



A Year of Growth

Annual Report 2025

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COMPANIES HOUSE

11/05/2026

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The rising sun reveals a new landscape, Mount Fuji holds quiet strength as the cranes chart widening horizons. The scene signals AJOT's transition into a new phase, shaped by the increased scale as a result of the M&A activity during the year.

AVI

Annual Report / Welcome

Annual Report 2025

AVI Japan Opportunity Trust plc ("AJOT" or "the Company") invests in a focused portfolio of quality small and mid-cap listed companies in Japan that have a large portion of their market capitalisation in cash or realisable assets.

Net assets:

£425 million*

(2024: £212 million)

Launch date:

23 October 2018

Annualised return:

9.7%**

(2024: 8.9%)

Ongoing Charges Ratio†:

1.4%***

(2024: 1.5%)

* As at 31 December 2025

** Source: Morningstar, annualised return net of fees (in GBP) as at 31 December 2025

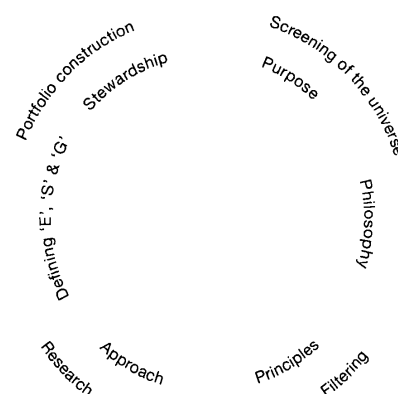
*** As at 31 December 2025, includes management fee, marketing and administration costs.

† For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 76 and 77.

AN ACTIVE APPROACH TO INVESTING RESPONSIBLY

As an active investor, AVI considers all drivers relevant to each company's success, offering suggestions to enhance sustainable corporate value in consideration of all stakeholders and in the best long-term interest of our clients.

We aim to build strong relationships with the boards and management of our portfolio companies. Through constructive engagement, we encourage and expect them to take meaningful action in the context of long-term value creation.



Read more about our ESG Perspective on pages 32 and 33 of the Annual Report.

The portfolio is well placed with a concentrated yet diverse collection of high quality, lowly valued companies, with multiple levers for re-ratings.

Reform in Full Bloom

S Strategic Report

Net Asset Value, Share Price and Benchmark

+95%
+86%
+48%

AVI Japan Opportunity Trust NAV TR
AVI Japan Opportunity Trust Share Price TR
MSCI Japan Small Cap Index (£ adjusted total return)

Overview of the Year

S Strategic Report

Our Performance

S Strategic Report

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Strategic Report / Company Performance

Performance Summary

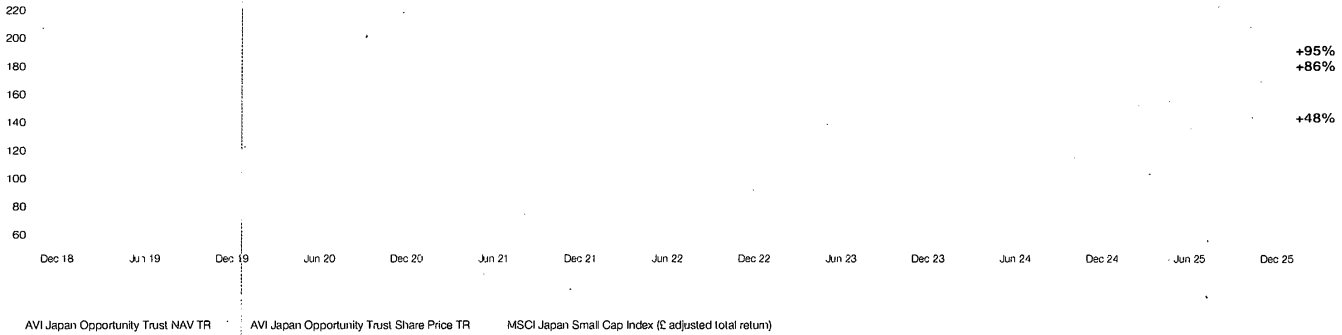
	31 December 2025	31 December 2024		31 December 2025	31 December 2024
Net Asset Value	£425,291,000	£211,981,000	Net asset value per share	174.7p	155.4p
Net Asset Value per Share (total return) for the year*	14.7%	20.9%	Share price	172.0p	152.3p
Share price total return for the year*	15.3%	19.9%	Discount (difference between share price and net asset value)*	1.6%	2.1%
Comparator Benchmark			2025 Year's Highs/Lows	High	Low
MSCI Japan Small-Cap Index (£ adjusted total return)	19.8%	6.2%	Net asset value per share	186.6p	149.2p
Portfolio Valuation*					
Net Cash as % of Market Cap	12.3%	21.2%			
Net Financial Value as % of Market Cap ²	37.8%	48.4%	NAV TR (GBP)	Since inception	2025
EV/EBIT ²	9.5x	8.7x		2024	2023
FCF Yield	5.9%	6.7%	AJOT	2022	2021
	Year to 31 December 2025	Year to 31 December 2024	MSCI Japan Small Cap	2020	2019
Earnings and Dividends			Relative	2018	2018 ¹
Profit/(loss) before tax	£41.9m	£38.6m			
Investment income	£6.3m	£4.8m			
Revenue earnings per share	2.94p	2.21p			
Capital earnings per share	25.20p	25.00p			
Total earnings per share	28.14p	27.21p			
Ordinary dividends per share	2.20p	2.20p			
Special dividends per share	0.60p	–			
Ongoing Charge*					
Management, marketing and other expenses (as a percentage of average Shareholders' funds)	1.4%	1.5%			

¹ Since inception on 23 October 2018.

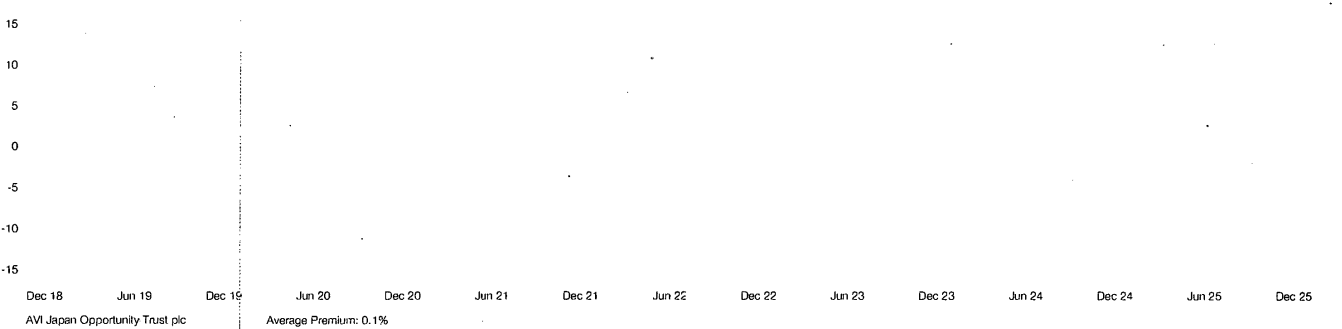
² The portfolio NFV and EV/EBIT estimates differ to the reported figures in the December 2025 Factsheet due to a post period-end change in the NFV calculation for Mitsubishi Logistics.

For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 76 and 77.

Net Asset Value, Share Price* and Benchmark



Premium or Discount to Net Asset Value (%)



* For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 76 and 77.

Strategic Report / Company Overview

Finding Compelling Opportunities in Japan

OUR PURPOSE

Discovering overlooked and under-researched investment opportunities, utilising shareholder engagement to unlock long-term value.

ABOUT ASSET VALUE INVESTORS

The Company has appointed Asset Value Investors Limited ("AVI" or the "Investment Manager") as its Alternative Investment Fund Manager.

Asset Value Investors ("AVI") has been investing in Japan for over four decades. AVI focuses on undervalued companies with resilient and growing earnings, that are overlooked by investors due to non-fundamental factors.

By utilising 40 years of capital markets experience, having analysed and met with hundreds of Japanese companies across a wide variety of industries, AVI works with management teams, making suggestions on how to grow long-term corporate value and address share price undervaluation.

AVI's engagement focuses on four main areas of improvement: capital efficiency, ESG, shareholder communication and operational strategy. While AVI seeks to work privately and collaboratively with management teams, if progress is not made, AVI will consider sharing its ideas with other shareholders in a public forum.

Capital Structure

As at 31 December 2025, the Company's issued share capital comprised 247,873,823 Ordinary Shares of 1p each, of which 4,450,716 were held in treasury and therefore total voting rights attached to Ordinary Shares in issue were 243,423,107. As at 11 March 2026 it comprised 247,873,823 Ordinary Shares, 26,800,429 of which were held in treasury, and therefore total voting rights attached to Ordinary Shares in issue were 221,073,394.

Japan Economic Snapshot:

	Japan	Relative to Global
GDP ¹	\$4.0tn	4th largest
Population ²	123m	1.5%
Fortune Global 500 Companies	38	7.6%

¹ World Bank Data (2024).

² Source: International Monetary Fund (2025).

^{*} For definitions, see Glossary on pages 76 and 77.

COMPANY OBJECTIVES AND STRATEGY

AJOT aims to provide Shareholders with total returns in excess of the MSCI Japan Small Cap Index in GBP ("MSCI Japan Small Cap"), through the active management of a focused portfolio of equity investments listed or quoted in Japan, which have been identified by Asset Value Investors Limited as undervalued and typically have a significant proportion of their market capitalisation held in cash, listed securities and/or other realisable assets.

From left to right: Shuntaro Shimizu, Luke Hitcherson, Nicola Takada Wood, Kaz Sakai

AVI seeks to unlock this value through proactive engagement with management and capitalising on the increased focus on corporate governance, balance sheet efficiency and returns to Shareholders in Japan.

The companies in the portfolio are selected for their high quality, whether having strong prospects for profit growth or economically resilient earnings.

By investing in companies whose corporate value should grow over time, AVI can be patient in its engagement to unlock value.

Benchmark

The MSCI Japan Small Cap Index.

The Association of Investment Companies ("The AIC")

The Company is a member of The AIC.

Annual General Meeting

The Company's Annual General Meeting ("AGM") will be held at 11.30 a.m. on Tuesday, 5 May 2026 at the offices of the Association of Investment Companies, 9th Floor, 24 Chiswell Street, London, EC1Y 4YY. Shareholders will be able to submit questions to the Board and AVI ahead of the AGM and answers to these, as well as AVI's presentation, will be made available on the Company's website. Please refer to the Notice of AGM for further information and the resolutions which will be proposed at this meeting.

WHAT DO WE INVEST IN?

AJOT aims to achieve long-term capital growth by engaging with its concentrated portfolio of Japanese equities to unlock value.

Sector Breakdown (% of Portfolio)*

Consumer Durables and Apparel	22%
Media and Entertainment	13%
Transportation	12%
Capital Goods	9%
Technology Hardware and Equipment	8%
Health Care Equipment and Services	7%
Household and Personal Products	6%
Software and Services	5%
Telecommunication Services	5%
Commercial and Professional Services	5%
Real Estate Management and Development	4%
Materials	2%
Pharmaceuticals, Biotechnology and Life Sciences	1%

* % of net assets. Data may not sum to 100% due to rounding.

KEY PERFORMANCE INDICATORS ("KPIs")

NAV Performance* (2025), 1 Year:	
14.7%	(2024: 20.9%)
Since Inception ("SI")	
9.7%	SI Annualised

Ongoing Charges* (2025), 31 December 2025:	
1.4%	(2024: 1.5%)

RESPONSIBLE INVESTORS

What do we invest in?

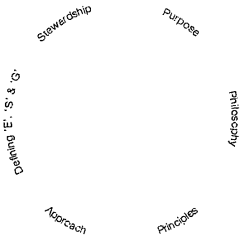
We believe that the integration of ESG and sustainability considerations into our investment strategy is not only integral to comprehensively understanding each investment's ability to create long-term value, but is also aligned with our values as responsible investors.

For further information please see pages 32 and 33.

* For definitions, see Glossary on pages 76 and 77.

Discount/Premium* (2025):	
-1.6%	
Range during the period:	
(9.5)%	1.5%

Peer Group NAV Performance (2025):	
AVI Japan Opportunity	14.7%
5.4% Baillie Gifford Shin Nippon	
Nippon Active Value	17.6%



OUR CORE VALUES

- Engaged**
Building relationships with companies, actively working together to improve shareholder value.
- Concentrated**
Our portfolio of 15-25 holdings means we devote ample resources to research and engagement for every investment.
- Long-term**
A three to five-year horizon aligns our interests with those of management.
- Unique**
Discovering overlooked and under-researched investment opportunities to unlock long-term value.
- Experienced**
Investing in the Japanese market for over two decades, with a dedicated team in London and Tokyo.

Managed at AVI. Visit the website at: www.assetvalueinvestors.com

Strategic Report / Chairman's Statement

Chairman's Statement

Overview of the Year

On behalf of the Board of Directors ("the Board") I am pleased to present the Annual Report for 2025 for AVI Japan Opportunity Trust Plc ("AJOT" or "Company").

AJOT's positive performance continued in 2025 with a NAV return of +14.7% in GBP and +22.8% in JPY. This compares to total return figures for our comparator index, the MSCI Japan Small Cap Index, of 19.8% in Sterling and 28.4% in JPY.

2025 was a transformative year with the transaction between AJOT and Fidelity Japan Trust PLC (FJV) which completed in the fourth quarter of the year. The result of the long combination process was that many FJV investors chose to join AJOT shareholders in the journey we are currently on. Now the Company's NAV exceeds £400m (growing from c. £80m at IPO), the Investment Manager has the ability to scale positions, which strengthens the capacity for engagement with portfolio companies.

For the third consecutive year, AJOT has delivered double-digit sterling-based returns. The benchmark, the MSCI Japan Small Cap Index, enjoyed strong performance in 2025, propped up by the performance of larger names that do not fall within AJOT's investment universe. The strategy continued to deliver numerous positive engagement outcomes, with two companies taken private and several meaningful share buyback announcements during the year.

AJOT continues to adhere to the highest standards of corporate governance, and the same rigorous approach was taken to the combination of the two companies. Since launch, AJOT has been grateful for a supportive shareholder register, which has helped keep the discount to NAV in low single figures. It was important to the Board and the Investment Manager that any new investors shared the desire to participate in the future success of AJOT.

To achieve that, the Boards of AJOT and FJV designed a structure that would meet those aims by allowing those who wished to no longer be invested in Japan the opportunity to exit at close to NAV. It was pleasing to both boards that 68% of FJV shareholders chose to join AJOT.

I would like to thank the Board of FJV, especially Chair David Graham and Sarah Macauley, for their help and support throughout the entire process, as well as City of London Investment Group plc for their help in prompting the initial discussions between the two companies. It is also important to recognise the work that AVI has done in this entire process, including investing the new money, while at the same time conducting our annual tender and ensuring that the portfolio continues to perform.

For the second time since inception, in September the AJOT Board visited Japan to meet with AJOT portfolio companies alongside AVI's Head of Japan Research, Kaz Sakai, and Managing Director, Nicola Takada Wood. In a highly productive week, the Board met with 6 portfolio companies, consolidating relationships with management as AVI continues its constructive approach to engagement. It was clear to us that management teams continue to be highly receptive to AVI's differentiated approach to engagement, which includes a unique focus on operational improvements in addition to traditional engagement areas.

AJOT and FJV Combination

The AJOT and FJV combination is expected to benefit all Shareholders in several ways. The combination has resulted in a more liquid and larger fund. The enlarged fund will have increased capability to take influential positions in companies where AVI has identified a significant opportunity to unlock value through AVI's active engagement. AVI has agreed to a reduced management fee of a tiered structure on assets above £300m and will continue to reinvest 25% of the management fee into AJOT shares. The new reduced management fee structure and the economies of scale will result in a reduced annual ongoing charge.

Much has been made in recent years of the fact that many investment trusts are of insufficient scale to attract wealth managers. The argument has been that smaller investment trusts have insufficient liquidity to deal with the ability to buy and sell in sufficient size required by these entities. With the combination, and our ability to issue shares at a small premium to NAV as well as our twin features of robust buy backs and an annual tender for up to 100% of shares in issue, we have addressed those concerns. I would encourage any potential investors to contact AVI and our joint brokers, Singer Capital Markets and Canaccord Genuity, to discuss how we can help you participate in the next phase of AJOT's growth.

