AVI
Asset Value Investors

AVI JAPAN OPPORTUNITY TRUST

AJOT

August 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

Sharingtechnology — Strong Q3 results

Sharingtechnology reported strong third-quarter results, with operating profit more than doubling year-on-year, and its shares reached a year-to-date high.

Read more below

Kurabo Industries — Q1 earnings growth

Kurabo reported first-quarter results, with operating profit rising 32% year-on-year on strong semiconductor-related demand.

Read more below

Mitsubishi Logistics — Corporate value enhancement

Mitsubishi Logistics established an asset management company for a private real estate fund, a concrete step towards its 2030 ROE and PBR targets.

Read more below

THE TRUST

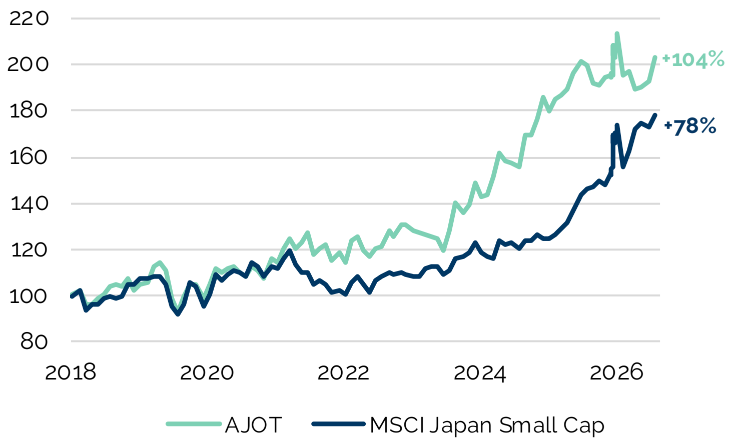
Share Price (pence)	NAV p/s (pence)	Prem./(Disc.)
172.5	182.1	(5.3)%

Net Performance

	Total Returns (%)	Month	1Y	3Y	5Y
GBP	NAV p/s	5.5	1.3	62.5	68.9
	MSCI Japan Small Cap	2.6	24.0	58.5	53.6
JPY	NAV p/s	6.6	10.5	90.7	141.9
	MSCI Japan Small Cap	3.7	35.4	86.0	119.9

All performance shown net of fees total returns as of 31/08/2026
Source: Morningstar

NAV Total Return Since Inception (GBP)



Source: Morningstar as of 31/08/2026

PORTFOLIO

Top Ten Holdings

	%[1]
Sharingtechnology	11.4
Kurabo Industries	9.1
Mitsubishi Logistics	8.5
Wacom	8.4
Eiken Chemical	6.0
Foster Electric	5.9
Maruzen Showa Unyu	5.7
Atsugi	5.1
Broadmedia	4.9
Ines Corp	4.5
TOTAL	**69.5**
No. of Holdings	25

Contributors/Detractors (GBP)[2]

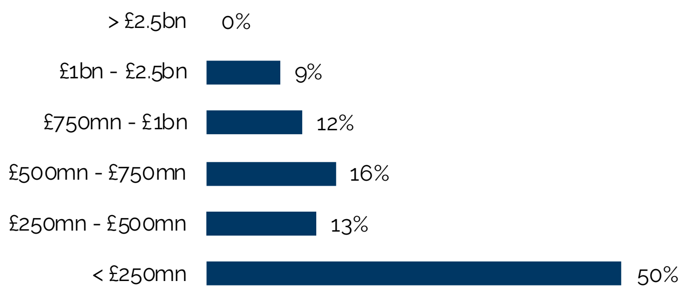
Largest Contributors	1M Contrib. bps	%[1]
Sharingtechnology	194	11.4
Kurabo Industries	117	9.1
Taki Chemical	56	3.4
Wacom	49	8.4
Eiken Chemical	42	6.0

Largest Detractors	1M Contrib. bps	%[1]
Mitsubishi Logistics	-57	8.5
Maruzen Showa Unyu	-36	5.7
Broadmedia	-34	4.9
Atsugi	-17	5.1
DTS	-5	2.1

