

May 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

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% after 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 FUND

Fund Launch Date

22/04/24

A GBP NAV per share

£129.95

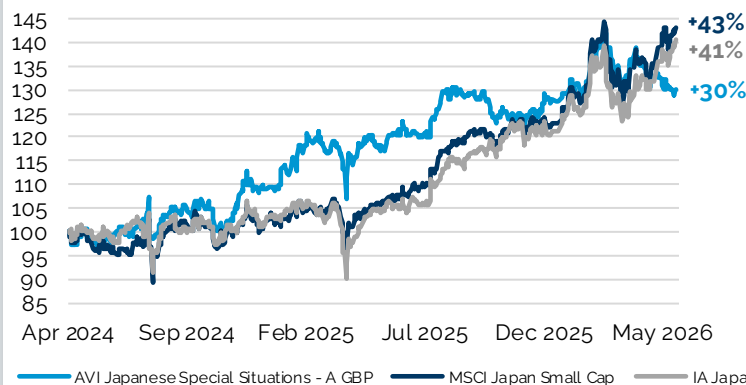
Cash

4.6%

Net Performance (GBP)

Total Returns (%)	Month	3 Month	YTD	SI ¹
A GBP Share Class	-2.2	-9.2	1.8	30.0
MSCI Japan Small Cap	5.7	-0.9	16.4	43.2
IA Japan	6.7	0.9	16.3	40.8

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 31/05/2026. 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	7.5
Kyocera Corp	5.5
Dai Nippon Printing	4.5
Sharingtechnology	4.4
Raito Kogyo	4.3
Kurabo Industries	4.1
Atsugi	3.9
Wacom	3.7
Rohto Pharmaceutical	3.7
TOTAL	49.6
No. of Holdings	30

Contributors & Detractors (GBP)³

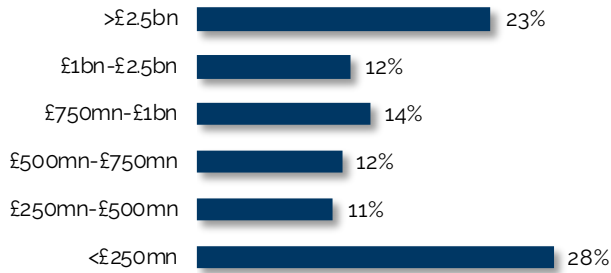
Largest Contributors	1M Contrib. bps	% ²
Kyocera Corp	117	5.5
Wacom	52	3.7
Mitsubishi Logistics	47	8.0
Kurabo Industries	33	4.1
Raito Kogyo	20	4.3

Largest Detractors	1M Contrib. bps	% ²
Sharingtechnology	-80	4.4
Asiro	-62	2.4
Synchro Food	-45	1.9
Atsugi	-41	3.9
Dai Nippon Printing	-37	4.5

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

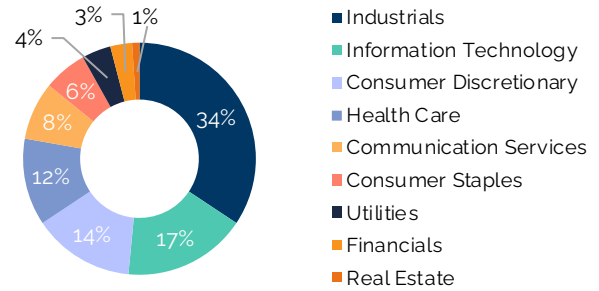
PORTFOLIO (continued)

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	£129.95	-2.2	-9.2	1.8	30.0
	MSCI Japan Small Cap	-	5.7	-0.9	16.4	43.2
JPY	A JPY	¥14,523.00	-1.8	-7.6	3.3	45.2
	MSCI Japan Small Cap	-	6.5	1.3	18.5	61.0
EUR	B EUR	€129.86	-2.4	-8.3	2.3	29.9
	MSCI Japan Small Cap	-	5.4	0.5	17.4	42.8
GBP	B GBP	£130.56	-2.2	-9.1	1.9	30.6
	MSCI Japan Small Cap	-	5.7	-0.9	16.4	43.2
JPY	B JPY	¥13,620.27	-1.7	-7.5	3.4	36.2
	MSCI Japan Small Cap	-	6.5	1.3	18.5	56.5
USD	B USD	\$142.14	-3.0	-9.5	1.2	42.1
	MSCI Japan Small Cap	-	4.8	-0.6	16.7	56.5
GBP	B1 GBP ⁵	£128.21	-2.2	-9.1	2.0	28.2
	MSCI Japan Small Cap	-	5.7	-0.9	16.4	43.2
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 31/05/2026. 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 -2.3% over the month, while the benchmark returned +4.9%, both in GBP.

One of the top 3 contributors over the month was Wacom Co., Ltd. (+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 had contributed as well, 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 confirming 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.

MANAGER'S COMMENT (continued)

Across client funds, AVI controls more than 5% of the voting rights in 14 AJSS portfolio names, which account for 41% 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.

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

Wacom Co., Ltd. ("Wacom") was one of the top 3 contributors over the month, adding +52bps 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. 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 May 2025 and accounted for 3.7% of NAV at month-end. To date, the investment has delivered an ROI of +10% and an IRR of +18% in JPY.

Kurabo Industries (3106) – Buybacks and Takeover Policy

Kurabo Industries ("Kurabo") had contributed largely, adding +33bps 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. 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 April 2024, Kurabo is now representing 4.1% of NAV. The investment has generated an ROI of +40% and an IRR of +66% in JPY.

Sharingtechnology (3989) – Weak Without Catalyst

Sharingtechnology was the largest detractor over the month, reducing performance by -80bps 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 4.4% of AJSS's NAV at month-end. The investment has so far generated an IRR of +7% for an ROI of +5% (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 19.7bn / GBP 92.3m
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 - figure shown reflects maximum charge. The actual OCF may be lower and may fluctuate over time. See KIID for details

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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