Dividend

As provided for in the Prospectus at the IPO, the Company intends to distribute substantially all the net revenue arising from the portfolio. The Company paid an interim dividend of 1.60p per share in December 2025, as well as a special interim dividend of 0.60p per share, and the Board has elected to propose a final dividend of 0.60p per share, bringing total dividends for the year ended 31 December 2025 to 2.80p per share (2024: 2.20p per share). Former FJV shareholders on AJOT's register at the dividend record date will also receive the final dividend.

Investment Strategy

AJOT listed in October 2018 to take advantage of the highly attractive opportunity to invest in under-valued, over-capitalised Japanese small-cap equities with strong underlying business fundamentals. Active engagement and corporate action are the keys to unlocking valuation anomalies and AJOT's track record has demonstrated the potential absolute and relative returns this approach can deliver.

NORMAN CRIGHTON

Chairman, Non-Executive Director
Joined the Board in 2018

The portfolio is well placed with a concentrated yet diverse collection of high quality, lowly valued companies, with multiple levers for re-ratings.

Over seven years since launch, your Company has performed well in the face of multiple headwinds: underperformance of small-cap stocks (MSCI Small Cap Japan has returned +48% compared to the MSCI Japan's +69% return, in GBP); a -31% depreciation of the Japanese Yen which has detracted from GBP returns; and a turbulent global environment encompassing a pandemic, rapidly rising interest rates and multiple geopolitical events. The Board remains confident that AVI is well placed to continue executing the strategy and that there are still plenty of mis-priced investment opportunities to discover.

Share Discount and Issuances

As of 31 December 2025, your Company's shares were trading at a discount of -1.6% to NAV per share. The Board monitors the premium/discount and carefully manages it by periodically issuing or buying back shares. During 2025, 110,674,880 new shares were issued to shareholders of FJV as part of the combination of the two trusts, while 3,625,000 shares were bought back during the period. As of 31 December 2025, 247,873,823 shares were in circulation, a pleasing increase from the 80,000,000 shares at AJOT's launch. The Directors believe that the performance of the Company since IPO should be attractive to a larger pool of investors and are exploring avenues to continue to grow AJOT.

Realisation Opportunities

At the launch of the Company in October 2018, the Prospectus published at that time stated that the Directors may, at their discretion, offer a full or a partial exit opportunity to Shareholders in October 2022 and every two years thereafter. The rationale behind including the Exit Opportunity in the Prospectus was to ensure that if the original investment thesis did not generate the expected returns, or if circumstances had changed to make Japan unattractive, then Shareholders would be offered the opportunity to exit at close to NAV if they wished.

Considering the Board's keen focus on corporate governance, the Board decided from October 2024 to consider an Exit Opportunity on an annual basis (rather than biennially), giving Shareholders a potential Exit Opportunity in October 2026, and every 12 months thereafter.

The redemption opportunity in 2025, allowing investors to sell 100% of their share capital at a 2% discount to net asset value (NAV), resulted in 11.05% of Shareholders choosing to exercise the opportunity to exit. The Board is aware that a number of shareholders had positions in both FJV and AJOT. Following the strong uptake of the combination of FJV holdings into AJOT, the Board recognises some Shareholders' requirements to rebalance their portfolio holdings in the enlarged Company. At the time of the redemption opportunity, AJOT shares traded at a -1.6% discount (EGM date 9 January 2026).

Debt Structure and Gearing

As described in the Prospectus, the Board supports the use of gearing to enhance portfolio performance. The Company has a ¥6.6 billion debt facility, which was fully drawn as at 31 December 2025 and net gearing stood at +1.8%. Following the combination of FJV into AJOT, the Company has successfully negotiated a new ¥12.7 billion, two-year facility. This has been approved, and is being reviewed by the Company's legal counsel.

Outlook

The Tokyo Stock Exchange continues to pressure companies to embrace corporate reform to unlock the full potential of the Japanese market. The election of Sanae Takaichi as leader of the Liberal Democratic Party (and Prime Minister) in October 2025 and subsequent resounding victory in the February 2026 general election, reinforces the effort seeking to see companies enhance capital efficiency by either reinvesting excess cash into their core business operations or returning excess cash to shareholders.

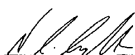
Takaichi has also spoken of corporations reducing latent cash balances by investing in their employees through wage hikes, something that we believe would be supportive of long-term corporate value. Whilst acknowledging the current geopolitical situation unfolding globally, it is at least encouraging that Japan looks likely to have political clarity for the next four years. Finally, the Financial Services Agency in Japan is currently conducting a review of the Corporate Governance Code, last reviewed in 2021, with the aim of prompting a timelier enhancement of capital efficiency.

Key tailwinds for the strategy include unwinding of cross-shareholdings, increasing shareholder activism, private equity firms targeting the Japanese market, and the Japanese government encouraging unsolicited acquisition offers.

The mounting pressure for corporate reform will continue to grow in 2026. AJOT's specialty in finding undervalued companies with robust earnings and using constructive engagement to unlock value positions it well to benefit from the ever-improving market environment. The portfolio is well placed with a concentrated yet diverse collection of high-quality, lowly valued companies, with multiple levers for re-ratings. As a board, we are confident that AJOT can build on its successful track record of engagement and will continue to deliver attractive returns for investors. AJOT's portfolio companies currently have 38% of their market cap covered by net cash and investment securities and trade at a weighted average 9.5x EV/EBIT multiple.

In the coming weeks I shall be meeting any institutional investors who would like to sit down with me, and I hope to see as many Shareholders as possible at our AGM in May.

The Board and I remain available to all our Shareholders – institutional and retail – who may wish to discuss an issue or ask a question. As always, please feel free to reach out to me directly (norman.crighton@ajot.co.uk) or contact our joint brokers, Singer Capital Markets and Canaccord Genuity, to arrange a meeting.



Norman Crighton
Chairman
12 March 2026

Strategic Report / Case Study

Reform in Full Bloom

SEASON OF GROWTH

Evidence of corporate reform's impact is mounting, and we would argue that Japan is not only already irrevocably transformed, but that we are also well into a shift in corporate culture which will have a long-term and far-reaching impact on the Japanese market. Tailwinds for Shareholder

Constructive Engagement

The market environment in Japan is more attractive and supportive of a constructive engagement strategy than previously, with several key tailwinds, including the following:

01.

Further pressure from the TSE requesting improved disclosure around capital efficiency.

02.

Unwinding of cross-shareholdings.

03.

Increasing shareholder activism impact.

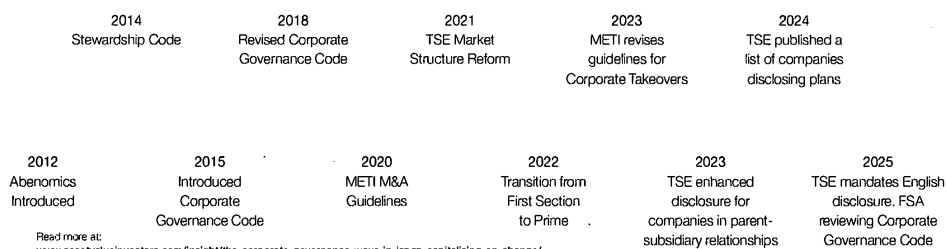
04.

Private equity firms targeting the Japanese market with dry powder.

05.

The Japanese government encouraging unsolicited acquisition offers and capital efficiency enhancement.

Recent Governance Reform:



Read more at:
www.assetvalueinvestors.com/insight/the-corporate-governance-wave-in-japan-capitalising-on-change/

KAZ SAKAI

Head of Japan Research

AVI's engagement approach has been developed over several decades, and with recent corporate governance reforms providing a supportive backdrop, together with AJOT's increased AUM, our engagement with Japanese companies has both evolved and intensified

- Q AJOT aims to achieve long-term capital growth by engaging with its portfolio of Japanese equities to unlock value; how successful were you in 2025?
- A We believe AJOT achieved a number of meaningful successes in 2025. Several companies took significant actions following our engagement, including major capital

policy changes such as the privatisations of Tecnos Japan and BEENOS, as well as asset disposals like the sale of large real estate holdings by TSI Holdings. We also saw progress in public engagement, including my appointment as an external director at Synchro Food, and the approval of shareholder proposals at Eiken Chemical.

- Q You mention you were appointed to the Board of Synchro Food. Is this a new approach for AVI's engagement strategy?
- A Engagement is a core part of our strategy, and we see this as an extension of our open and transparent effort to bring about effective corporate governance and the long-term development of a company. My aim is to partner with the management with the goal of promoting the common interests of all shareholders.
- Q You have clearly had an extremely active year. In addition to your NED appointment, as Head of Japan Research you spoke at four conferences in December alone – how important is this public-facing side of your engagement work for AJOT?
- A We believe it is beneficial for responsible investors to share their investment philosophy, especially in Japan where we invest, and this is often in response to requests from companies, universities and other institutions. Our aim is to ensure that our long-term and sustainable investment approach is clearly and accurately

understood in Japan, not only by investors and asset owners, but also corporate managers across the market.

- Q Alongside another team member, you come from a management consultancy background, how does this benefit AJOT's active engagement strategy?
- A Business-focused engagement sits at the core of AJOT's strategy. We focus not only on "traditional" areas of engagement like capital allocation, but also on improving corporate value through operational improvements. It is not uncommon for us to send 70+ pages of analysis on a company to the management and/or the Board outlining our suggestions for improvements. My background in management consulting supports this approach.
- Q Do you have the resources you need as a team to continue this approach, or do you plan to expand?
- A We are a small, tight-knit team and take a disciplined approach to hiring; it is important for us that new members are a good fit for not just our culture, but also our investment process, which is unique given our differentiated approach to engaging company management teams and the extensive level of research we conduct. We do plan to continue expanding the team with individuals who fit these criteria, and we are currently in the process of recruiting a new Japanese investment analyst in 2026 to bolster our resource and engagement efforts.

Q It has been a time of real momentum for the Trust following the FJV combination, how do you plan to keep driving change in 2026?

- A Following the increase in assets we have been able to grow our existing positions, with the aim of building an even higher conviction portfolio, and an even stronger base from which to engage. We plan to further accelerate constructive, business-focused engagement with these portfolio companies in 2026.
- Q AJOT was launched in 2018 in response to the corporate governance wave in Japan and the evolution of reform there; seven years on, are you still finding opportunities to capitalise on this?
- A Yes, very much so. Japan's governance reform remains a work in progress, with initiatives such as the request from the Tokyo Stock Exchange to have management focus on their cost of capital and share price, and the planned revision of the Corporate Governance Code in 2026. This continues to create meaningful opportunities for constructive, engagement-focussed investors like us.

1 On March 2023, Tokyo Stock Exchange, Inc. ("TSE") requested that all listed companies on the Prime and Standard Markets take "action to implement management that is conscious of cost of capital and stock price".

2 Tokyo Stock Exchange website, as of 19 February 2025.

3 Toyo Keizai newspaper, April 2024.

Strategic Report / Our Top 10 Holdings

Focus on Small and Mid-cap Businesses

The top ten equity investments make up 70% of the net assets*, with operating businesses spread across a range of sectors.

Top 10 Share of Net Assets

	% of AJOT net assets
102%	Top 10
Incl. gearing	Other holdings
	70%
	32%
	102%

* For definitions, see Glossary on pages 76 and 77.

01.

Mitsubishi Logistics

% of net assets
7.5%0.6%
EV/EBIT
2.9x

Mitsubishi Logistics is a third-party logistics provider covering the entire supply chain. The company is the largest warehouse operator in Japan, enjoys strong presence at all seven of Japan's major ports, and operates an overseas air logistics business. Mitsubishi Logistics remains substantially overcapitalised, with investment securities and real estate accounting for over 100% of the market cap.

Source / Mitsubishi Logistics

02.

Kurabo Industries

% of net assets
7.3%0.6%
EV/EBIT
4.2x

Kurabo Industries ("Kurabo") is a diversified conglomerate with significant real estate and investment securities, which accounted for over 100% of its market cap at the time of investment in early 2024, which has subsequently fallen to 69% following +189% share price appreciation. Engaged in the textile, chemical, advanced technology, food & service, and real estate businesses, Kurabo has achieved stable revenues, while its operating margin has doubled in recent years. In 2025, Kurabo pleasingly shut down its largest textiles plant, which had held back Kurabo's valuation.

Source / Kurabo Industries Ltd

03.

Eiken Chemical

% of net assets
6.0%0.6%
EV/EBIT
21.5x

Eiken Chemical is a manufacturer of medical diagnostics equipment, operating a high-quality business with a proven track record of growing sales. Eiken Chemical holds a dominant market position in colon cancer screening, with an overwhelming global market share in excess of 70%. Eiken Chemical is set to experience structural growth from the ageing population, and with an open shareholder register, the company is a potential takeover target.

Source / Eiken Chemical Co Ltd

04.

Raito Kogyo

% of net assets
5.9%0.6%
EV/EBIT
7.6x

Raito Kogyo is a leading company in the specialist construction sector, with core operations in slope construction and ground improvement together comprising over 70% of total sales. The company holds the largest market shares in these areas, with approximately 30% in slope construction and 20% in ground improvement. At the time of our investment, Raito Kogyo had achieved revenue growth at 2.4% CAGR from FY13 to FY22, with the operating profit margin consistently exceeding 10% over recent years. Raito Kogyo anticipates public project demand providing a growth runway.

Source / Raito Kogyo

05.

Sharingtechnology

% of net assets
5.9%0.6%
EV/EBIT
11.4x

Sharingtechnology operates one of the largest life service matching platforms in Japan, connecting a variety of user needs with high-quality services. With nearly 200 specialised websites and over 6,000 external service providers, the most frequent services catered for include lost keys, lawn mowing, and termite control. There are several tailwinds to support continued growth, including the declining Japanese population and the projected increase in the number of single-person households.

Source / SHARINGTECHNOLOGY INC

06.

Atsugi

% of net assets
5.9%
EV/EBIT
N/A

Atsugi is an apparel manufacturer primarily known for producing stockings, innerwear, and legwear for women. The company manufactures and retails under its own brands. Atsugi is substantially overcapitalised with Net Financial Value accounting for over 100% of the market cap.

Source / Antonia Guillem via iStock

07.

Wacom

% of net assets
5.8%
EV/EBIT
9.1x

Wacom is the global leader of digital pen solutions, and our investment was premised on the increased adoption of digital drawing and writing. Wacom manufactures its own branded tablets and sells its technology to other electronic device manufacturers. Although the Branded Business segment continues to face challenges, we are confident that through shortening the product development cycle for entry-level products and strengthening e-commerce channels, Wacom can further reinforce its position as the global leader.

Source / Wacom

08.

Synchro Food

% of net assets
5.4%
EV/EBIT
23.0x

Synchro Food operates a service matching platform for restaurants in Japan, with much of its sales coming from job listings. The company operates "Inshokuten.com" which provides an end-to-end business platform for restaurants, including supplier search, accountant search, interior design, food truck support and bulk ordering services. Synchro Food is a high-quality business, with an operating margin of c.25% and 5-year revenue annual growth of c.14%. However, capital allocation issues are holding the company back from its true valuation potential.

Source / Mapo via iStock

09.

Rohto
Pharmaceutical

% of net assets
5.4%
EV/EBIT
13.4x

Rohto is the largest skincare and eye-drop manufacturing company in Japan, yet trades at a significant discount to peers. AVI believes that Rohto's undervaluation can be explained by the lack of focus on its core businesses, misleading IR communication, and lower allocation to shareholder returns than its peers. Specifically, management needs to reallocate its R&D spending from low-profit business areas such as the prescription drug business and regenerative medicine business, towards its high-value, high market share product lines, such as skin care products.

Source / Rohto Pharmaceutical

10.

Broadmedia

% of net assets
4.2%
EV/EBIT
12.1x

Broadmedia mainly engages in online education and IT service businesses. It is a leading player in Japan running online-learning secondary schools with the brand name "Renaissance High School Group," allowing students to learn at their own pace remotely and to focus on their individual learning interests. Broadmedia's unique education curriculum allows students to study e-sports, KPOP and programming, on top of the standard arts/science curriculum. In addition to operating online-schools, Broadmedia operates an IT service business, specifically for distributing Akamai Technologies' software and solutions to domestic clients.