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

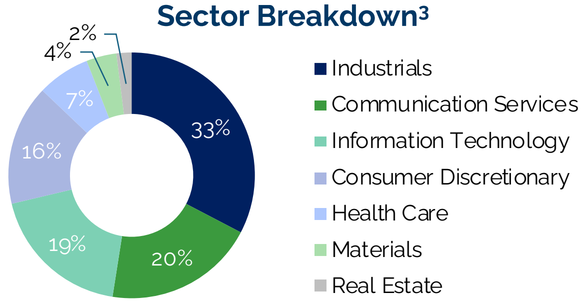
PORTFOLIO (continued)

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 2.3% of NAV as at 31/08/2026 have been excluded from analysis. Source: Capital IQ

MANAGER'S COMMENT

AJOT's NAV returned +5.5% in GBP and +6.6% in JPY over the month, while the benchmark returned +2.6% in GBP and +3.7% in JPY.

Japan's governance reform agenda continued to move from policy direction to practical implementation in August. On 12 August, the Tokyo Stock Exchange ("TSE") published the results of an institutional investor survey on companies demonstrating meaningful progress in "management that is conscious of cost of capital and stock price". Drawing on comments from domestic and overseas investors, it highlighted companies seen as making substantive progress against the TSE's request to improve capital efficiency and market valuation.

The focus on capital discipline was also reinforced by new commentary from the Research Institute of Economy, Trade and Industry ("RIETI") on corporate cash holdings. On 13 August, the RIETI, a policy research institute under Japan's Ministry of Economy, Trade and Industry, published a policy update on the optimal level of corporate cash and deposits. It argued that the key question is not whether a company's cash balance is excessive, but whether the company has estimated, discussed and disclosed an appropriate cash level. For surplus funds above that level, companies should set out a capital allocation policy prioritising growth investment, shareholder returns and debt reduction.

Together, these developments suggest that governance reform is shifting from headline commitments to evidence of actual progress, with investors placing greater emphasis on whether companies can clearly explain their cost of capital, capital allocation priorities and progress against previously announced plans. Scrutiny is likely to fall hardest on companies where strong balance sheets are not matched by credible plans to improve returns and corporate value.

Market attention through August was, however, focused as much on the macro backdrop as on governance. The 10-year JGB yield rose towards 3%, its highest in three decades, as investors weighed the fiscal outlook ahead of the government's first full budget cycle, while a weak yen and import-driven inflation reinforced expectations of a further Bank of Japan rate rise.

Across client funds, AVI controls more than 5% of the voting rights in 16 AJOT portfolio companies, which together account for 78% of NAV. AJOT plays an important role in AVI's constructive engagement strategy, enabling AVI to build meaningful stakes in companies where we see opportunities to unlock value through improvements in business operations, capital efficiency, governance and investor relations.

Sharingtechnology (3989) — Strong Q3 results

Sharingtechnology was the largest contributor over the month, adding +194bps to performance as its shares returned +19.2%.

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.

On 14 August, the company reported strong results for the first nine months of FY9/26, with revenue up 13.5% year-on-year and operating profit more than doubling, supported in part by a gain on a business transfer. Full-year guidance points to continued double-digit revenue growth and a c.76% increase in operating profit. The shares reached a year-to-date high in late August as the market increasingly recognised this earnings momentum.

On 9 September, AVI notes that MBK Partners, an Asian private equity firm, has announced a tender offer for the company with the intention of taking the company private. The offer price represents a premium of 5.8% to the closing share price on 9 September 2026. This marks the first third-party tender offer since February 2025 for a portfolio company within AJOT. AVI expects AJOT to receive the proceeds following the end of the tender offer period of 30 business days, subject to successful completion and settlement of the offer.

Added to the portfolio in July 2024, the company accounted for 11.4% of AJOT's NAV at month-end. The investment has so far generated an IRR of +45% and an ROI of +53% in JPY.

Kurabo Industries (3106) — Q1 earnings growth

Kurabo Industries (Kurabo) was the second-largest contributor over the month, following its strong performance in recent months, adding +117bps to performance as its shares returned +14.1%.

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

MANAGER'S COMMENT (continued)

In early August, Kurabo reported its results for the first quarter of FY3/27. Net sales rose 5.2% year-on-year to ¥37.6bn, driven mainly by semiconductor-related demand in the chemical products segment, and operating profit increased 32.1% to ¥2.9bn. Profit attributable to owners of the parent declined year-on-year, due to lower gains on sales of investment securities compared with the prior year. For the full year, the company expects operating profit to rise by c.31%. Its previously announced buyback programme was completed by the end of August 2026.

