4	6.3	10.2	35.5
IA Japan	6.1	5.4	9.0	31.9

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 30/04/2026. 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	7.5
Eiken Chemical	7.2
Sharingtechnology	4.9
Dai Nippon Printing	4.5
Kurabo Industries	4.1
Kyocera Corp	4.0
Atsugi	4.0
Raito Kogyo	3.8
Tokyo Gas	3.6
Foster Electric	3.6
TOTAL	47.2
No of Holdings	30

Contributors & Detractors (GBP)³

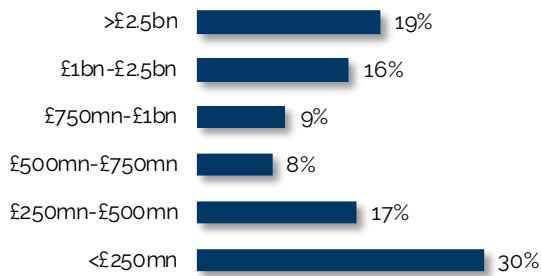
Largest Contributors	1M Contrib. bps	% ²
Atsugi	70	4.0
Kurabo Industries	49	4.1
Kyocera Corp	45	4.0
Mitsubishi Logistics	30	7.5
SAN-A Corp	19	3.5

Largest Detractors	1M Contrib. bps	% ²
Tokyo Gas	-38	3.6
Sharingtechnology	-24	4.9
Maruzen Showa Unyu	-22	3.4
Rohto Pharmaceutical	-19	3.3
Kokuyo	-18	1.7

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

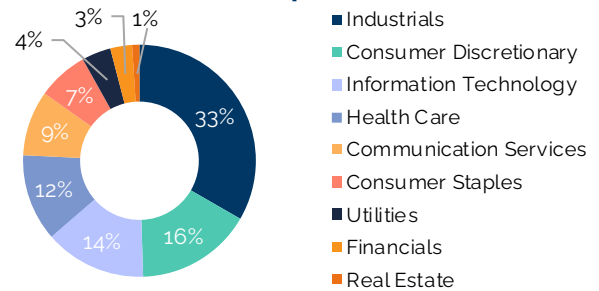
PORTFOLIO (continued)

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	£132.94	1.3	3.4	4.1	32.9
	MSCI Japan Small Cap	-	4.4	6.3	10.2	35.5
JPY	A JPY	¥14,782.16	2.2	3.7	5.2	47.8
	MSCI Japan Small Cap	-	5.9	6.9	11.3	51.2
EUR	B EUR	€133.11	1.6	3.6	4.9	33.1
	MSCI Japan Small Cap	-	5.6	6.7	11.4	35.5
GBP	B GBP	£133.54	1.3	3.4	4.2	33.5
	MSCI Japan Small Cap	-	4.4	6.3	10.2	35.5
JPY	B JPY	¥13,860.94	2.2	3.7	5.2	38.6
	MSCI Japan Small Cap	-	5.9	6.9	11.3	47.0
USD	B USD	\$146.59	3.9	1.6	4.4	46.6
	MSCI Japan Small Cap	-	7.5	5.2	11.3	49.3
GBP	B1 GBP ⁵	£131.11	1.4	3.5	4.3	31.1
	MSCI Japan Small Cap	-	4.4	6.3	10.2	35.5
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 30/04/2026. 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's NAV returned +1.3% over the month, while the benchmark returned +4.4% (both in GBP).

The largest contributor over the month was Atsugi Co., Ltd. (+25% share price), as the stock continued to recover from January's downward revisions to its guidance. Kurabo Industries was the second-largest contributor, returning +13% as the market looked through near-term earnings headwinds and responded positively to ongoing structural reforms and shareholder-friendly capital allocation, including plant closures and an active share buyback programme. By contrast, Sharingtechnology was the main detractor, with the shares drifting 4% lower over the month despite an upgraded full-year profit forecast driven by a one-off gain from a business carve-out, in the absence of further catalysts.

On 10 April 2026, the Financial Services Agency (FSA) and Tokyo Stock Exchange (TSE) published a draft of the "revised Corporate Governance Code to promote growth investments," which is scheduled to come into effect in July 2026. Key areas of focus include encouraging growth investments, strengthening the effectiveness of boards and bringing forward disclosure of the annual securities report so that it is available ahead of the general meeting of shareholders. Companies will be required to submit Corporate Governance Reports aligned with the revised code by July 2027.

At the same time, TSE updated its request that companies pursue management practices conscious of the cost of capital and stock price, a theme first emphasised in 2023.