Source / Broadmedia

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www.assetvalueinvestors.com/ajot/how-to-invest/platforms/

Strategic Report / Investment Manager's Report

Manager's Commentary

JOE BAUERNFREUND

Portfolio Manager

2025 was another eventful year for AVI Japan Opportunity Trust Plc ("AJOT" or "Company"), both in terms of active engagement and latterly, welcoming new shareholders into the Trust following the combination with Fidelity Japan Trust PLC (FJV).

After a strong start to the year, AJOT's performance weakened in the second half of 2025, resulting in overall underperformance for the year. Japanese equity markets were again robust, and while AJOT delivered a positive absolute return of +14.7%, relative performance lagged the benchmark by -5.2% (in GBP).

In a tale of two halves, the Company was buoyed by meaningful engagement success early in the year. TSI Holdings, AJOT's largest holding at the time, sold real estate assets equivalent to 30% of its market cap. This was followed by a 15.3% buyback, into which AJOT sold its entire holding in July, successfully and neatly closing the position after three years for an ROI of +92%. Other positive results of our engagement were Kurabo Industries announcing the restructuring of its aged and

unprofitable textile business, and Tecnos Japan receiving a tender offer at a +39% premium to the undisturbed share price.

AJOT also enjoyed a successful AGM season in June, submitting shareholder resolutions to three companies. Of particular note was a shareholder proposal which was passed with a supermajority at Eiken Chemical, allowing the dividend to be determined by resolution of a general meeting of shareholders, in addition to a resolution of the Board of Directors.

AJOT also submitted shareholder proposals at Wacom, a company in which we launched a public campaign, "Draw Wacom's Future", in May 2025. In September, we were encouraged by the appearance of a constructive investor on the shareholder register, and continue to believe Wacom can reinforce its position as the global leader in digital pen solutions.

Our second ongoing public campaign is with Rohto Pharmaceutical ("Rohto"), launched in April 2025. Despite its name, Rohto is frequently mischaracterised as a pharmaceutical company; in reality, it is Japan's largest manufacturer of skincare products and eye drops, yet it trades at a significant discount to relevant peers. Consistent with our recommendations, the company announced its first medium-term management plan in May 2025 and has since outlined long-overdue pricing increases across one of its core brands.

The latter half of 2025 combined a quieter period of engagement results with an increasingly volatile macro backdrop in Japan.

The election of Sanae Takaichi as leader of the Liberal Democratic Party (and Prime Minister) in October 2025 and subsequent victory in the February 2026 general election has triggered a sustained rally across the broader market alongside renewed weakness in the Yen. Takaichi's policy agenda is perceived as supportive of defence, energy, semiconductors and advanced technology, resulting in a rally concentrated in Takaichi-aligned sectors and large-cap exporters.

The latter has been further underpinned by yen depreciation, reflecting expectations of fiscal stimulus and continued accommodative monetary policy under a Takaichi administration. This dynamic raises important questions around the future evolution of the relationship between the Bank of Japan and the new political leadership.

While she has formally respected the BoJ's institutional independence, Takaichi has been clear that monetary policy should remain aligned with the government's growth and fiscal strategy. Despite the BoJ's gradual move toward policy normalisation, the Yen has weakened to its lowest level since July 2024, shuffling off two rate hikes during that period. Given AJOT's focus on domestic smaller companies, the relative performance to the index has suffered as a result.

We would reassure investors, however, that rather than individual stock weakness over the last few weeks, we are seeing a slow period of corporate activity as we wait for several catalysts to develop. After a very strong start to the year, followed by an active few weeks over AGM season, we have taken advantage of a quiet period to build up some positions and have been busy behind the scenes, making several large ownership declarations in recent months and significantly improving our engagement position across the portfolio. How the next few weeks or months of geopolitical events will play out is anyone's guess, and how that will affect global currency markets and the Yen remains to be seen.

An example of this improved engagement position is the EGM AVI called at Synchro Food. The EGM was held by Synchro Food on 26 December 2025, having initially received our request in October, a week after LJM Japan Event Master Fund had made a separate EGM request. The results of the EGM were highly positive, with AVI's Head of Japan Research, Kaz Sakai, successfully appointed to the board as an independent director. Additionally, two internal directors were dismissed, with both a new CEO and Chairman stepping up consequently.

On 9 December 2025, AVI announced its intention to increase its combined stake across client funds from c.29% to c.40% via tender offer, at a price of 2,200 Yen per share, a 29% premium to the undisturbed share price of Broadmedia. Although not covered by the timeframe of this report, it is worth noting that the tender offer was successfully completed in January, raising AJOT's holding of Broadmedia to 43% of outstanding shares.

The examples of Synchro Food and Broadmedia illustrate the broader range of tools now available to the AVI investment team amid a more constructive environment for engagement and activism in Japan. In select situations, a more involved – and at times public – approach can be an effective means of exerting greater influence on company management, with the objective of accelerating value-enhancing change.

November marked a significant milestone for AJOT with the successful completion of the combination with FJV. Approximately 68% of FJV shareholders elected to roll into AJOT, providing a meaningful uplift in capital. The team deployed this additional capital selectively, adding to high-conviction existing holdings while initiating positions in new investment ideas. The combination also enhances the team's ability to deploy capital at scale and strengthens our capacity for constructive engagement with portfolio companies.

The environment over the past few months has allowed us to build positions while intensifying engagement with portfolio companies. At year end, AJOT held more than 5% of voting rights in nine names, accounting for 37% of NAV. Combined with AVI's holdings across other funds which are invested in the same names, AVI holds more than 5% of voting rights in 13 AJOT names, accounting for 54% of NAV. We are particularly encouraged by the appearance of other activists and like-minded investors on the share registers of some of our portfolio companies and look forward to seeing the results of the engagement groundwork we have laid as we head into 2026.

Contributors

01 Kurabo Industries

Contribution (GBP)	% of net assets
3.66%	7.3%
EV/EBIT	NFV/Market Cap
4.2x	69%

C

Kurabo Industries ("Kurabo") was the largest contributor, adding +366bps to performance as its share price increased by +47% over the year.

Kurabo, established in 1888 as a textile manufacturer, has diversified its operations over the years to include chemicals, advanced technology, food and services, and real estate. Kurabo has a history of stable revenues and has doubled its operating margin in recent years.

Much of our engagement with the company has focused on encouraging management to direct resources towards the high-quality chemicals and advanced technology segments, and away from the unprofitable textiles business.

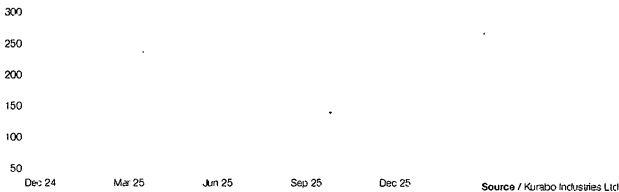
In March this year, the company announced plans in line with our recommendations to close its largest and most unprofitable textile factory. In May, Kurabo announced a new medium-term plan with increased commitment to shareholder returns, which include a 4.0% DOE target and ¥20.0bn buyback plans. In a continuation of positive announcements, in September, Kurabo announced it had completed the ¥6.0 billion buyback program (7.3% of total shares) started in November 2024, and in November it disclosed another ¥7.0 billion buyback program (6.0% of total shares).

Across all AVI client funds, as of year-end, AVI controls 5.1% of the shares, with the company accounting for 7.3% of AJOT's NAV. Our engagement with Kurabo continues steadfast in 2026 to unlock the company's full potential and maximise corporate value.

To year-end, the investment has returned an ROI of +53% for an IRR of +66% since being added to the portfolio in January 2024 (in JPY).

01 Kurabo Industries

Indexed Share Price



Contributors continued

02
Raito Kogyo

Contribution (GBP)	% of net assets
2.73%	5.9%
EV/EBIT	NFV/Market Cap
7.6x	25%

Raito Kogyo was the second largest contributor, adding +273bps to performance as its share price rose by +52% in 2025.

Raito Kogyo is a leading company in the specialist construction sector, with core operations in slope construction and ground improvement – together comprising over 70% of total sales. The company holds the largest market shares in these areas, with approximately 30% in slope construction and 20% in ground improvement.

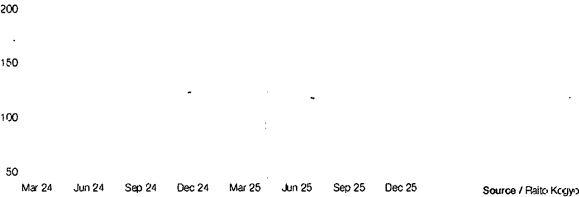
AVI's engagement with the company to date has focused on enhancing capital efficiency, corporate governance and shareholder communication. During the year, AVI continued to build its stake in Raito Kogyo across AVI funds, as we sought to step up our influence with the company and use engagement to drive the necessary change to unlock value.

Raito Kogyo's share price rise in 2025 was mainly driven by the positive disclosure regarding shareholder returns in February, when the company announced a 6.0% DOE/50% payout target and a ¥15.0 billion buyback plan. This was followed by positive earnings announcements, with the full-year results announcement in May showing +4% annual revenue growth and +14% growth in operating income. As of the latest earnings announcement in November 2025, operating income is forecast to grow by a further +7% in the year ending March 2026, while the top line is set to grow by +5%.

Held in the portfolio since March 2024, Raito Kogyo accounted for 5.9% of AJOT's NAV at year-end. We see significant upside to the current share price, and to year-end, the investment has returned an ROI of +24% for an IRR of +40% (in JPY).

02 Raito Kogyo

Indexed Share Price



03
TSI Holdings

Contribution (GBP)	% of net assets
2.05%	Exited
EV/EBIT	NFV/Market Cap
Exited	Exited

TSI Holdings, was the third largest contributor, adding +205bps as its share price rose by +0% from the start of 2025 to our exit in late July, when we sold the remainder of our stake into the 15.3% share buyback completed by the company. Earlier in the year, we also sold much our stake at a price c.15% higher than the final exit price.

Our investment thesis was predicated on valuation of TSI Holdings’ real estate assets, investment securities and net cash exceeding the market cap at the time of investment, as well as their diversified brand portfolio and diminishing founding family influence. Pleasingly, in line with our suggestions, in April 2024 the company announced a mid-term plan focusing on improving EBIT margin as well as optimising non-operating assets to improve capital efficiency.

The apparel holding company enjoyed a period of very strong share price performance to start 2025, having announced the sale of its former HQ building for a value equal to c.30% of the market cap in mid-January.

Across all AVI client funds combined, we were the largest shareholder, owning more than 10% of the shares at one stage. AVI engaged extensively with management on ways to enhance operations, capital efficiency, governance and shareholder communications.

Over the holding period from July 2022 to July 2025, the investment generated an ROI of +92% for an IRR of +46% (in JPY).

03 TSI holdings

Indexed Share Price



Strategic Report / Investment Manager's Report continued

Contributors continued

04
Tecnos Japan

Contribution (GBP)	% of net assets
1.75%	Exited
EV/EBIT	NFV/Market Cap
Exited	N/A

Tecnos Japan was another notable contributor, adding +175bps as its share price rose by +39% from the beginning of 2025 to the company's privatisation in March 2025.

An IT services company, Tecnos Japan is engaged in the business of providing information technology services, especially the installation of Enterprise Resource Planning (ERP) systems. Our investment thesis was built on the track-record of high-quality earnings under the digitalisation trend in Japan, with revenue growing at a +13% CAGR and operating margins consistently in the low double digits, in addition to the overcapitalised balance sheet that had net financial value equal to c.35% of the market cap.

As per the regulatory news service announcement on 4 February, AVI signed a tender agreement with Ant Capital Partners Co., Ltd. (the "Offeror") for AVI's 10% stake in Tecnos Japan. The tender offer price of ¥1,155 per share represented a +39% premium to the undisturbed closing price on 4 February 2025.

As the largest shareholder of Tecnos Japan, AVI has engaged extensively with the company's Board on ways to enhance corporate value and returns to shareholders. Tecnos Japan serves as another example of how AJOT's concentrated portfolio of asset-backed Japanese small-caps can benefit from AVI's active engagement strategy against a backdrop of rapidly increasing corporate activity in Japan.

Tecnos Japan was held in AJOT from April 2024 to March 2025, with the investment generating a +62% ROI for a +109% IRR (in JPY).

05
Wacom

Contribution (GBP)	% of net assets
1.63%	5.8%
EV/EBIT	NFV/Market Cap
9.1x	12%

Wacom was the fifth largest contributor to performance, adding +163bps as its share price rose +12% over the year.

Across all funds, AVI controls over 13% of the vote in Wacom, which is the global leader of digital pen solutions. Our investment is premised on the increased adoption of digital drawing and writing, relative undervaluation, and scope for improvement through engagement. Wacom manufactures its own branded tablets and sells its technology to other electronic device manufacturers.

In May 2025, AVI launched a public campaign titled 'Draw Wacom's Future', in which we highlighted several constructive suggestions, since then the share price has risen by +47%. We are concerned by the poor performing Branded Business Segment, which has consistently posted losses since 2022.

Alongside the public campaign, we formally submitted shareholder proposals to the AGM. These proposals called for appointment of an independent director, establishment of a Transformation Plan Supervisory Committee, better handling of acquisition proposals, allowing shareholders to determine the dividend at the AGM, a share buyback, and defining total shareholder return as a metric to determine stock-based compensation for internal directors.

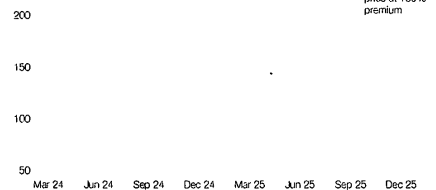
During September, constructive yet active investor Kaname Capital declared 5% ownership in Wacom, with the shares rising a further +5% to month-end.

Although the Branded Business segment continues to face challenges, we are confident that through shortening the product development cycle and strengthening e-commerce channels, Wacom can further reinforce its position as the global leader.

Added to the portfolio in August 2021, the company accounted for 5.8% of AJOT's NAV at year-end as a top ten holding. We see significant upside through our constructive engagement and to year-end, the investment has returned an ROI of +23% for an IRR of +11% (in JPY).

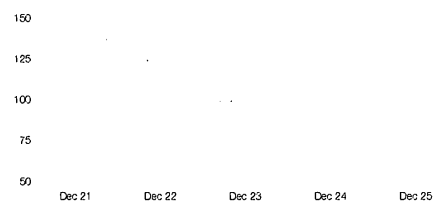
04 Tecnos Japan

Indexed Share Price



05 Wacom

Indexed Share Price



Detractors

06 Aoyama Zaisan Networks

Contribution (GBP)	% of net assets
-1.32%	3.1%
EV/EBIT	NFV/Market Cap
5.2x	35%

Aoyama Zaisan Networks (AZN) was the largest detractor, reducing performance by -132bps as its share price fell by -17% in 2025.

AZN specialises in providing wealth management consulting services across areas such as property, succession planning, corporate finance and strategic management of individual assets. AZN is set to benefit from the aging Japanese population as the need for inheritance and business succession consulting is on the rise.

In December 2025, AZN revised its revenue guidance downwards by -11% for FY2025 due to revenue from transactions at Advantage Club, AZN's real estate co-ownership platform, being pushed into later periods due to the announcement of upcoming tax reform. While operating profit remained unchanged at ¥3.85bn, the market perceived this as a negative signal for future earnings potential, with the share price drifting -7% lower in the following five trading days.

At the time we initiated our investment in March 2024, AZN's stock price had been flat for the previous five years, despite operating income that had continued to grow steadily and non-operating assets that had expanded to c.47% of its market cap as of the end of December 2023 (now c.35%).

AZN was added to the portfolio in March 2024, and at year-end accounted for 3.1% of AJOT's NAV. To date, the investment has returned an ROI of +7% for an IRR of +7% (in JPY).

07 Aichi Corp.

Contribution (GBP)	% of net assets
-0.35%	Exited
EV/EBIT	NFV/Market Cap
Exited	Exited

Aichi was the second largest detractor over the year, reducing performance by -35bps as its share price declined by -11% from 2024 year-end to our exit in late March 2025.