AVI's shareholder proposals concerning the company's takeover response policy — relating to amending the Articles of Incorporation and abolishing the existing policy — were put to the AGM held on 26 June 2026. Although neither proposal was passed, we believe they have contributed to the ongoing debate on the company's governance, with one proposal receiving 38.4% support.

Added to the portfolio in January 2024, Kurabo now represents 9.1% of NAV. The investment has generated an ROI of +87% and an IRR of +64% in JPY.

Mitsubishi Logistics (9301) — Corporate value enhancement

Mitsubishi Logistics (Mitsubishi) was the largest detractor over the month, reducing performance by -57bps as its share price returned -5.6%.

Mitsubishi is a major Japanese logistics and real estate company headquartered in Tokyo. It provides global port transportation, warehousing and real estate leasing services.

In late July, the company reported first-quarter results, with operating revenue up 2.9% year-on-year but operating profit modestly lower; The results came in below market expectations, which appears to have weighed on the shares. Meanwhile, the company continues to progress the corporate value enhancement plan announced in June 2026. Given its relatively low ROE and PBR, Mitsubishi set targets of 10% ROE and 1.5x PBR by FY2030. In addition to business growth through investment, the company intends to reduce its cost of equity, enhance disclosure and improve shareholder returns.

As the company holds a significant real estate portfolio, investors are focused on whether management can improve capital efficiency by making better use of these assets. In July, the company took a concrete step in this direction, establishing an asset management company to run a private real estate fund of approximately ¥30bn, which should help realise value from its real estate holdings while improving asset turnover. In August, the company also announced an investment of approximately ¥6bn in a US logistics facility under an asset-recycling model, a further sign that management is putting this strategy into practice.

Mitsubishi was added to the portfolio in January 2025 and accounted for 8.5% of NAV at month-end. To date, the investment has delivered an ROI of +32% and an IRR of +33% in JPY.

Asset Value Investors

In early August it was announced that AJOT's investment manager – Asset Value Investors ("AVI") – is to be acquired by Pacific Asset Management ("Pacific"), the London-based multi-boutique asset manager and part of the Pinnacle Investment Management group, subject to certain conditions including regulatory approval. The transaction represents the next stage in AVI's development, providing the business with an enhanced platform from which to grow while preserving the core elements of the firm.

AVI will continue to operate under its own brand as an independent investment boutique, with no changes to its investment teams, philosophy, decision-making or the management of its investment trusts and funds.

STATISTICS

Performance Summary (GBP)

Total Returns (%)	1M	1Y	3Y	5Y	SI[4]
Share Price	5.2	-0.4	56.9	61.0	89.2
NAV p/s	5.5	1.3	62.5	68.9	103.7
MSCI Japan Small Cap	2.6	24.0	58.5	53.6	77.9
CY Total Returns (%)	**YTD**	**2025**	**2024**	**2023**	**2022**
Share Price	0.6	15.3	21.5	14.8	-6.0
NAV p/s	4.6	14.7	20.9	15.8	-4.3
MSCI Japan Small Cap	20.3	19.8	6.2	6.9	-1.0

All performance shown net of fees in GBP Total Return and as at 31/08/2026
Source: Morningstar
[4]Start Date 23 October 2018

Characteristics

Portfolio Statistics	
EV/EBIT	7.9x
Net Cash/Market Cap[5]	13.9%
NFV/Market Cap[6]	39.1%

[5]Net Cash = Cash - Debt
[6]Net 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]	¥9,200,000,000
Gross Assets/Gearing	
Gross Assets	£447.4m
Gross value of debt (GBP)	£42.5m
Gearing (net)[8]	-2.1%
Fund Facts	
Launch Date	23-Oct-18
Net Assets	£404.9m
Investment Manager	Asset Value Investors Limited
Value Owned by AVI[9]	£5,001,213
Registrar	Equiniti Limited
Management Fee[10]	Tiered fee between 1% and 0.9%
Ticker Code	AJOT.LN
ISIN	GB00BD6H5D36

[7]Figure 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

[8]Net gearing at fair value

[9]Value owned by AVI Ltd & AVI Ltd employees as at 31/08/2026

[10]Annual 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

AVI Ltd. +44 20 7659 4800 info@ajot.co.uk

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