AVI JAPAN OPPORTUNITY TRUST AJOT

Asset Value Investors

October 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

Broadmedia Corporation (4347) — AJOT's second TOB in 2026

NSSK announced a tender offer to take the company private, providing a clear route to crystallising value.

Read more below

Ines Corporation (9742) — AVI 10% Stake, Earnings Recovery

AVI increased its stake above 10% and first-half earnings recovered strongly.

Read more below

Wacom Co., Ltd (6727) — Mixed First-Half Results

A key business remained weak in the first half, weighing on overall performance.

Read more below

THE TRUST

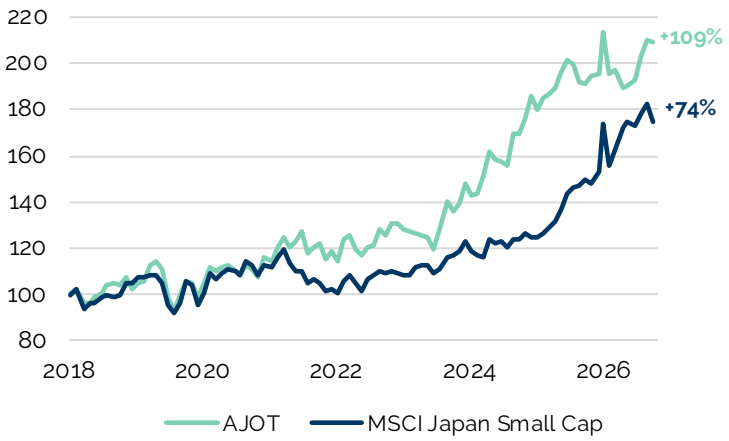
Share Price (pence)	NAV p/s (pence)	Prem./(Disc.)
176.5	185.2	(4.7)%

Net Performance

	Total Returns (%)	Month	1Y	3Y	5Y
GBP	NAV p/s	-0.8	8.8	74.6	73.5
	MSCI Japan Small Cap	-4.4	18.8	60.1	53.9
JPY	NAV p/s	0.3	13.4	100.4	134.2
	MSCI Japan Small Cap	-3.4	23.8	83.8	107.8

All performance shown net of fees total returns as of 31/10/2026
Source: Morningstar

NAV Total Return Since Inception (GBP)



Source: Morningstar as of 31/10/2026

PORTFOLIO

Top Ten Holdings

	%[1]
Wacom	9.7
Mitsubishi Logistics	9.5
Kurabo Industries	9.4
Foster Electric	8.3
Broadmedia	7.4
Maruzen Showa Unyu	6.2
Eiken Chemical	6.0
Atsugi	5.3
Ines Corp	5.0
DTS	4.3
TOTAL	**71.1**
No. of Holdings	26

Contributors/Detractors (GBP)[2]

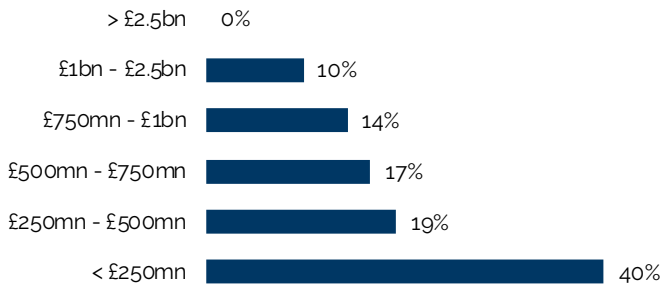
Largest Contributors	1M Contrib. bps	%[1]
Broadmedia	172	7.4
Ines Corp	27	5.0
DTS	15	4.3
M-Up	6	1.4
Mitsubishi Logistics	5	9.5

Largest Detractors	1M Contrib. bps	%[1]
Wacom	-53	9.7
Synchro Food	-44	2.2
Sanyo Shokai	-35	3.0
Saxa	-31	2.0
Kurabo Industries	-29	9.4

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

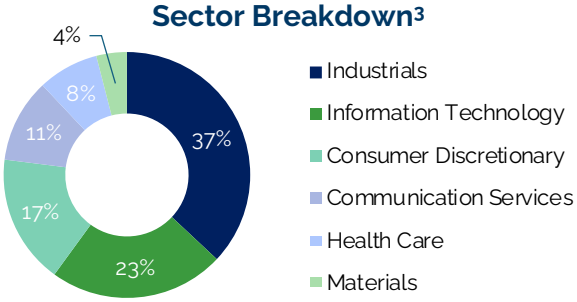
PORTFOLIO (continued)

Market Cap Breakdown[3]



Figures may not total to 100 due to rounding.

Sector Breakdown[3]



Figures may not total to 100 due to rounding. [3]Shown as % of listed Portfolio. Unlisted holdings which represent 2.3% of NAV as at 31/10/2026 have been excluded from analysis. Source: Capital IQ

MANAGER'S COMMENT

AJOT's NAV returned -0.8% in GBP and +0.3% in JPY over the month, while the benchmark returned -4.4% in GBP and -3.4% in JPY.

October saw a further development in Japan's ongoing market reforms. On 7 October, JPX Market Innovation & Research announced the results of the first periodic review under the revised TOPIX methodology. Companies that did not meet the new continuation criteria, based on liquidity and free-float market capitalisation, were designated as being subject to transitional measures. Their index weights will be progressively reduced unless they meet the continuation criteria at the October 2027 re-evaluation. Several AJOT portfolio companies are currently included among those subject to transitional measures. This may create an additional incentive for companies to improve liquidity, market valuations and engagement with shareholders.