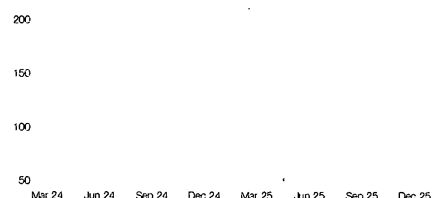
Aichi is a leading manufacturer of special purpose vehicles used in construction in Japan, such as aerial work platforms. The company is a listed subsidiary of Toyota Industries (TICO), and a possible candidate for a takeover. We engaged with management in a friendly manner on various corporate governance issues relating to its parent/subsidiary relationship.

AVI launched a public campaign titled 'Taking Aichi Higher' in May 2024, urging Aichi and TICO to dissolve the listed subsidiary structure to address the persistent undervaluation and unlock Aichi's full potential. Addressing our campaign, Aichi announced a new capital policy in March, in which TICO would sell some of its Aichi stake to ITOCHU Corporation, and Aichi would also buy back shares from TICO via tender offer, with a view to dissolving the listed subsidiary structure. Following this announcement, we made the decision to allocate capital to more promising ideas, as the parent/subsidiary issue was at least resolved, although not in the manner that investors had hoped.

Over our holding period from November 2019 to March 2025, the investment period generated an ROI of +52% for an IRR of +18% (in JPY).

06 Aoyama Zaisan Networks

Indexed Share Price



07 Aichi Corp.

Indexed Share Price



Detractors continued

08
Mitsubishi Logistics
Corp.

Contribution (GBP)	% of net assets
-0.31%	7.5%
EV/EBIT*	NFV/Market Cap*
2.9x	87%

Mitsubishi Logistics was the third largest detractor, reducing performance by -31bps as its share price was roughly flat, returning +3%, as we added to our stake during the year.

Mitsubishi Logistics is a third-party logistics provider covering the entire supply chain. The company is the largest warehouse operator in Japan, enjoys strong presence at all seven of Japan's major ports, and operates an overseas air logistics business.

The company has an ongoing share buyback programme, announced in May 2025, to repurchase 9.2% of the shares (33m) by March 2026. In early October, Mitsubishi Logistics announced the programme was only 27% complete, and we hope management are taking advantage of the recent share price weakness. The company announced its Q2 earnings on 31 October 2025, with full-year operating profit guidance revised downward from ¥20.0 billion to ¥16.0 billion.

Mitsubishi Logistics remains substantially overcapitalised, with investment securities and real estate accounting for more than 100% of the market cap. We will continue to constructively engage with management to encourage the timely liquidation of investment securities and rotation of real estate to limit the accumulation of unrealised capital gains.

Mitsubishi Logistics was added to the portfolio in January 2025, and at year-end accounted for 7.5% of AJOT's NAV as the largest holding. To date, the investment has returned an ROI of +3% for an IRR of +9% (in JPY).

* The NFV and EV/EBIT estimates differ to the reported figures in the December 2025 Factsheet due to a post period-end change in the NFV calculation for Mitsubishi Logistics.

09 Mitsubishi Logistics Corp.

Indexed Share Price



Source / Mitsubishi Logistics

09
Konishi

Contribution (GBP)	% of net assets
-0.30%	Exited
EV/EBIT	NFV/Market Cap
Exited	Exited

Konishi was another, albeit relatively minor detractor, reducing performance by -30bps as its share price fell by -6% from year-end to the date we exited our stake in July 2025.

Konishi is the manufacturer of the no.1 adhesive brand in Japan, 'Bond', used in construction and civil engineering projects, as well as household tasks. Moreover, the company manufactures industrial chemicals and synthetic resins, as well as operating in the business of infrastructure construction and repairs.

At the peak of our investment period, we were the largest shareholder in the company, and we engaged closely with management, putting forward a variety of suggestions to address the undervaluation. Over our near seven-year holding period, despite revenue only growing at a modest +1% annually, the operating margin increased from 5.6% in 2018 to 7.8% in 2025, as operating income grew at +6% annually.

Having held a position in AJOT since inception in October 2018, the investment generated an ROI of +74% for an IRR of +13% (in JPY).

10
Wakamoto
Pharmaceutical

Contribution (GBP)	% of net assets
-0.26%	1.0%
EV/EBIT	NFV/Market Cap
N/A	93%

Wakamoto Pharmaceutical ("Wakamoto"), was the fifth largest detractor, reducing performance by -26bps as its share price rose modestly by +4% from the date we started adding to the position to 2025 year-end.

Wakamoto operates three pharmaceutical segments, including prescription eyecare products, as well as sales of over-the-counter (OTC) medicines, both in Japan and overseas. The prescription eyecare business is loss-making and has been a consistent drag on Wakamoto's operational performance. In contrast, the OTC segments each enjoy positive operating margins, with domestic sales particularly profitable.

Rohto Pharmaceutical, which accounts for 5.4% of AJOT's NAV, is the largest shareholder in Wakamoto, owning over 11% of the company's shares.

Following the Q1 earnings announcement for the financial year ending March 2026 on 5th August, which showed the domestic OTC business had generated an operating loss, the shares traded down -11% to 2025 year-end. Pleasingly, the November Q2 earnings announcement showed the domestic OTC segment had returned to profitability, achieving a 10.9% operating margin in H1.

Having held a position in AJOT since inception in February 2025, the investment has so far generated an ROI of -5% for an IRR of -6% (in JPY) to year-end.

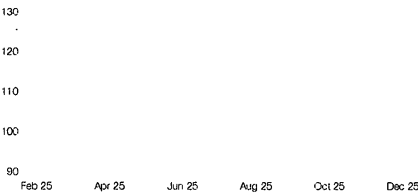
09 Konishi

Indexed Share Price



10 Wakamoto Pharmaceutical

Indexed Share Price



Strategic Report / Portfolio Construction

The objective of AVI's portfolio construction is to create a concentrated position in 15-25 holdings, facilitating a clear monitoring process of the entire portfolio.

AVI picks stocks that meet our investment criteria and once we decide to invest, a minimum position size of approximately 2% of the portfolio is initiated. In determining position sizes, AVI is mindful of liquidity and the likely timing of any catalysts to unlock value. A key consideration is the make-up of the shareholder register, a proxy for how receptive management might be to our suggestions. The portfolio is diverse in the industries within it, however, we are sector agnostic and select investments based on quality and value.

AVERAGE VOTING OWNERSHIP OF PORTFOLIO COMPANIES ACROSS ALL AVI FUNDS



PORTFOLIO VALUE BY SECTOR*

	2025	2024
Consumer Durables and Apparel	22%	22%
Media and Entertainment	13%	4%
Transportation	12%	0%
Capital Goods	9%	15%
Technology Hardware and Equipment	8%	3%
Health Care Equipment and Services	7%	11%
Household and Personal Products	6%	2%
Software and Services	5%	7%
Telecommunication Services	5%	3%
Commercial and Professional Services	5%	0%
Real Estate Management and Development	4%	6%
Materials	2%	15%
Pharmaceuticals, Biotechnology and Life Sciences	1%	0%
Consumer Discretionary, Distribution and Retail	0%	12%

* % of net assets. Data may not sum to 100% due to rounding.

EQUITY PORTFOLIO VALUE BY MARKET CAPITALISATION

	2025	2024
<£250mn	42%	29%
£250mn – £500mn	12%	32%
£500mn – £750mn	23%	30%
£750mn – £1bn	7%	3%
£1bn – £2.5bn	10%	4%
>£2.5bn	6%	2%

TOP 10 CONCENTRATION (% OF NET ASSETS)



Strategic Report / AVI Japan Investment Team

AVI JAPAN INVESTMENT TEAM

From left to right: Kaz Sakai (Head of Japan Research), Joe Bauernfreund (Portfolio Manager), Luke Hutcherson (Investment Analyst), Nicola Takada Wood (Managing Director Japan), Shuntaro Shimizu (Senior Investment Analyst).
Not pictured: Ross McGarry (Senior Investment Analyst).

Portfolio Trading Activity

AJOT saw a total of 14 new listed companies enter the portfolio (in addition to five private companies received as part of the combination with FJV). Meanwhile, 11 names exited the portfolio, two of which followed tender offer bids (Beenos and Tecnos Japan). This resulted in higher apparent turnover for the portfolio in 2025, at 69% compared to the annualised turnover of 38% since inception. The sale of ETFs received in relation to the combination with FJV in late November further elevated turnover.

Adjusted for the aforementioned factors, turnover in 2025 was somewhat more in line with AJOT's historical average, at 48%. The targeted holding period for our strategy is typically three to five years, however, this may be shortened by catalysts such as tender offers or share buybacks, often a result of our active engagement approach.

The largest purchases over the period were predominantly in new positions entering the portfolio in 2025, namely Mitsubishi Logistics, Synchro Food, Sanyo Shokai and Maruzen Showa Unyu. We also added notably to existing stakes such as Raito Kogyo, Rohto Pharmaceutical, Kurabo Industries and Wacom.

The largest sales during 2025 were the ETFs received as part of the combination with F.V. Outside of these, TSI Holdings, discussed previously, was the largest sale as we exited our position. We also exited Beenos early in 2025 following receipt of advanced notice of a tender offer bid in November 2024.

Outlook

The combination of rising pressure from regulators and activists in 2025 presents a compelling opportunity to unlock substantial value in small to mid-cap Japanese companies in 2026 and beyond. With several key tailwinds and a deeply under researched market, our conviction in the strategy remains as high as ever. We look forward to continuing our active engagement with companies to drive the catalysts needed to grow long-term corporate value and generate significant alpha.

Joe Bauernfreund
Asset Value Investors Limited
12 March 2026

Strategic Report / Investment Portfolio
As at 31 December 2025

Company	Stock Exchange Identifier	% of investee company	Cost £'000*	Market value £'000	% of AJOT net assets	NFV/Market capitalisation ¹	EV/EBIT ¹
Mitsubishi Logistics ²	TSE: 9301	1.5%	33,130	32,035	7.5%	87%	2.9
Kurabo Industries	TSE: 3106	4.6%	21,838	31,089	7.3%	69%	4.2
Amova Listed IDX Fund Topix ^{3,4}	TSE:1308	0.0%	30,059	30,461	7.2%		
Nomura NF Topix ^{3,4}	TSE:1306	0.0%	29,983	30,371	7.1%		
Eiken Chemical	TSE: 4549	6.5%	22,579	25,694	6.0%	15%	21.5
Raito Kogyo	TSE: 1926	3.5%	21,785	25,283	5.9%	25%	7.6
Sharingtechnology ^{4,5}	TSE: 3989	18.3%	21,296	25,169	5.9%	18%	11.4
Atsugi	TSE: 3529	24.2%	20,573	24,929	5.9%	102%	
Wacom	TSE: 6727	4.8%	23,743	24,688	5.8%	12%	9.1
Synchro Food	TSE: 3963	23.8%	19,210	23,187	5.4%	-1%	23.0
Top 10 investments			244,196	272,906	64.0%		
Rohto Pharmaceutical	TSE: 4527	0.8%	22,696	22,868	5.4%	10%	13.4
Broadmedia	TSE: 4347	23.9%	14,762	17,690	4.2%	35%	12.1
Aoyama Zaisan Networks	TSE: 8929	7.0%	14,276	13,138	3.1%	35%	5.2
Sanyo Shokai	TSE:8011	7.0%	12,170	13,132	3.1%	45%	12.7
Maruzen Showa Unyu	TSE: 9068	1.5%	10,466	12,228	2.9%	20%	8.4
Ines	TSE:9742	4.9%	9,594	9,445	2.2%	36%	14.8
Asiro	TSE:7378	18.0%	9,091	9,294	2.2%	19%	6.1
Foster Electric	TSE:6794	2.8%	8,953	8,871	2.1%	10%	7.3
DTS	TSE: 9682	0.9%	6,676	8,572	2.0%	19%	9.9
Senshu Electric	TSE:9824	1.6%	7,286	7,548	1.8%	40%	6.3
Top 20 investments			360,166	395,692	93.0%		

* Please refer to Glossary on pages 76 and 77.

¹ Estimates provided by AVI. For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 76 and 77.

² The NFV and EV/EBIT estimates differ to the reported figures in the December 2025 Factsheet due to a post period-end change in the NFV calculation for Mitsubishi Logistics.

³ Investments acquired as part of the combination with FJV.

⁴ These Exchange Traded Fund ("ETF") holdings provided passive exposure to the Japanese equity market following the combination with FJV.

⁵ 219,700 Sharingtechnology shares were acquired as part of the combination with FJV at a cost of £1,093,000.

Company	Stock Exchange Identifier	% of investee company	Cost £'000*	Market value £'000	% of AJOT net assets	NFV/Market capitalisation†	EV/EBIT‡
Quick	TSE:4318	2.3%	5,372	5,622	1.3%	31%	7.7
Asoview Inc ^{3,1}			5,342	5,589	1.3%		
Saxa	TSE:6675	3.0%	4,766	5,341	1.3%	26%	8.2
Shin Etsu Polymer	TSE: 7970	0.6%	3,272	4,389	1.0%	29%	8.4
Wakamoto Pharmaceutical	TSE: 4512	8.6%	4,711	4,044	1.0%	93%	
Go VRN ^{3,1}			3,035	3,212	0.8%		
SK Kaken	TSE: 4628	0.3%	3,041	2,405	0.6%	79%	2.6
Kokuyo	TSE: 7984	0.1%	2,079	2,350	0.5%	58%	6.2
Studyplus Inc ^{3,1}			1,862	1,988	0.5%		
The Iyell Co ^{3,1}			1,669	1,736	0.4%		
Top 30 investments			395,815	432,368	101.7%		
Yoris ^{3,1}			546	543	0.1%		
Total investments			396,361	432,911	101.8%		
Other net assets and liabilities				(7,620)	(1.8%)		
Net assets				425,291	100.0%		

* Please refer to Glossary on pages 76 and 77.

1 Estimates provided by AVI. For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 76 and 77.

3 Investments acquired as part of the combination with FJV.

† Level 3 investment (see note 15).

Strategic Report / Business Model

Business Model

Company Status

The Company is registered as a public limited company under the Companies Act 2006 and is an investment company under Section 833 of the Companies Act 2006. It is a member of The AIC.

The Company was incorporated on 27 July 2018 and listed on the London Stock Exchange on 23 October 2018.

The Company has been approved as an investment trust under Sections 1158/1159 of the Corporation Tax Act 2010. The Directors are of the opinion, under advice, that the Company continues to conduct its affairs as an Approved Investment Trust under the Investment Trust (Approved Company) (Tax) Regulations 2011.

The Company qualifies as an Alternative Investment Fund in accordance with the Alternative Investment Fund Managers Directive ("AIFMD").

Investment Objective

The Company's investment objective is to provide Shareholders with a total return in excess of the MSCI Japan Small Cap Index, through the active management of a focused portfolio of equity investments listed or quoted in Japan which have been identified by AVI as undervalued and having a significant proportion of their market capitalisation held in cash, listed securities and/or realisable assets.

Investment Policy

The Company invests in a diversified portfolio of equities listed or quoted in Japan which are considered by the Investment Manager to be undervalued and where cash, listed securities and/or realisable assets make up a significant proportion of the market capitalisation. AVI seeks to unlock this value through proactive engagement with management and taking advantage of the increased focus on corporate governance and returns to shareholders in Japan. The Board has not set any limits on sector weightings or stock selection within the portfolio.

Whereas it is not expected that a single holding (including any derivative instrument) will represent more than 10% of the Company's gross assets at the time of investment, the Company has discretion to invest up to 15% of its gross assets in a single holding, if a suitable opportunity arises.

No restrictions are placed on the market capitalisation of investee companies, but the portfolio is weighted towards small and mid-cap companies. The portfolio normally consists of between 15 and 25 holdings although it may contain a lesser or greater number of holdings at any time.

The Company may invest in exchange traded funds, listed anywhere in the world, in order to gain exposure to equities listed or quoted in Japan. On acquisition, no more than 15% of the Company's gross assets will be invested in other UK listed investment companies.

The Company may also use derivatives for gearing and efficient portfolio management purposes.

The Company will not be constrained by any index benchmark in its asset allocation.

Borrowing Policy

The Company may use borrowings for settlement of transactions, to meet ongoing expenses and may be geared through borrowings and/or by entering into long-only contracts for difference or equity swaps that have the effect of gearing the Company's portfolio to seek to enhance performance.

