

May 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

Wacom Governance Campaign

Wacom's shares rose +18%, alongside AVI's public campaign seeking board accountability ahead of the AGM.

[Read more below](#)

Kurabo Buybacks & Policy Focus

Kurabo returned +8% following FY3/26 results, a dividend increase and continued buybacks; the company also opposed AVI's shareholder proposals on takeover response policy.

[Read more below](#)

Sharingtechnology Weakness

Sharingtechnology was the largest detractor for a second consecutive month, with shares falling -15% without a clear company-specific catalyst.

[Read more below](#)

THE TRUST

Share Price (pence)

168.0

NAV p/s (pence)

169.7

Prem./Disc.)

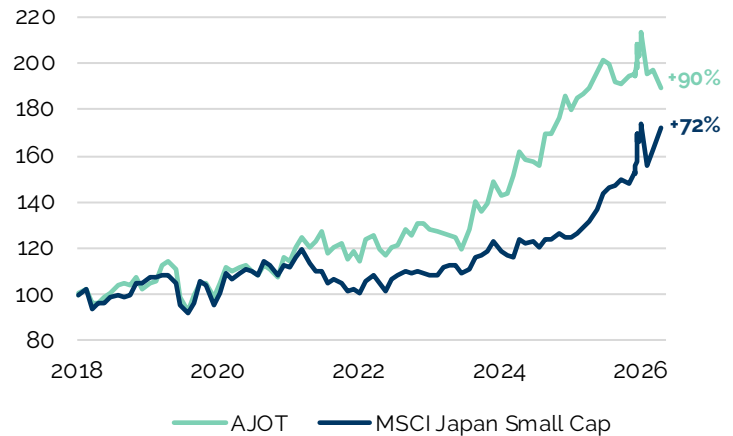
(1.0)%

Net Performance

	Total Returns (%)	Month	1Y	3Y	5Y
GBP	NAV p/s	-3.9	1.7	48.0	77.3
	MSCI Japan Small Cap	5.7	33.3	58.6	58.7
JPY	NAV p/s	-3.1	12.2	83.4	144.7
	MSCI Japan Small Cap	6.5	46.9	96.5	119.0

All performance shown net of fees total returns as of 31/05/2026
Source: Morningstar

NAV Total Return Since Inception (GBP)



Source: Morningstar as of 31/05/2026

PORTFOLIO

Top Ten Holdings

	% ¹
Mitsubishi Logistics	10.0
Kurabo Industries	8.8
Eiken Chemical	8.2
Sharingtechnology	7.5
Wacom	6.7
Maruzen Showa Unyu	6.1
Broadmedia	5.9
Sanyo Shokai	5.6
Atsugi	5.4
Foster Electric	4.9
TOTAL	69.1
No. of Holdings	28

Contributors/Detractors (GBP)²

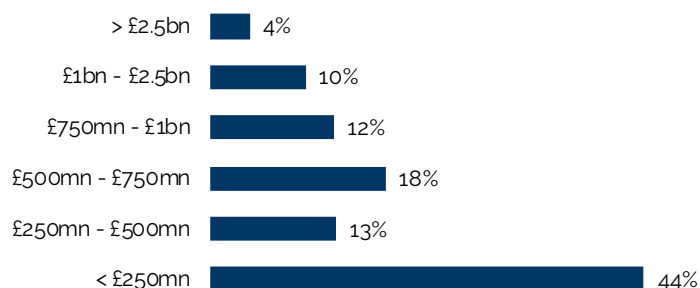
Largest Contributors	1M Contrib. bps	% ¹
Wacom	91	6.7
Kurabo Industries	63	8.8
Mitsubishi Logistics	58	10.0
Raito Kogyo	18	4.1
Senshu Electric	15	3.5

Largest Detractors	1M Contrib. bps	% ¹
Sharingtechnology	-133	7.5
Asiro	-113	4.4
Broadmedia	-105	5.9
Synchro Food	-65	2.8
Atsugi	-57	5.4

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

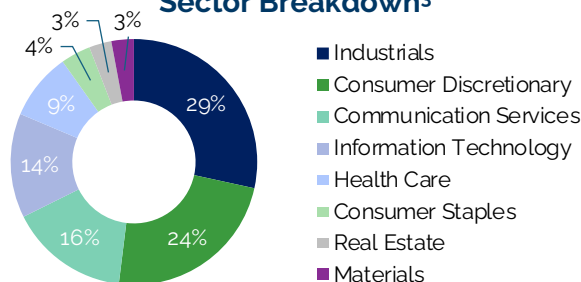
PORTFOLIO (continued)

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 3.4% of NAV as at 31/05/2026 have been excluded from analysis. Source: Capital IQ

MANAGER'S COMMENT

AJOT's NAV returned -3.9% (in GBP) and -3.1% (in JPY) over the month, while the benchmark returned +5.7% (in GBP) and +6.5% (in JPY). Relative performance was negatively impacted by the continued strength of AI-related stocks, which have been a key driver of equity market returns globally, including in Japan. Given AJOT's focus on undervalued, overcapitalised companies with significant scope for operational and capital allocation improvement, the portfolio has limited exposure to the stocks that have led the market higher.

Returns from this approach are inherently catalyst-driven and therefore can be lumpy, with value often realised through company-specific developments rather than broader market moves. As a result, periods of relative underperformance can occur when market returns are dominated by a narrow investment theme, as has been the case recently.

The largest contributor over the month was Wacom (+18% share price), which coincided with AVI's public campaign launched on 14th May 2026, seeking governance reform and changes to the company's board. Kurabo Industries was the second largest contributor, returning +8%, after reporting its FY March 2026 results, announcing a dividend increase and continuing to execute its share buyback programme. In contrast, the largest detractor was Sharingtechnology, whose shares declined by -15% despite reporting solid first-half results and the upward revision to its FY2026 profit guidance announced in March.