MANAGER'S COMMENT (continued)

While there has already been meaningful progress on disclosure, the latest update places greater emphasis on moving from disclosure towards concrete action, for example by setting out medium- to long-term business policies that are explicitly aligned with capital allocation strategies.

The LDP's internal policy group, Asset Management Nation Caucus, has also proposed tightening the threshold for shareholders to submit resolutions, from the current "1% of shares outstanding or 300 voting rights" to a single requirement of "1% of shares outstanding." The aim is to curb excessive interference by short-term investors and to promote mid- to long-term investment focused on improving corporate value. This reinforces the importance of constructive, long-horizon engagement and clear, value-oriented dialogue with companies.

Across client funds, AVI controls more than 5% of the voting rights in 15 AJSS portfolio names, which account for 47% of NAV. 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.

Atsugi Co., Ltd. (3529) – Legwear leader re-rating on restructuring progress

Atsugi Co., Ltd. ("Atsugi") was the largest contributor over the month, adding +70bps to performance as the shares returned +25%.

Atsugi's core businesses are legwear and innerwear, supplemented by smaller operations in real estate, nursing care and energy. It is one of Japan's leading legwear manufacturers, with a particularly strong position in stockings.

There were no major company announcements in April, yet the share price continued to climb following the end-March rally. At the end of January, Atsugi revised its guidance for FY03/26, forecasting a full-year operating loss, which had weighed on the share price and driven a prolonged downtrend. Since then, however, the stock has recovered and moved into an upward trend as investors start to look through the near-term earnings weakness to the broader restructuring.

Atsugi was added to the portfolio in July 2024 and accounted for 4.0% of NAV at month-end. To date, the investment has delivered an ROI of +5% and an IRR of +6% in JPY.

Kurabo Industries (3106) – Multi-business reform and buybacks driving value

Kurabo Industries ("Kurabo") was the second largest contributor, adding +49bps as its share price returned +13%.

Founded in 1888 as a textile manufacturer, Kurabo has progressively diversified into chemicals, advanced technologies, food and services, and real estate. The company has a track record of relatively stable revenues and, in recent years, has roughly doubled its operating margin to around 6%.

Since AVI's initial investment, Kurabo has announced a series of measures consistent with our engagement proposals. In 2025, management decided to close its largest textile plant, removing a structurally loss-making legacy business that had long depressed consolidated profitability. At the same time, Kurabo introduced a new medium-term plan with a stronger commitment to shareholder returns, including a DOE target of 4.0% and 3-year buyback commitment of up to JPY 20.0bn. In early March 2026, the company reported that it had repurchased 481,000 shares at a cost of JPY 3.7bn as part of this programme, which runs from November 2025 to September 2026 and allows for purchases of up to approximately 6% of shares outstanding or JPY 7.0bn in total; this implies that roughly half of the programme has now been executed.

Kurabo exemplifies how two years of constructive, persistent engagement can contribute to corporate value creation. The company has begun to move from a low-return, asset-heavy model towards a more focused and shareholder-friendly profile, creating value for both the company and its investors.

Added to the portfolio in April 2024, Kurabo is now representing 4.1% of NAV. The investment has generated an ROI of +35% and an IRR of +61% in JPY.

Sharingtechnology (3989) – Portfolio carve-out and guidance reset

Sharingtechnology was the notable detractor over the month, reducing performance by -24bps as its shares returned -4%.

Based in Nagoya, Aichi Prefecture, the company operates online platforms that match individual customers with vendors providing everyday life-related services, including technicians and other local providers.

In late March, management revised its FY09/26 guidance, raising the operating profit forecast from JPY 2.35bn to JPY 3.65bn. The upgrade was driven largely by a special gain from the carve-out and transfer of the franchise support business ("Franchise no Madoguchi"), allowing the company to reallocate resources to its core living-support platform ("Kurashi no Okomarigoto"). The announcement initially triggered a share price rally as the market welcomed the renewed focus on the core business.

In the same week, before the company's updated guidance, AVI filed a large-shareholder report disclosing that its stake had increased by 1.09 percentage points to 28.18% of shares outstanding compared with the previous filing on 4 March 2026. In the absence of further news from the company, the stock drifted lower in April, ending the month 3.5% below its end-March level.

Added to the portfolio in July 2024, the company accounted for 4.9% of AJSS's NAV at month end. The investment has so far generated an IRR of +24% for an ROI of +16% (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 21.2bn / GBP 99.6m
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	IE000B7RI69	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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