The aggregate of borrowings and long-only contracts for difference and equity swap exposure will not exceed 25% of NAV at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate. It is expected that any borrowings entered into will principally be denominated in JPY.

Hedging Policy

The Company does not hedge its currency exposure using financial instruments such as derivatives, forward contracts, or options.

Although there are no current plans to hedge investments denominated in JPY, the Investment Manager and the Board will periodically review this policy.

Material Changes to the Investment Policy

No material change will be made to the Company's investment policy without Shareholder approval. In the event of a breach of the Company's investment policy, the Directors will announce through a Regulatory Information Service the actions which have been taken to rectify the breach.

HOW WE INVEST

Portfolio Characteristics

1	Undervalued and Surplus Cash	140	0%
2	Small to Mid-Cap Focused with sufficient liquidity	100	-20%
3		60	-40%
4	Engagement Prospects		-60%
			-80%
		Share price NAV Discount (%RHS)	

Theoretical example of how returns are generated in an AJOT investment.

Defining our Universe

c.3,900

Listed Japanese Companies

c.800

Companies in the AJOT Universe

1	2	3	4
Overcapitalised, with significant net financial value ¹	Sufficient average daily traded value	Low EV/EBIT relative to peers, typically <10x	Sector agnostic, typically excluding financial sector

¹ Net Financial Value ("NFV") = cash + investment securities – net debt – minority interest.

Strategic Report / Business Model continued and Directors' Duties

The Company has an independent Board of Directors which has appointed AVI, the Company's Investment Manager, as Alternative Investment Fund Manager ("AIFM") under the terms of an Investment Management Agreement ("IMA") dated 6 September 2018. The IMA is reviewed annually by the Board and may be terminated by one year's notice from either party subject to the provisions for earlier termination as stipulated therein.

The portfolio is managed by Joe Bauernfreund, the Chief Executive Officer and Chief Investment Officer of AVI. He also manages AVI Global Trust PLC, and AVI's open-ended and segregated portfolios across Family Holding Companies and Japan strategies. Mr Bauernfreund conducts regular visits to Japan, engaging with prospective and current investments, which he has done for over 15 years.

Management fees are charged in accordance with the terms of the management agreement, and provided for when due. During the year, as announced on 27 November 2025, the Company and the Investment Manager agreed a new competitive management fee structure. Effective from that date, the Investment Management fee is calculated on the lesser of the Company's NAV or Market Capitalisation at a rate of 1% per annum on the first £300 million; 0.95% over £300 million and up to £350 million; and 0.90% over £350 million, invoiced monthly in arrears. The IMA requires AVI to invest not less than 25% of the management fee in shares in the Company. Management fees paid during the year were £2,222,000 and the number of shares held by AVI is set out in note 16.

J.P. Morgan Europe Limited was appointed as Depositary under an agreement with the Company and AVI dated 6 September 2018 (the "Depositary Agreement"). The Depositary Agreement is terminable on 90 calendar days' notice from either party.

JPMorgan Chase Bank, London Branch, has been appointed as the Company's Custodian under an agreement dated 6 September 2018 (the "Custodian Agreement"). The Custodian Agreement is terminable on 90 calendar days' notice from the Company or 180 calendar days' notice from the Custodian.

MUFG Corporate Governance Limited was appointed as corporate Company Secretary on 27 July 2018. The current annual fee is £82,000 per annum excluding any out of scope, such as project related, fees, which is subject to an annual RPI increase. The agreement may be terminated by either party on six months' written notice.

Waystone Administration Solutions (UK) Limited has been appointed to provide general administrative functions to the Company. The Administrator receives an annual fee of £139,000, which is subject to an annual RPI increase. The agreement can be terminated by either the Administrator or the Company on six months' written notice, subject to an initial term of one year.

Directors' Duties

Overview

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2006 ("Section 172"). In doing so, Directors must take into consideration the interests of the various stakeholders of the Company, the impact the Company has on the community and the environment, take a long-term view on consequences of the decisions they make, as well as aim to maintain a reputation for high standards of business conduct and fair treatment between the members of the Company.

Fulfilling this duty naturally supports the Company in achieving its investment objective and helps to ensure that all decisions are made in a responsible and sustainable way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains how the Directors have discharged their duty under Section 172 below.

To ensure that the Directors are aware of, and understand, their duties, they are provided with the pertinent information when they first join the Board, as well as receive regular and ongoing updates and training on the relevant matters. They also have continued access to the advice and services of the Company Secretary, and, when deemed necessary, the Directors can seek independent professional advice. The schedule of matters reserved for the Board, as well as the terms of reference of its committees, are reviewed on at least an annual basis and further describe Directors' responsibilities and obligations and include any statutory and regulatory duties. The Audit Committee has the responsibility for the ongoing review of the Company's risk management systems and internal controls and, to the extent that they are applicable, risks related to the matters set out in Section 172 are included in the Company's risk register and are subject to periodic and regular reviews and monitoring.

In preparing for provision 34 of the AIC Code, the Audit Committee has reviewed and monitored the Risk Matrix which informed the material controls required by the Company in order to strengthen and maintain its internal control framework.

Decision making

The importance of stakeholder considerations, in particular in the context of decision-making, is taken into account at every Board meeting. All discussions involve careful consideration of the longer-term consequences of any decisions and their implications for stakeholders. Examples of decisions made by the Board on this basis include the combination with FJV as discussed on page 6, as the Directors carefully considered the interests of Shareholders as a whole in each step of the process, as well as considering that the overall outcome of the transaction will deliver benefits of scale to the Company's Shareholders. Another example was the buyback of 3,625,000 shares during the year under review in order to control the discount, as the Board believes that this is in the interest of Shareholders as a whole. The Board also decided that it would be beneficial to visit Japan in person, to meet with a variety of portfolio companies, market participants and the Company's Japanese service providers. This visit further deepened the Directors' understanding of the opportunity set and of how the Company can be best positioned to benefit and thereby increased the Directors' ability to fulfill their responsibilities to stakeholders.

Strategic Report / Directors' Duties continued

STAKEHOLDERS

The Board seeks to understand the needs and priorities of the Company's stakeholders and these are taken into account during all its discussions and as part of its decision-making. The Board has discussed which parties should be considered as stakeholders of the Company.

Following thorough review, it was concluded that, as the Company is an externally managed investment company and does not have any employees or customers, its key stakeholders comprise its Shareholders and service providers. The section on the pages following discusses why these stakeholders are considered of importance to the Company and the actions taken to ensure that their interests are taken into account.

Stakeholder

Importance

Board Engagement

Shareholders

Continued Shareholder support and engagement are critical to the existence of the Company and the delivery of the long-term strategy of the Company.

The Company has over 800 Shareholders, including institutional and retail investors. The Board is committed to maintaining open channels of communication and to engaging with Shareholders in a manner which they find most meaningful, in order to gain an understanding of the views of Shareholders. These include:

Annual General Meeting

The Company welcomes and encourages attendance and participation from Shareholders at the AGM. Shareholders have the opportunity to meet the Directors and Investment Manager and to address questions to them directly. Shareholders who are unable to attend the AGM in person are offered the opportunity to submit questions via email. The Investment Manager attends the AGM and provides a presentation on the Company's performance and the future outlook, which is made available on the Company's website following the meeting. The Company values any feedback and questions it may receive from Shareholders ahead of and during the AGM and will take action or make changes, when and as appropriate;

Publications

The Annual Report and Half-Year results are made available on the Company's website and the Annual Report is circulated to Shareholders. These reports provide Shareholders with a clear understanding of the Company's portfolio and financial position. This information is supplemented by the daily calculation and publication of the NAV per share and a monthly factsheet and quarterly reports which are available on the Company's website and the publication of which is announced via a Regulatory Information Service. Feedback and/or questions the Company receives from the Shareholders help the Company evolve its reporting, aiming to render the reports and updates transparent and understandable;

Shareholder Meetings

Unlike trading companies, Shareholder meetings often take the form of meeting with the Investment Manager rather than members of the Board. Shareholders are able to meet with the Investment Manager throughout the year and the Investment Manager provides information on the Company and videos on the Company's website and via various social medial channels. Feedback from all meetings between the Investment Manager and Shareholders is shared with the Board. The Chairman, the Chairman of the Audit Committee or other members of the Board are available to meet with Shareholders to understand their views on governance and the Company's performance where they wish to do so. With assistance from the Investment Manager, the Chairman seeks meetings with Shareholders who might wish to meet with him and Shareholders can contact him through our broker, Singer Capital Markets;

Shareholder Concerns

In the event Shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chairman at the registered office. Other members of the Board are also available to Shareholders if they have concerns that have not been addressed through the normal channels; The Chairman engages with Shareholders by reaching out to major Shareholders on a regular basis and he makes himself available for meetings with Shareholders when this is requested.

Stakeholder	Importance	Board Engagement
Shareholders continued		Exit Opportunities The Directors may, at their discretion, offer Shareholders the opportunity to exit the Company at close to NAV on a regular basis. On 9 December 2025, the Company offered Shareholders the chance to tender some or all of their shares for sale at a two per cent. discount to NAV. The Company had planned to offer Shareholders the Exit Opportunity in October 2025, however, this was delayed due to the combination with Fidelity Japan Trust PLC's ("FJV") assets into the Company, as announced on 12 August 2025. Following the successful combination with the FJV assets, the former shareholders of FJV were able to then participate in the Exit Opportunity which was subsequently approved at the general meeting held on 13 January 2026. 26,899,713 Ordinary Shares, representing approximately 11.05% of the Issued Capital excluding Shares held in treasury at that date, were tendered and bought into treasury. In accordance with the Board's decision in 2024 and in furtherance of the Board's continued ongoing commitment to corporate governance, the Directors expect to continue to offer Exit Opportunities to Shareholders annually with the next Exit Opportunity likely to take place in October 2026; Investor Relations updates At every Board meeting, the Directors receive updates from the Company's broker on the share trading activity, share price performance and any Shareholders' feedback, as well as an update from the Investment Manager on any publications or comments by the press. To gain a deeper understanding of the views of its Shareholders and potential investors, the Investment Manager also undertakes regular Investor Roadshows. Any pertinent feedback is taken into account when Directors discuss the share capital, any possible fundraisings or the dividend policy and actioned as and when appropriate. The willingness of the Shareholders, including the partners and staff of the Investment Manager, to maintain their holdings over the long-term period is another way for the Board to gauge how the Company is meeting its objectives and suggests the presence of a healthy corporate culture.
Service Providers		
The Investment Manager	Holding the Company's shares offers investors an investment vehicle through which they can obtain exposure to AJOT's diversified portfolio of small to mid-cap Japanese equities. The Investment Manager's performance is critical for the Company to successfully deliver its investment strategy and meet its objective to provide Shareholders with a total return in excess of the MSCI Japan Small Cap Index through active management of the portfolio and engagement with portfolio companies.	Maintaining a close and constructive working relationship with the Investment Manager is crucial, as the Board and the Investment Manager both aim to continue to achieve consistent, long-term returns in line with the investment objective. Important components in the collaboration with the Investment Manager, representative of the Company's culture, are: - encouraging open discussion with the Investment Manager, allowing time and space for original and innovative thinking; - the Chairman has frequent conversations with the Investment Manager to talk through any matters discussed by the Board between scheduled meetings, as well as any matters raised by the Investment Manager; - the IMA requires AVI to invest not less than 25% of the management fee in shares in the Company and to hold these for a minimum of two years which ensures that the interests of Shareholders and the Investment Manager are well aligned; - recognising the alignment of interests mentioned above, adopting a tone of constructive challenge, balanced with robust negotiation of the Investment Manager's terms of engagement if those interests should not be fully congruent; - drawing on Board members' individual experience and knowledge to support the Investment Manager in its monitoring of and engagement with portfolio companies; and - willingness to make the Board members' experience available to support the Investment Manager in the sound long-term development of its business and resources, recognising that the long-term health of the Investment Manager is in the interests of Shareholders in the Company.

Strategic Report / Directors' Duties continued

Stakeholder	Importance	Board Engagement
Service Providers continued		
The Administrator, the Company Secretary, the Registrar, the Depositary, the Custodian and the Corporate Broker	In order to function as an investment trust with an Equity Shares (Commercial Companies) listing on the London Stock Exchange, the Company relies on a diverse range of reputable advisers for support in meeting all relevant obligations.	The Board maintains regular contact with its key external providers and receives regular reporting from them, both through the Board and committee meetings, as well as outside of the regular meeting cycle. Their advice as well as their needs and views are routinely taken into account. The Board formally assesses their performance, fees and continuing appointment at least annually, to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. All key service providers are asked (in respect of a reporting period) to complete a questionnaire regarding the matters discussed above, the results of which are discussed during a formal review of service providers at the March Board meeting. The Audit Committee reviews and evaluates the control environment in place at each service provider and also requests confirmation that key service providers have the relevant policies in place, including those on business continuity, cyber security, AI and fraud prevention.
Other Stakeholders		
Lender	Availability of funding and liquidity are crucial to the Company's ability to take advantage of investment opportunities as they arise.	Therefore, the Company aims to demonstrate to lenders that it is a well-managed business, capable of consistently delivering long-term returns.
Proxy Advisers	Where relevant, the evolving practice and support (or lack thereof) of proxy adviser agencies are considered by the Directors, as the Company aims to build a good reputation and maintain high standards of corporate governance, which contribute to the long-term sustainable success of the Company.	When deemed relevant, the Company will engage with proxy advisers regarding resolutions that will be proposed to the Company's Shareholders at AGMs and, based on feedback received, incorporate changes to future Annual Reports to enhance disclosures.
Regulators	The Company can only operate with the approval of its regulators who have a legitimate interest in how the Company operates in the market and treats its Shareholders.	The Company follows voluntary and best-practice guidance, and regularly considers how it meets various regulatory and statutory obligations and how any governance decisions it makes can have an impact on its stakeholders, both in the shorter and in the longer term.

CULTURE

The Directors agree that establishing and maintaining a healthy corporate culture within the Board and in its interaction with the Investment Manager, Shareholders and other stakeholders, will support the delivery of its purpose, values and strategy. The Board seeks to promote a culture of openness, debate and integrity through ongoing dialogue and engagement with its service providers, principally the Investment Manager.

The Board strives to ensure that its culture is in line with the Company's purpose, values and strategy. The Company has a number of policies and procedures in place to assist with maintaining good corporate governance, including those relating to diversity, Directors' conflicts of interest and Directors' dealings in the Company's shares. The Board assesses and monitors compliance with these policies, as well as the general culture of the Board, regularly through Board meetings and in particular during the annual evaluation process (for more information see the performance evaluation section on page 43).

The Board seeks to appoint the best possible service providers and evaluates their service on a regular basis as described on page 43. The Board considers the culture of the Investment Manager and other service providers, including their policies, practices and behaviour, through regular reporting from these stakeholders and in particular during the annual review of the performance and continuing appointment of all service providers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

As an investment trust without employees, the Company's own direct environmental impact is minimal and as such, the Company is also not required to report against the TCFD framework. The Company has minimal direct greenhouse gas emissions to report from its operations (2024: minimal), nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Where a large company does not consume more than 40,000 kWh of energy in a reporting period, it qualifies as a low energy user and is exempt from reporting under these regulations. This exemption applies to the Company.

The Company's operations are delegated to third-party service providers, and the Company has no employees. The Board seeks assurances, at least annually, from its suppliers that they comply with the provisions of the UK Modern Slavery Act 2015 and maintain adequate safeguards in keeping with the provisions of the Bribery Act 2010, Economic Crime and Corporate Transparency Act 2023 and Criminal Finances Act 2017.