In May, several developments highlighted the continued evolution of Japan's corporate governance and shareholder engagement landscape. Reuters Breakingviews reported that Japan saw a record 56 activist campaigns against listed companies in 2025, exceeding the total for Europe and ranking second to the United States, according to Barclays data.

Regulatory and market-structure developments also continued during the month. Amendments to Japan's large shareholding reporting rules came into effect on 1st May 2026, including changes relating to material proposals, joint holders and shareholding transparency. The Tokyo Stock Exchange also updated its disclosure data on "management conscious of cost of capital" and share price, showing that, as of the end of April 2026, 94% of Prime Market companies and 54% of Standard Market companies had either disclosed or were considering such actions. The FSA's ongoing review of the Corporate Governance Code is also set to increase expectations on companies to enhance capital efficiency and improve governance in a more timely manner.

Across client funds, AVI controls more than 5% of the voting rights in 14 AJOT portfolio names, which account for 63% 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.

Wacom Co., Ltd. (6727) – Board Accountability in Focus

Wacom Co., Ltd. ("Wacom") was the largest contributor over the month, adding +91bps to performance as the shares returned +18%.

Wacom is a technology company focused on digital pen tablets, pen displays and related devices. The company has strong global positions in its core product categories.

On 14th May, AVI launched a public campaign and submitted shareholder proposals ahead of Wacom's AGM, seeking the dismissal of two directors and the appointment of an external director. The proposals are intended to strengthen board accountability, improve strategic oversight and help ensure that Wacom's considerable technological strengths are translated into sustainable improvements in corporate value.

Wacom was added to the portfolio in August 2021 and accounted for 6.7% of NAV at month-end. To date, the investment has delivered an ROI of +38% and an IRR of +14% in JPY.

Kurabo Industries (3106) – Buybacks and Takeover Policy

Kurabo Industries ("Kurabo") was the second largest contributor, adding +63bps as its share price returned +8%.

Kurabo is a diversified manufacturer with operations across textiles, chemical products, advanced technology, food and services, and real estate.

During May, Kurabo reported its FY3/26 results. Net sales declined year-on-year and operating profit was lower, but profit attributable to owners of the parent increased sharply, supported by extraordinary income from the sale of cross-shareholdings. The company also announced a dividend increase and continued to execute its buyback programme.

Kurabo also disclosed that it had received shareholder proposals from AVI concerning the company's takeover response policy.

MANAGER'S COMMENT (continued)

The board resolved to oppose both proposals, which related to amending the Articles of Incorporation and abolishing the existing policy.

Kurabo exemplifies how persistent engagement, combined with public-market pressure for better capital allocation, can contribute to corporate value creation. Added to the portfolio in January 2024, Kurabo is now a top-three holding, representing 8.8% of NAV. The investment has generated an ROI of +70% and an IRR of +62% in JPY.

Sharingtechnology (3989) – Weak Without Catalyst

Sharingtechnology was the largest detractor over the month, reducing performance by -133bps as its shares returned -15%.

Based in Nagoya, Aichi Prefecture, Sharingtechnology operates online platforms that match individual customers with local service providers across everyday life-related services, including

repair, maintenance and other household problem-solving categories.

During May, the company reported solid Q2 FY2026 results for the January–March 2026 period. Second-quarter sales revenue increased 13% year-on-year and operating profit rose 10%. The company also reiterated that its full-year FY2026 guidance remained unchanged from the upward revision announced on 19th March, following the transfer of its franchise business and the acquisition of LIFELINE Inc.

Despite this, the shares declined in the absence of any clear company-specific catalyst. The weakness continued from the previous month, making Sharingtechnology the largest detractor for a second consecutive month.

Added to the portfolio in July 2024, the company accounted for 7.5% of AJOT's NAV at month-end. The investment has so far generated an IRR of +1% for an ROI of +1% (in JPY).

STATISTICS

Performance Summary (GBP)

Total Returns (%)	1M	1Y	3Y	5Y	SI ⁴
Share Price	-5.1	3.2	41.7	71.7	84.2
NAV p/s	-3.9	1.7	48.0	77.3	89.8
MSCI Japan Small Cap	5.7	33.3	58.6	58.7	72.3
CY Total Returns (%)	YTD	2025	2024	2023	2022
Share Price	-2.0	15.3	21.5	14.8	-6.0
NAV p/s	-2.5	14.7	20.9	15.8	-4.3
MSCI Japan Small Cap	16.4	19.8	6.2	6.9	-1.0

All performance shown net of fees in GBP Total Return and as at 31/05/2026

Source: Morningstar

⁴Start Date 23 October 2018

Characteristics

Portfolio Statistics

EV/EBIT	8.1x
Net Cash/Market Cap ⁵	14.2%
NFV/Market Cap ⁶	41.4%

⁵Net Cash = Cash - Debt

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

Trust Details

Capital Structure

Ordinary Shares	247,873,823
Shares held in Treasury	25,475,429
TONAR + 1.30% Revolving Credit Facility ⁷	¥6,600,000,000

Gross Assets/Gearing

Gross Assets	£420.3m
Gross value of debt (GBP)	£42.9m
Gearing (net) ⁸	7.9%

Fund Facts

Launch Date	23-Oct-18
Net Assets	£377.4m
Investment Manager	Asset Value Investors Limited
Value Owned by AVI ⁹	£4,236,677
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 31/05/2026

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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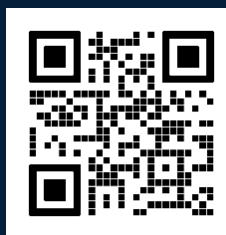
The share price can be found in The Financial Times.

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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