Alongside these index-driven pressures, October brought another significant value-realisation event for AVI, marking the second consecutive month in which an AJOT portfolio company received a tender offer, following the privatisation of Sharingtechnology through a tender offer bid in September. At the end of October, Japanese private equity firm Nippon Sangyo Suishin Kiko ("NSSK") announced a tender offer to acquire Broadmedia for JPY 2,500 per share, with the intention of taking the company private. The offer represented a 23.95% premium to its closing price before the announcement.

The transaction is another example of private equity funds in Japan being willing to pay a premium for companies whose value has remained underappreciated in the public market. It also highlights how corporate actions can help crystallise value in smaller Japanese companies where public-market valuations do not fully reflect underlying business value.

Across client funds, AVI controls more than 5% of the voting rights in 16 AJOT portfolio companies, which together account for 79% 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.

Broadmedia Corporation (4347) — AJOT's second TOB in 2026

Broadmedia was the largest contributor over the month, adding +172bps to performance as its shares returned +29.6%.

Broadmedia is a diversified services group, with Education and Technology businesses representing its two principal earnings drivers. Its Education business spans online education and AI and IT-related training, while its Technology business provides services including content delivery, cybersecurity, cloud and network solutions, and software development. In recent years, the company has been optimising its portfolio and concentrating resources on these higher-growth areas.

Since AVI first invested in April 2024, Broadmedia has taken a number of steps to improve its business mix and capital efficiency. During our investment period, the company exited its Broadcast business, separated its Studio & Production operations into a standalone subsidiary and continued to review strategic options for its remaining businesses.

In late March 2026, Broadmedia began a broader review of its capital strategy, considering options including both maintaining its public listing and taking the company private, according to the company's disclosure. This strategic review subsequently led to an auction and ultimately to an agreement with NSSK to take the company private, providing a clear route to crystallising value for shareholders. For AVI, the transaction represents a further milestone in our investment, during which we have built a significant ownership position and maintained constructive engagement with the company.

The company accounted for 7.4% of AJOT's NAV at month-end, and the investment has so far generated an ROI of +43.2% and an IRR of +28.0% in JPY.

Ines Corporation (9742) — AVI 10%[1] Stake, Earnings Recovery

Ines was the second-largest contributor over the month, adding +27bps to performance as its shares returned +5.9%.

Founded in 1964, Ines is a Japanese IT services company providing system development, operation and outsourcing services to public-sector, financial and corporate customers. The public sector is a core area for the company, with the ongoing standardisation of local-government information systems representing one of the central initiatives under its medium-term management plan.

During the month, AVI increased its stake to 10.13%[1] of the company's voting rights. Ines also reported a marked recovery in first-half results,

MANAGER'S COMMENT (continued)

with revenue increasing 15.1% year-on-year to JPY 19.0bn and operating profit improving to JPY 449m from a JPY 920m loss in the prior year, supported by steady progress in local-government system standardisation and improved project profitability.

Added to the portfolio in August 2025, Ines accounted for 5.0% of AJOT's NAV at month-end. The investment has generated an ROI of +22.9% and an IRR of +31.9% in JPY.

Wacom Co., Ltd (6727) — Mixed First-Half Results

Wacom was the largest detractor over the month, reducing performance by -53bps as its share price returned -5.2%.

Wacom is a global leader in digital pen and ink technology, operating through two core businesses. Brand Products business sells Wacom-branded pen tablets and graphic displays to animators, artists and other creative professionals, while Technology Solutions business supplies digital pen components and technology to global smartphone, tablet and PC manufacturers.

Its first-half results, reported in October, highlighted a mixed result between its two businesses. Brand Products business maintained its strong recovery, with revenue growing 24.4% and profitability improving substantially, supported by stronger demand for its pen tablets and displays. However, Technology Solutions business remained under pressure from weaker OEM volumes, customer product cycles and higher semiconductor memory costs, with revenue declining 17.7%. While group operating profit still increased 3.2% year-on-year to JPY 6.0bn, the continued weakness in Technology Solutions business tempered the overall improvement in earnings.

Wacom was added to the portfolio in August 2021 and accounted for 9.7% of NAV at month-end. To date, the investment has delivered an ROI of +12.6% and an IRR of +7.1% in JPY.

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[1] *Aggregate holding across all AVI-managed funds. Source: Change Report to the Large Shareholding Report filed by AVI on 13 October 2026, reporting 2,103,700 shares held as at 5 October 2026.*

AVI JAPAN OPPORTUNITY TRUST

AVI Asset Value Investors

AJOT

STATISTICS

Performance Summary (GBP)

Total Returns (%)	1M	1Y	3Y	5Y	SI[4]
Share Price	-1.6	4.8	76.5	61.1	95.3
NAV p/s	-0.8	8.8	74.6	73.5	109.0
MSCI Japan Small Cap	-4.4	18.8	60.1	53.9	74.4
CY Total Returns (%)	**YTD**	**2025**	**2024**	**2023**	**2022**
Share Price	3.9	15.3	21.5	14.8	-6.0
NAV p/s	7.3	14.7	20.9	15.8	-4.3
MSCI Japan Small Cap	17.9	19.8	6.2	6.9	-1.0

All performance shown net of fees in GBP Total Return and as at 31/10/2026
Source: Morningstar
[4]Start Date 23 October 2018

Characteristics

Portfolio Statistics	
EV/EBIT	7.6x
Net Cash/Market Cap[5]	11.7%
NFV/Market Cap[6]	38.8%

[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	28,456,661
TONAR + 1.30% Revolving Credit Facility[7]	¥10,300,000,000
Gross Assets/Gearing	
Gross Assets	£455.1m
Gross value of debt (GBP)	£48.8m
Gearing (net)[8]	-1.7%
Fund Facts	
Launch Date	23-Oct-18
Net Assets	£406.3m
Investment Manager	Asset Value Investors Limited
Value Owned by AVI[9]	£5,152,682
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 31/10/2026
[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

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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

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