The Directors do not have service contracts. For the majority of the year, the Board comprised four Directors, three males and one female. On 21 January 2025, it was announced that Ekaterina (Katya) Thomson had resigned with immediate effect as a Non-Executive Director of the Company and as Chair of the Audit Committee. Margaret Stephens was appointed to the role of Chair of the Audit Committee. On 13 February 2025, it was announced that Andrew Rose and Thomas (Tom) Yoritaka were to be appointed to the Board as Independent Non-Executive Directors effective 12 February 2025. In December 2025, the Board took

steps to engage an external consultant to facilitate the search for a new Director who may ultimately replace the Chair of the Audit Committee. The Company has engaged the services of external search consultant, Trust Associates. At the time of writing this report, the Board had not appointed a new Director. Further information on the Board's policy on diversity and recruitment of new Directors is contained on page 43. Both the Board and AVI recognise that social, human rights, community, governance and environmental issues have an effect on its investee companies. The Board supports AVI in its belief that good corporate governance will help to deliver sustainable long-term Shareholder value. AVI is an investment management firm that invests on behalf of its clients and its primary duty is to produce returns for its clients. AVI seeks to exercise the rights and responsibilities attached to owning equity securities in line with its investment strategy. A key component of AVI's investment strategy is to understand and engage with the management of public companies. AVI's Stewardship Policy recognises that Shareholder value can be enhanced and sustained through the good stewardship of executives and boards. It therefore follows that in pursuing Shareholder value AVI will implement its investment strategy through proxy voting and active engagement with management and boards. Further details on AVI's environmental, social and governance policy can be found on pages 32 and 33. AVI became a supporter of the Task Force on Climate-related Financial Disclosures ("TCFD") in May 2021 and a signatory to the UN-supported Principles for Responsible Investment ("PRI") on 9 April 2021.

The PRI is the world's leading proponent of responsible investment which entails the following commitments, developed by an international group of institutional investors.

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, Asset Value Investors Limited commits to the following:

- to incorporate ESG issues into investment analysis and decision-making processes;
- to be an active owner and to incorporate ESG issues into our ownership policies and practices;
- to seek appropriate disclosure on ESG issues by the entities in which we invest;
- to promote acceptance and implementation of the Principles within the investment industry;
- to work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles; and
- to report on our activities and progress towards implementing the Principles.

AVI became a signatory to the UN-supported Principles for Responsible Investment ("PRI") on 9 April 2021.

Strategic Report / Key Performance Indicators

Key Performance Indicators

The Company's Board meets regularly and at each meeting reviews performance against a number of key measures. In selecting these measures, the Directors considered the key objectives and expectations of typical investors in an investment trust such as the Company. These indicators are Alternative Performance Measures ("APMs").

NAV Total Return Performance¹ 1 Year*:

14.7%

Since Inception ("SI")	94.8%
Benchmark	48.0%

The Directors regard the Company's NAV total return as the overall measure of value delivered to Shareholders by the Investment Manager over the long-term. Total return reflects both the NAV growth of the Company and also dividends paid to Shareholders. Since the launch on 23 October 2018, the Company's NAV has increased by 95%, resulting in an annualised return of 9.7%. The Investment Manager's investment style is such that performance is likely to deviate materially from that of any broadly-based equity index. The Board considers the most useful comparator to be the MSCI Japan Small Cap Index. Since the launch on 23 October 2018, the benchmark has increased by 48%, resulting in an annualised return of 5.6%. For the year ended 31 December 2025, the Company's NAV increased by 14.7% while the MSCI Japan Small Cap Index increased by 19.8%. A full description of performance and the investment portfolio is contained in the Investment Manager's Report, commencing on page 12.

Discount/Premium¹

Discount, 31 December 2025:

1.6%

Premium, High for the period	+1.5%
Discount, Low for the period	-9.5%

The Board believes that an important driver of an investment trust's discount or premium over the long-term is investment performance. However, there can be volatility in the discount or premium. Therefore, the Board seeks Shareholder approval each year to buy back and issue shares with a view to limiting the volatility of the share price discount or premium. During the period under review, nil new shares were issued under the authorisation granted at the AGM. During the year, 3,625,000 shares were bought back into treasury under the authorisation granted at the AGM.

As at 12 March 2026, the Company had 247,873,823 shares in issue.

The Company has a successful discount control policy whereby if, under normal market conditions, the four-month average share price discount to NAV is greater than -5%, the Company will buy back shares with the intention of reducing the discount to a level no greater than -5%. Since IPO, the Company has bought back shares on 19 occasions under this policy.

Peer Group NAV Performance Total Return AIC Japanese Smaller Companies Sector*

AVI Japan Opportunity	14.7%
5.4% Baillie Gifford Shin Nippon	
Nippon Active Value	17.6%

The Board is aware of other investment trusts in The AIC Japanese Smaller Companies Sector. Each investment trust has its own focus and strategy, which will differ from the one implemented by AVI. The Company's activist approach aligns with the focus on corporate governance reform taking place in Japan.

Ongoing Charges¹

31 December 2025:

1.4%

31 December 2024	1.5%
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The Board continues to be conscious of expenses and aims to maintain a sensible balance between good service and costs. Each year, the Board reviews in detail the costs incurred and ongoing commercial arrangements with each of the Company's key suppliers. The majority of the ongoing charges ratio is attributed to the fees paid to the Investment Manager. This fee is reviewed annually, and the Board believes that the cost is reasonable, given the Investment Manager's activist approach to fund management and the resources required to provide the level of service. The Company adheres to The AIC guidance in calculating its ongoing charges ratio.

Going Concern

The Directors have assessed the Company's ability to continue as a going concern based on detailed profit and loss and cash flow forecasts, covering the period up to and including 31 March 2027. These forecasts have been "stressed" for inflation, as well as a severe and sudden downturn in market conditions, under which it is assumed that the investment portfolio will lose 45% of its value. Even under this extreme "stress" scenario, the Company has adequate resources to continue in operational existence for the foreseeable future (being a period of at least 12 months from the date these financial statements were approved). The Directors also regularly assess the resilience of key third-party service providers, most notably the Investment Manager and Fund Administrator. The Directors do not have any concerns about the financial viability of the Company's third-party service providers.

Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, having taken into account liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments (of which there are none of significance) and please refer to the proposed Exit Opportunity likely to be offered in October 2026 as discussed in the viability statement below. Therefore, the financial statements have been prepared on a going concern basis.

* Returns are for the year to 31 December 2025.

¹ For all Alternative Performance Measures, please refer to the definitions in the Glossary on pages 76 and 77.

Viability

The Directors believe five years to be a reasonable time horizon to consider the continuing viability of the Company, reflecting a balance between a longer-term investment horizon and the inherent shorter-term uncertainties within equity. The Company is an investment trust whose portfolio is invested in largely readily realisable listed securities and with some short-term cash deposits.

The five-year time horizon takes into account that the Directors may, at the Board's discretion, offer Shareholders an opportunity to exit the Company at close to NAV in October 2026 and every year thereafter under a revised policy as originally announced in October 2024 (previously, every two years). In December 2025, the Company announced it would offer Shareholders the opportunity to tender some or all of their shares for sale. The Company received applications from eligible shareholders to tender an aggregate of 26,899,713 shares, equivalent to 11.05% of the Company's issued share capital at that time.

The Board, together with its advisers, intends to canvass opinion from Shareholders in the months leading up to October 2026 when making the decision regarding any potential Exit Opportunity. However, the Board does not currently expect a significantly higher percentage of Shareholders to exercise this option to exit in 2026. The Directors have reviewed the Shareholders of the Company, Shareholder feedback, the current market position, and performance, in forming this expectation.

The following facts support the Directors' view of the viability of the Company:

in the year under review, expenses (including finance costs and taxation) were adequately covered by investment income and there is no expectation that these expenses would significantly increase over the next five years. In addition, cash flow forecasts have been prepared and stress tested to simulate: a) inflation at 10% and b) a 50% fall in the value of the investment portfolio. These forecasts illustrate that the Company would continue to hold sufficient cash even under the most severe stress scenarios;

the Company's investment portfolio is predominantly made up of listed equities;

On 28 March 2025, the Board successfully agreed with the Bank of Nova Scotia, to increase its unsecured revolving credit facility to ¥6.6 billion (approximately £34.5 million at the exchange rate on that date).

The facility, originally established on 4 April 2019 with an initial limit of ¥1.465 billion and later increased to ¥2.93 billion, was structured to provide the Company with flexible financing options and will expire on 2 April 2026. The Board maintains oversight and reviews the level of the facility as performance evolves and this decision to increase its size comes off the back of strong NAV growth over a sustained period of time for the Company.

Following the drawdown of the additional funds, the Company's maximum gearing is expected to be approximately 15% of its net assets, based on the total net assets as of 28 March 2025, and within its investment policy restriction of not exceeding 25% of net asset value at the time of drawdown. The Directors are of the view that, subject to unforeseen circumstances, the Company will have sufficient resources to meet the costs of annual interest and eventual repayment of principal on this debt; and

the Company has a large margin of safety over the covenants on its debt.

The Company's viability depends on the Japanese and the global economy and markets continuing to function. The Directors also consider the possibility of a wide-ranging collapse in corporate earnings and/or the market value of listed securities. To the latter point, it should be borne in mind that a significant proportion of the Company's expenses are investment management fees, which would reduce if the market value of the Company's assets were to fall. In arriving at its conclusion, the Board has taken account of the potential effects of another global event (e.g. similar to the COVID-19 pandemic or the invasion of Ukraine) on the value of the Company's assets, income from those assets and the ability of the Company's key suppliers to maintain effective and efficient operations.

In order to maintain viability, the Company has a robust risk control framework which follows the FRC guidelines and has the objectives of reducing the likelihood and impact of: poor judgement in decision-making, risk-taking that exceeds the levels agreed by the Board, human error or control processes being deliberately circumvented.

Taking the above into account, and the potential impact of the principal risks as set out on pages 34 and 35, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of five years from the date of approval of this Annual Report.

Strategic Report / ESG Policy

ESG Perspective

ABOUT ASSET VALUE INVESTORS

It is our view that a responsible approach to the environment, society and governance is key to long-term sustainable businesses. This guiding principle is embedded not only in our investment philosophy but in how we manage Asset Value Investors as a company.

AVI's 2025 emissions from commuting and business travel:

114.8 tonnes CO₂e^{1,2}

¹ Calculated in accordance with GHG Protocol Standards (distance-based method).

² Representing a 36% decrease in AVI commuting and business travel compared to the previous year.

We believe that shareholders and stakeholders need not be in conflict.

Employees with equity ownership in AVI:

33.3%

People are the most important asset at AVI. We recognise that our industry has traditionally been skewed towards a less diverse workforce. We are actively challenging this.

Diversity of workforce:

	2025 Number	2025 %
Male	13	57
Female	10	43

* Data as at 31 December 2025.

OUR PURPOSE

Helping our clients to make the most of their financial future.

The people at Asset Value Investors are committed to leveraging our long heritage, stewardship and expertise to make investing responsible, accessible and profitable for everyone – individuals, families, institutions, private companies, and listed companies. Financial returns matter and we recognise our position of influence in questioning the practices of the companies we invest in for a more sustainable future.

OUR PRINCIPLES

We are aligned with the PRI's belief that an economically efficient, sustainable global financial system is a necessity for long-term value creation.

Such a system will reward long-term responsible investment and better align investors with the broader objectives of society. AVI became a signatory to the UN-supported Principles for Responsible Investment ("PRI") on 9 April 2021.

OUR PHILOSOPHY

We are fundamentally committed to supporting long-term sustainable businesses that will grow and participate in the prosperity of the economy.

We believe that the integration of ESG and sustainability considerations into our investment strategy is integral to comprehensively understanding each investment's ability to create long-term value.

COLLABORATIVE APPROACH

We recognise the value of collaborative engagement in addressing collective issues.

We continue to participate (since joining in 2023) in CCLA's collaborative initiative to improve corporate approaches to workplace mental health globally. In FY25, AVI also joined the International Corporate Governance Network (ICGN) to collaborate on advancing corporate governance standards and sits on ICGN's Japan Working Group, reflecting our active stewardship and engagement in Japan.

DEFINING 'E', 'S' & 'G'

Drawing on the World Economic Forum's "21 core metrics", AVI has identified the factors that we believe are the most material and relevant to our investments and developed a bespoke ESG monitoring system to track the performance and progress of our portfolio companies against defined ESG metrics.

E

We define Environmental sustainability within the context of:

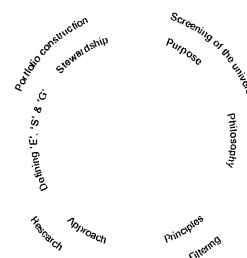
Environmental Impact
Tackling Climate Change
Sustainable Management

S

G

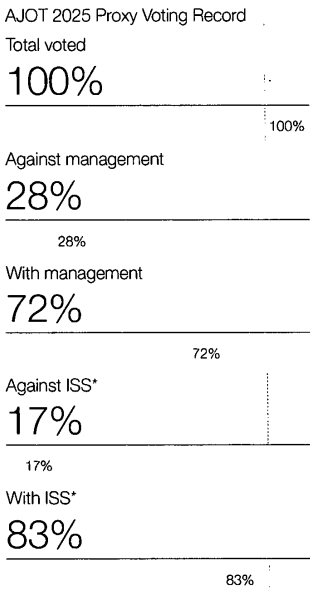
Our approach to Governance includes:

Quality of Governing Body
Corporate Strategy
Ethical Behaviour



PROXY VOTING

As responsible, active stewards of capital, we vote carefully and thoughtfully at every AGM.



OUR STEWARDSHIP

Good stewardship should be viewed as a continuous practice and is essential to preserving and enhancing long-term value.

Active engagement is at the core of our investment strategy and our ESG monitoring system plays an important role in helping us to identify potential areas of engagement. As long-term investors, our aim is to build constructive relationships with the boards and management of the companies in which we invest, addressing issues and offering suggestions to sustainably improve corporate value in consideration of all stakeholders and in the best long-term interest of our clients.

Controversy Monitoring

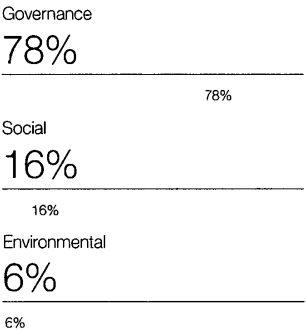
Supported by ISS Norms-Based Research, we also closely monitor any controversies and potential violations of international norms and standards associated with our universe. Whilst our hope is that controversies do not occur, they can be a marker of how well a company's policies are integrated into business operations and culture, highlighting vulnerabilities or structural problems and indicating where improvements can be made.

ISS (Institutional Shareholder Services) is an organisation that provides proxy advisory services. While AVI utilises ISS's research, it has different voting policies and is not bound to vote in line with ISS guidance where it feels the guidance is not in shareholders' best interests.

AVI became a signatory to the UN-supported Principles for Responsible Investment ("PRI") on 9 April 2021.

ENGAGEMENT BREAKDOWN

Percentage breakdown of total unique ESG engagements (204) by individual category during FY2025.



Pre-Investment

Exclusionary screening is not our guiding framework, however there are certain exceptions to this. AVI will not invest in a company with direct involvement in tobacco, controversial weapons and pornography, or companies that engage in child labour or human exploitation as defined by the relevant International Labour Organisation Conventions.

Prior to investment we:

Assess a company's **exposure to ESG risks and opportunities**, including climate-related risks and opportunities.

Identify whether the company is involved in any actual or potential violations of international norms and standards supported by ISS EGG's Norm-Based Research.

Investment Period

ESG monitoring system built into our proprietary database to ensure ESG factors are considered alongside financial analysis.

Ongoing ESG assessments of portfolio companies' performance against defined ESG metrics. A scoring system is used to assess trends and highlight potential areas for engagement.

Tailored questionnaires sent to all companies based on our assessments to request additional ESG information and promote improved sustainability disclosure.

Ongoing controversy monitoring following a clear engagement pathway if companies are flagged.

Constructive engagement with boards and management to help sustainably increase corporate value by building resilience to ESG risks and promoting responsible business practices.

Strategic Report / Principal Risks and Uncertainties

The Board has a robust ongoing process for identifying, evaluating and managing the emerging and principal risks and uncertainties faced by the Company, including those that could threaten its business model, future performance, solvency or liquidity.

The Board considers the following as the principal risks faced by the Company and the following controls are in place to manage or mitigate these risks:

Risk Level Key:

Increased Decreased No Change

Risk Area

Investment Objective

The Company may be unsuccessful in achieving its investment objective, leading to a potential loss of demand for its shares.

Investment opportunities matching the criteria encapsulated in the investment objective may become less available in the future.

Gearing

The use of borrowings by the Company has the effect of amplifying the gains or losses the Company experiences.

A significant fall in portfolio value could cause gearing levels to exceed pre-set limits, requiring the Company to sell investments at short notice.

Reliance on the Investment Manager and Other Service Providers (including Loss of Key Personnel, Investment Manager resignation or operational or business failure)

The Company has no employees and relies on a number of third-party service providers, principally the Investment Manager, Registrar, Administrator, and Custodian/Depository. It is dependent on the effective operation of its service providers' control systems with regard to the security of the Company's assets, dealing procedures, accounting records and the maintenance of regulatory and legal requirements.

The Company is heavily reliant on the Investment Manager's processes, both in terms of making investment decisions and compliance with the investment policy.

Departure of some or all of the staff could prevent achieving investment objective. The Investment Manager may resign giving 12 months' notice any time and immediately in certain circumstances and the Board may be unable to find an appropriate replacement. Operational or business failure may result in the inability of AVI to continue operating or to meet its obligations and duty of care, resulting in opportunity cost and possible loss of shareholder assets during manager replacement.

Controls and Mitigation

The Company has a clearly defined strategy and investment remit. The portfolio is managed by a highly experienced Investment Manager, supported by a strong team. The Board relies on the Investment Manager's skills and judgement to make investment decisions based on thorough research and analysis of individual stocks and sectors.

The Board regularly reviews the portfolio's performance against the Company's Benchmark Index, its competitors, and market outlooks.

The Board adheres to high levels of corporate governance and shareholder engagement, ensuring that there is regular dialogue with major investors, primarily through the Company's broker and the Investment Manager; it follows up on any concerns while regularly reviewing the discount control policy; and, at its discretion, offers an annual redemption opportunity.

The Board monitors the portfolio's composition, performance and development. Should appropriate opportunities diminish, the Board will consider the future of the Company and may recommend that the Company's investments are sold, it is wound up and cash returned to Shareholders.

The Board and the Investment Manager regularly review gearing, as well as the effect of interest rate movements on the Company's finances and the Company's ongoing compliance with the loan covenants. Aggregate borrowings may not exceed 25% of net assets.

The Company has in place a two-year ¥6.6 billion (£31.3 million) unsecured revolving facility agreement which was increased on 28 March 2025 (from ¥2.93 billion) on the same terms. Interest is payable at a rate equal to TONAR plus 1.55%. As at 31 December 2025, the facility is fully utilised. Interest is payable at a rate equal to TONAR plus 1.55%. As at 31 December 2025, gearing stood at 7.4%.

The Board carries out regular reviews of the delegated services to ensure their continued competitiveness and effectiveness, which include assessment of the providers' control systems, whistleblowing, anti-bribery and corruption policies and business continuity plans.

The likelihood of this risk occurring has reduced during the year as the relationships with service providers have been proven over the years since launch and the monitoring processes utilised by the Board are well established.

The Investment Manager has an established investment process which has been proved to be successful by the strong long-term track record. The Board evaluates the investment process and compliance with investment limits and restrictions in conjunction with its portfolio review at every Board meeting.

The Investment Manager has sufficient personnel capable of maintaining the investment management function, should a key person of the current team become unable to continue in their respective role. The Investment Manager informs the Board of any staff changes and succession and development plans. The Board is highly experienced in both investment trusts and Japanese fund managers, and is aware of other managers in the field and a 12 months' notice period is expected to be sufficient for the Board to appoint another manager. The Board has a regular dialogue with the Investment Manager and regular conversations with other market participants and advisers.

Risk Level

Risk Area

Cyber Security

The Company has limited direct exposure to cyber risk. However, the Company's operations or reputation could be affected if any of its service providers suffered a major cyber security breach.

Portfolio Liquidity

The market for smaller Japanese stocks can be illiquid. The Company is exposed to the risk that it will not be able to sell its investments at the current market value or on a timely basis, when the Investment Manager chooses or is required to do so to meet financial liabilities.

Foreign Exchange

The functional and presentation currency of the Company is Pounds Sterling. All investments held and income derived from these investments are denominated in Japanese Yen. Certain costs of the Company are impacted by the underlying value of the investments denominated in Japanese Yen and converted to Pounds Sterling. The Company is subject to currency risk on exchange rate movements between Pounds Sterling and Japanese Yen.

Global/Climate/Systemic/Conflict

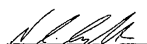
Unforeseen global disruption, such as a conflict, pandemic, climate and nature change-related event, geopolitical conflict or systemic technology failure, could lead to dramatically increased market and Company share price volatility. Fraud and cyber security vulnerability could increase for key service providers.

Concentrated Share Register

Around 25% of the Company's shares are held by two major Shareholders, City of London Investment Management and Finda Telecoms Oy. A concentrated share register can potentially present issues with regards to voting or liquidity.

Approval of Strategic Report

The Strategic Report has been approved by the Board and is signed on its behalf by:



Norman Crighton
Chairman
12 March 2026

Controls and Mitigation

The Board monitors the preparedness of its service providers in general and requests and reviews updates from key service providers on cyber security and other matters. Following this review, the Board remained satisfied that the risk is given due priority.

The Investment Manager monitors trading volumes and prices, and looks to ensure that a proportion of the portfolio is invested in readily realisable assets.

The Board also receives updates on the liquidity of the portfolio and the current level of liquidity of the Company on a regular basis. Following review of the liquidity analysis, the Board considered that this risk has reduced during the year.

A realisation opportunity is offered annually, at discretion of the Board, with amounts available to shareholders depending on portfolio valuation and liquidity at the time, which may be lower than expected especially in adverse market conditions.

Investor sentiment will be monitored by the Investment Manager and the Broker prior to each exit opportunity and the Board will formulate the appropriate exit opportunity based on that feedback and communicate this to Shareholders in advance. Both the format and the offering of the exit opportunity remain at the Board's discretion. The Board operates discount control mechanisms and undertakes ongoing investor engagement.

The Company does not hedge its currency exposure using financial instruments such as derivatives, forward contracts, or options. However, the Investment Manager and the Board continuously monitor currency movements and exposure.

The revolving credit facility is denominated in Yen and therefore the effect of Yen exchange rate movements on the drawn down facility will be offset against the assets.

The Board continuously monitors global developments and their potential impact on the Company; it scrutinises the performance of the Investment Manager and is aware of emerging risks and has a robust process for addressing them. All key service providers are asked to provide updates on business continuity, anti-bribery and corruption, and information security processes on an annual basis. The Board monitors the impact of global developments such as conflicts on the portfolio.

The Investment Manager, the Company's Brokers and the Board have a good understanding of the investor base and have good lines of communication with investors in general and a direct communication channel with the major Shareholders in particular.

Risk Level

Governance / Directors

Your Board

NORMAN CRIGHTON
Chairman, Non-Executive Director

MARGARET STEPHENS
Non-Executive Director

ANDREW ROSE
Non-Executive Director

TOM YORITAKA
Non-Executive Director

Committee membership
Committee Chair A Audit Committee N Nomination and Remuneration Committee

Date of Appointment:
27 July 2018

External Appointments:
RM Infrastructure Income plc and Gore Street Energy Storage Fund plc.

Experience and Contribution:
Norman Crighton is an experienced public company director, having served on the boards of nine closed-end funds and one operating company. Presently, Norman is also non-executive chair of RM Infrastructure Income plc and non-executive director of Gore Street Energy Storage Fund plc.

Norman has extensive fund experience, having previously been Head of Closed-end Funds at Jefferies International and Investment Manager at Metage Capital Limited, leveraging his 35 years of experience in investment trusts. His career in investment banking covered research, sales, market making and proprietary trading, servicing major international institutional clients over 15 years. His work in many countries included restructuring closed-end funds, as well as several IPOs. As a fund manager, Norman managed portfolios of closed-end funds on a hedged and unhedged basis covering developed and emerging markets.

A N

Date of Appointment:
5 September 2018

External Appointments:
Sequoia Economic Infrastructure Income Fund Limited.

Experience and Contribution:
Margaret has recently served on the board of Sequoia Economic Infrastructure Income Fund Limited. She previously served as non-executive board member and chair of the audit and risk committee of VH Global Energy Infrastructure plc and was a partner of KPMG until 2016, having qualified as a Chartered Accountant in 1988. From 2007, she played a key role in building KPMG's Global Infrastructure Practice, also leading UK and international due diligence and structuring services on major merger and acquisition transactions and public private partnerships. Margaret was a trustee director of the Nuclear Liabilities Fund and chair of the audit committee until January 2024, non-executive board member and chair of the audit and risk assurance committee of the Department for Exiting the European Union and was also a board trustee of the London School of Architecture. Margaret is British and resident in the United Kingdom.

A N

Date of Appointment:
12 February 2025

External Appointments:
–

Experience and Contribution:
Andrew retired from Schroders in 2019 after a distinguished 38-year career specialising in Japanese equities. His career included 11 years in Tokyo over three separate secondments, where he was involved in various research and fund management responsibilities across the market capitalisation spectrum. His specific responsibilities included managing several open and closed-end Japanese equity funds, as well as institutional portfolios.

After retirement from full-time fund management, Andrew served as a non-executive director and member of the Audit and Supervisory Committee at Uhuru Corporation in Tokyo for three years.

Andrew is a British citizen, fluent in reading and speaking Japanese, and resides in the United Kingdom.

A N

Date of Appointment:
12 February 2025

External Appointments:
Knowledgehook and SOAS University.

Experience and Contribution:
Tom is a venture capital investor, software executive, and board member with over 30 years of experience in the technology industry in the UK, North America and Japan. He invests in early-stage technology and science-backed startups, and working closely with founders and co-investors, many of whom are leading venture capital funds or C-suite executives of multinational companies. He also sits on the Board of Trustees of SOAS University of London, as well as on boards of various technology industry organisations in the UK.

Previously, Tom served in software product and corporate development executive roles at Cisco Systems, Yahoo! and Microsoft in the US. Early in his career, he worked as a strategy consultant at The Boston Consulting Group in the US and Japan.

Tom is fluent in English and Japanese. He holds dual British/American citizenship and resides in the United Kingdom.

A N

Governance / Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2025.

The Investment Portfolio on page 22, the Corporate Governance Statement on pages 40 to 44, Report from the Audit Committee on pages 49 and 50 and the Shareholder Information on pages 75 to 79 form part of the Report of the Directors.

Directors

The current Directors of the Company are listed on page 36. Norman and Margaret served throughout the review period. During the period, Katya Thomson also served as a Director, resigning on 21 January 2025. Andrew Rose and Tom Yoritaka were appointed as Directors with effect from 12 February 2025.

As set out on page 43, the Board conducts an annual review of each Director and of the Board as a whole. The Board considers all Directors to contribute effectively, possess the necessary skills and experience, and remain committed to their roles as Non-Executive Directors of the Company. Following the performance review, it was agreed that all Directors would stand for re-election. The Board recommends the re-election of each Director.

The Company has provided indemnities to the Directors in respect of costs or other liabilities which they may incur in connection with any claims relating to their performance or the performance of the Company whilst they are Directors.

The beneficial interests of the current Directors and their connected persons in the securities of the Company as at 31 December 2025 are set out in the Directors' Remuneration Report on page 47.

Share Capital

The Company's share capital comprises Ordinary Shares with a nominal value of 1p each. The voting rights of the shares on a poll are one vote for each share held. There are no restrictions on the transfer of the Company's Ordinary Shares or voting rights, no shares which carry specific rights with regard to the control of the Company and no agreement which the Company is party to that affects its control following a takeover bid. To the extent that they exist, the revenue profits of the Company (including accumulated revenue reserves) are available for distribution by way of dividends to the holders of the Ordinary Shares. Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to the Shareholders pro rata to their holding of Ordinary Shares.

At 31 December 2025, there were 247,873,823 Ordinary Shares of 1p each in issue, of which 4,450,716 were held in treasury, and therefore the total voting rights attaching to Ordinary Shares in issue were 243,423,107. In the period from 1 January 2026 to 12 March 2026 26,899,713 Ordinary Shares were bought back and held in treasury (these shares were bought back under the Exit Opportunity as discussed later on this page) and therefore the voting rights attaching to Ordinary Shares as at 12 March 2026 were 221,073,394.

The Directors intend to seek annual authority from Shareholders to allot new Ordinary Shares, to disapply pre-emption rights of existing Shareholders and to buy back Ordinary Shares for cancellation or to be held in treasury.

Issues of Shares

At the AGM held on 20 May 2025, the Company was granted authority to allot up to 27,224,645 Ordinary Shares on a non-pre-emptive basis. This authority is due to expire at the Company's forthcoming AGM on 5 May 2026. As at 31 December 2025, the remaining authority to allot Ordinary Shares under the authority granted at the AGM held on 20 May 2025 remained 27,224,645 Ordinary Shares. As at 11 March 2026, the remaining authority had reduced to 22,674,645 following the issue of shares from treasury on three occasions, being 200,000 shares on 6 February 2026, 4,000,000 shares on 26 February and 350,000 shares on 4 March 2026 (at a price of 181.50p, 190.30p and 183.00p per Ordinary Share respectively and each at a premium to the prevailing net asset value).

In addition to the authority granted at the AGM held on 20 May 2025, at the General Meeting held on 6 November 2025, the Company was authorised to issue Ordinary Shares up to an aggregate nominal value of £1,600,000, with this authority expiring on 31 December 2025. On 27 November 2025, the Company announced that 110,674,880 new Ordinary Shares would be issued (aggregate nominal value £1,106,749) to FJV shareholders as a result of the completion of the combination with FJV. The conversion ratio was 1.430780 Ordinary Shares in the Company for every FJV Share held by an FJV shareholder rolling into AJOT, based on the Formula Asset Value of each fund as at 20 November 2025 as valued by an independent valuer (the mid-market price as at that date was 164.50p per Ordinary Share). The additional capital was deployed progressively over several weeks into existing and new portfolio companies in line with the Company's investment objective and policy. As of the end of January 2026, the FJV funds had been fully deployed.

The Company has a block listing of Ordinary Shares to be listed to the Official List of the FCA and admitted to trading on the equity shares in commercial companies category.

Shares Buybacks Carried out During the Year

Date	No of shares	Price paid per share (pence)	Total value (£m)	% of total issued capital
31/12/2025	50,000	170.000	0.09	0.02%
30/12/2025	115,000	169.500	0.19	0.05%
29/12/2025	95,000	170.000	0.16	0.04%
22/12/2025	630,000	168.000	1.06	0.25%
15/12/2025	1,400,000	169.562	2.37	0.56%
12/12/2025	800,000	166.875	1.34	0.32%
10/04/2025	100,000	154.000	0.15	0.07%
07/04/2025	185,000	145.440	0.27	0.13%
27/02/2025	250,000	160.900	0.40	0.18%
Total	3,625,000		6.03	1.64%

Purchase of Shares

At the General Meeting held on 20 May 2025, the Company was granted authority to purchase up to 14.99% of the Company's Ordinary Shares in issue as at the close of business on 1 April 2025, such authority to expire on conclusion of the 2026 AGM. During the year, 3,090,000 Ordinary Shares were bought back under this authority, for an aggregate amount of £5,208,693 (nominal value £30,900, representing 1.27% of the called up share capital as at the start of the period) under this authority in order to control the discount. As at 31 December 2025, authority to buy back a further 17,314,872 Ordinary Shares remained.

Sale of Shares from Treasury

At the AGM held on 20 May 2025, the Company was authorised to waive pre-emption rights in respect of treasury shares, such authority to expire on conclusion of the 2026 AGM. At the start of the year, 825,716 Ordinary Shares were held in treasury. The Company bought back 3,625,000 shares during the year, resulting in 4,450,716 shares being held in treasury as at 31 December 2025. Following the year end, a further 26,899,713 shares were bought back and as at the date of this report, 26,800,429 shares were held in treasury.

Governance / Directors' Report continued

Exit Opportunity (following the Year End)

At a General Meeting held on 13 January 2026 the Company was granted authority to purchase up to 100% of the Company's Ordinary Shares in issue at the close of business on 10 December 2025, or such other number as would be equal to the number of Ordinary Shares in issue immediately prior to the commencement of the General Meeting on 13 January 2026. The Company received applications from eligible Shareholders to tender an aggregate of 26,899,713 shares, representing 11.05% of the issued Ordinary Share capital, at a price of 173.7587p. The Ordinary Shares bought back were held in treasury. For more information on the Exit Opportunity please see page 70.

Cancellation of share premium account

On 27 November 2025, the Company announced the completion of its combination with Fidelity Japan Trust PLC ("FJV") pursuant to which the Company acquired approximately £184 million of assets from FJV in consideration for the issue of 110,674,880 new Ordinary Shares of 1p each in the capital of the Company at 166.382531p per share. Following the combination with FJV and as at 31 December 2025, the Company had £246,040,000 standing to the credit of its share premium account and this has increased further as a result of the issue of new Ordinary Shares since 31 December 2025.

The Company's share premium account is a non-distributable reserve and the Company is therefore unable to use it, among other things, for justifying distributions to shareholders, including making purchases of its shares and other distributions to shareholders, including the payment of dividends. As at 31 December 2025, the Company had distributable reserves of £138,356,000 and since that date has bought back 26,899,713 Ordinary Shares pursuant to the tender offer referred to above.

Accordingly, in order to enhance the Company's distributable reserves position, the Company is seeking shareholder approval at the AGM to cancel the Company's share premium account. If approved by shareholders, and subsequently by the Court, this will result in an increase to the Company's distributable reserves and thereby provide greater flexibility to the Company in the future to make purchases of its shares and other distributions to shareholders, including the payment of dividends.

Related Party Transactions

The Company's related parties in the year were its Directors, the Investment Manager and Finda Telecoms Oy as the Company's largest Shareholders.

There have been no material transactions between the Company and its Directors during the year and the only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable. Directors' shareholdings are disclosed on page 47.

In relation to the provision of services by the Investment Manager, other than fees payable by the Company in the ordinary course of business and the facilitation of marketing activities with third parties, there have been no material transactions with the Investment Manager affecting the financial position of the Company during the year under review. More details on transactions with the Investment Manager, including amounts outstanding at 31 December 2025 and shares held by AVI, are given in note 16 on page 74.

Finda Telecoms Oy is deemed to be a significant shareholder holding in the Company's issued share capital. During the year under review, no transactions took place between the Company and Finda Telecoms Oy.

Interests in Share Capital

At 31 December 2025, the following holdings representing more than 3% of the Company's voting rights had been reported to the Company in accordance with the Disclosure Guidance and Transparency Rules. This information was correct at the date of notification, however it should be noted that these holdings may have changed since notified to the Company and may not therefore be wholly accurate statements of actual holdings as at 31 December 2025. However, notification of any change is not required until the next applicable threshold is crossed. For the sake of completeness, other holdings which exceed 3% but where no notification has been received, are also included.

	Number of Ordinary Shares	Percentage of voting rights
Finda Telecoms Oy	30,000,000	12.17%
City of London Investment Management Capital Limited	48,154,534	19.53%
Hargreaves Lansdown	16,523,221	6.78%
Lazard Asset Management	13,668,682	5.61%
Interactive Investor (EO)	12,338,241	5.06%
Fidelity (platform)	9,711,303	3.99%
Wesleyan Assurance Society	7,495,241	3.04%

Between 31 December 2025 and 12 March 2026, Finda Telecoms Oy notified the Company of a decrease in their voting rights to 9.24% and City of London Investment Management Company Limited notified the Company that their holding had decreased to 14.75%. No other notifications of changes to interests in the Company's share capital have been received by the Company in the period specified above.

As at 31 December 2025, AVI Ltd & AVI employees owned 2,257,920 million shares.

Dividends

The Directors are proposing a final dividend of 0.60p per share for the year to 31 December 2025. Subject to the approval of Shareholders at the forthcoming AGM, the proposed final ordinary dividend will be payable on 22 May 2026 to Shareholders on the register at the close of business on 24 April 2026. The ex-dividend date will be 23 April 2026.

Financial Instruments

The Company utilises financial instruments, which comprise equity investments, cash balances, receivables, payables and borrowings. The risks identified arising from the financial instruments are market risk (which comprises market price risk, interest rate risk and foreign currency risk), liquidity risk and credit and counterparty risk. The Company may also enter into derivative transactions to manage risk. The Board and Investment Manager consider and review the risks inherent in managing the Company's assets which are detailed in note 15.

Annual General Meeting ("AGM")

The AGM will be held on Tuesday, 5 May 2026 at the offices of the

Association of Investment Companies, 9th Floor, 24 Chiswell Street, London,

EC1Y 4TY. The Notice of Meeting and details of the resolutions to be put to

the AGM are contained in the circular sent to Shareholders with this report.

Each of the Directors, who were all members of the Board at the date of

approval of this report, confirms that to the best of his or her knowledge

and belief, there is no information relevant to the preparation of the Annual

Report of which the Company's Auditors are unaware and he or she

has taken all the steps a Director might reasonably be expected to have

taken to be aware of relevant audit information and to establish that the

Company's Auditors are aware of that information.

Listing Rule 6.6.4 requires the Company to include certain information

specified in UK Listing Rules 6.6.1R in a single identifiable section of the

Annual Report or a cross reference table indicating where the information

is set out. The information required under Listing Rule 6.6.1R in relation to

Shares issued by the Company is set out on page 37.

Other Information

On 9 December 2025, the Company announced that it would offer

Shareholders the opportunity to tender some or all of their Shares for

sale. The Company has received applications from Eligible Shareholders

to tender in aggregate 26,899,713 Shares, equivalent to 1.05% of the

Company's issued share capital at the Record Date (excluding Shares held

in treasury).

The Company released an announcement about the outcome of the Tender

Offer and General Meeting on 13 January 2026 and the Tender Price on

14 January 2026. Singer Capital Markets acquired the 26,899,713 validly

tendered Shares pursuant to the Tender Offer and all the tendered Shares

were to be held in treasury.

By order of the Board



For and on behalf of MUFG Corporate Governance Limited
Company Secretary
12 March 2026

Governance / Corporate Governance Statement

The Corporate Governance Statement forms part of the Report of the Directors.

Applicable Corporate Governance Codes

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 48, indicates how the Company has applied, for the year under review, the principles of recommended governance of the Financial Reporting Council's ("FRC") 2024 UK Corporate Governance Code and The AIC's Code of Corporate Governance issued in 2024, (the "AIC Code"), which complements the UK Code and provides a framework of best practice for investment trusts. The Company has reported against the 2024 AIC Code for the year ending 2025 with the exception of provision 34, which relates to internal controls and will be reported against in the Annual Report for the year ending 2026.

The Board considers that reporting against the principles and provisions of the AIC Code, which includes the UK Code, offers Shareholders comprehensive information about the Company's Corporate Governance compliance.

The UK Code is available on the FRC website (www.frc.org.uk). The AIC Code is available on The AIC's website (www.theaic.co.uk) and includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

Statement of Compliance

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration;
- management performance;
- remuneration and succession planning;
- workforce policies (including remuneration) and practices; and
- the need for an internal audit function.

For the reasons explained in the AIC Code, the Board considers that these provisions are not relevant to the Company, being an externally managed investment company with no employees. The Company has therefore not reported further in respect of these provisions. The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company has complied with the principles and provisions of the AIC Code during the year under review except as disclosed below:

provision 14: No senior independent director has been appointed.

All the Directors have different qualities and areas of expertise on which they lead, and concerns can be conveyed to another Director if Shareholders do not wish to raise concerns with the Chairman or the Chair of the Audit Committee. The Nomination and Remuneration Committee Chair or any other Director will chair the Board or Nomination and Remuneration Committee meeting when the annual evaluation of the Chairman's performance, his re-election or the recruitment of his successor is discussed;

provision 17: As all of the Directors are independent of the Investment Manager, the Board is of the view that there is no requirement for a separate management engagement committee. The Board as a whole will review the terms of appointment and performance of the Investment Manager and the Company's other third-party service providers (other than the Auditor who is reviewed by the Audit Committee);

provision 23: Directors are not appointed for a specified term, as all Directors are non-executive and the Board believes that a Director's performance and their continued contribution to the running of the Company is of greater importance and relevance to Shareholders than the length of time for which they have served as a Director of the Company. Each Director is subject to the re-election provisions set out in the Articles, which provide that a Director appointed during the year is required to retire and seek election by Shareholders at the next AGM following their appointment. Thereafter the Directors intend to offer themselves for re-election annually but, under the Articles, are only required to submit themselves for re-election at least once every three years. Directors who have served for more than nine years will be subject to annual re-election, provided that the Nomination and Remuneration Committee and the Board remain satisfied that the relevant Director's independence is not impaired by their length of service.

Role of the Board

A management agreement between the Company and the Investment Manager sets out the matters over which the Investment Manager has authority. This includes management of the Company's assets and some marketing services. The Board is collectively responsible for the success of the Company and a formal schedule of matters reserved to the Board for decision has been approved, which is available on the Company's website: www.ajot.co.uk. This includes strategy and management, Board and committee membership and other appointments, appointment and

oversight of delegates, corporate structure and share capital, remuneration, financial reporting and controls, company contracts, internal controls, corporate governance and policies.

The Board is responsible for the approval of annual and half-year results and other public documents and for ensuring that such documents provide a fair, balanced and understandable assessment of the Company's position and prospects.

The Board's role is to provide leadership within a framework of prudent and effective controls that enable risk to be assessed and managed. It is responsible for setting the Company's standards and values and for ensuring that its obligations to its Shareholders and other stakeholders are understood and met. The Board sets the Company's strategic aims (subject to the Company's Articles of Association, and to such approval of the Shareholders in General Meeting as may be required from time to time) and ensures that the necessary resources are in place to enable the Company's objectives to be met. The Articles of Association may only be amended by way of a special resolution of shareholders.

The Board meets formally at least four times a year, with additional ad hoc Board or Committee meetings arranged when required. The Directors have regular contact with the Investment Manager and Company Secretary between formal meetings. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

At each meeting the Directors follow a formal agenda, which includes a review of the Company's NAV, share price, premium, financial position, gearing levels, peer group performance, investment performance, asset allocation and transactions and any other relevant business matters to ensure that control is maintained over the affairs of the Company. The Board monitors compliance with the investment restrictions required by the FCA and s1158 of the Corporation Tax Act 2010, the Company's objective, investment, borrowing and hedging policies and reviews the investment strategy. The Board regularly receives reports from the Investment Manager on marketing and investor relations. The proceedings at all Board and Committee meetings are fully recorded through a process that allows any Director's concerns to be recorded in the minutes.

Role of the Board continued

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, MUFG Corporate Governance Limited, which is responsible to the Board for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

Board Composition

The Board is chaired by Norman Crighton, and consists of four Non-Executive Directors. All members of the Board are regarded as independent of the Investment Manager and the Chairman. The Directors have a breadth of investment, financial and professional experience relevant to the Company's business and brief biographical details of each Director are set out on page 36.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found below.

Diversity

The Directors recognise the benefits of Board diversity and continually review the Board's and individual Directors' effectiveness. They aim to balance knowledge of the Company, diversity and continuity in their relationship with the Investment Manager. The Board has adopted a Diversity Policy to ensure Directors bring a wide range of skills, knowledge, experience, backgrounds, and perspectives. While the Board does not set specific targets, diversity is considered when evaluating the skills, knowledge and experience needed for each Board vacancy. The Board has established objectives to achieve diversity:

- all Board appointments will be made on merit, in the context of the skills, background, knowledge and experience that are needed for the Board to be effective; and
- long lists of potential Non-Executive Directors should include diverse candidates of appropriate merit.

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office during normal business hours and at the Company's AGM.

The Board notes the FCA's rules on diversity and inclusion on company boards included in Listing Rule 6.6.6R (9-11), which are as follows:

- At least 40% of individuals on the Board to be women;
- At least one senior Board position to be held by a woman; and
- At least one individual on the Board to be from a minority ethnic background.

In accordance with Listing Rule 6 Annex 1R, the below tables, in prescribed format, show the gender and ethnic background of the Directors at the year end.

Gender identity	Number of Board members	Percentage on the Board	Number of senior positions on the Board*
Men	3	75%	1
Women	1	25%	1
Not specified/prefer not to say	–	–	–

Ethnic background	Number of Board members	Percentage on the Board	Number of senior positions on the Board*
White British or other White (including minority white groups)	3	75%	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	1	25%	–
Black/African/Caribbean/Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

* Listing Rule 6.6.6R(9) includes only the positions of chair, chief executive, senior independent director and chief financial officer in this category. Other than the Chairmen of the Board, the Company does not have these roles, as it is an externally managed investment trust without employees and therefore this target is not applicable. The Company has chosen to report against this target by including the position of Audit Committee Chair as a senior position.

The data in the above tables was collected through self-reporting by the Directors, who were asked to indicate which of the categories specified in the prescribed tables were most applicable to them.

The Board is pleased to have met the targets for a senior position to be held by a woman throughout the year and for at least one individual on the Board to be from an ethnic minority background for the majority of the year under review. The Board is conscious that the target of at least 40% of individuals on the Board to be women is not currently met. This target will be borne in mind during the upcoming recruitment discussed on page 43 although the recruitment will be carried out in line with the diversity policy and appointments will continue to be made on merit.

Responsibilities of the Chairman, the Board and its Committees

The Chairman leads the Board and is responsible for its overall effectiveness in directing the affairs of the Company. The Company has adopted a document setting out the responsibilities of the Chairman, which is available on the website: www.ajot.co.uk.

Tenure

Directors are generally initially appointed by the Board, until the following AGM when, as required by the Company's Articles of Association, they will stand for re-election by Shareholders. Thereafter, a Director's appointment is subject to an annual performance evaluation and the approval of Shareholders at each AGM, in accordance with corporate governance best practice.

Under the Articles of Association, Shareholders may remove a Director before the end of his or her term by passing a special resolution at a meeting, and may by ordinary resolution appoint another person who is willing to act to be a Director in his or her place. A special resolution is passed if more than 75% and an ordinary resolution if more than 50% of the votes cast, in person or by proxy, are in favour of the resolution.

In accordance with the above and the AIC Code, all Directors will stand for re-election at the 2026 AGM. The contribution and performance of the Directors seeking re-election was reviewed by the Nomination and Remuneration Committee at its meeting in March 2026, assisted by the report from the external Board evaluator, discussed on the following page, and the Committee recommended the Directors' continuing appointment to the Board.

Governance / Corporate Governance Statement continued

Tenure continued

The Board has adopted a formal tenure policy for Directors based on a continual review of performance. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board takes into account the ongoing requirements of the UK Corporate Governance Code, including the need to refresh the Board and its Committees. It is not anticipated that any of the Directors would normally serve in excess of nine years. In exceptional circumstances, which would be fully explained to Shareholders at the time, a one or two-year extension might be appropriate. Similarly, it is not anticipated that the Chairman will normally serve in excess of nine years. However, in exceptional circumstances, which would be fully explained at the time, a one or two-year extension might be appropriate, given the entirely non-executive nature of the Board and in particular where the Chairman has not been appointed in his position for the entire duration of his tenure as a Director. As with all Directors, the continuing appointment of the Chairman is subject to ongoing review of performance, including a satisfactory annual evaluation, annual re-election by Shareholders and may be further subject to the particular circumstances of the Company at the time he or she intends to retire from the Board.

Board Independence

All Directors are Non-Executive, have a range of other interests and are not dependent on the Company itself. At the Nomination and Remuneration Committee meeting in March 2026, the Directors reviewed their independence and confirmed that all Directors remain wholly independent of the Investment Manager. The Board has determined that all Directors are independent in character and judgement and that their individual skills, broad business experience and knowledge and understanding of the Company are of great benefit to Shareholders.

There were no contracts subsisting during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. No Director has a contract of service with the Company and there are no agreements between the Company and its Directors concerning compensation for loss of office.

Directors' Conflicts of Interest

The Company's Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company ("situational conflicts").

A schedule of interests for each Director is maintained by the Company and reviewed at every Board meeting. The Board has a formal system in place, in line with the Articles of Association for Directors, to declare any new situational conflicts to be considered for authorisation by those Directors who have no interest in the matter being considered. In deciding whether to authorise a situational conflict, the non-conflicted Directors act honestly and in good faith with a view to the best interests of the Company and they may impose limits or conditions when giving the authorisation, or subsequently, if they think this is appropriate. Any situational conflicts considered, and any authorisations given, are recorded in the relevant meetings' minutes and the register of interests.

The prescribed procedures have been followed in deciding whether, and on what terms, to authorise situational conflicts, and the Board believes that the system it has in place for reporting and considering situational conflicts continues to operate effectively. The Chairman has had no relationship that may have created a conflict between his interests and those of the Company's Shareholders.

Induction and Training

On appointment, the Company Secretary provides all Directors with induction training. The training covers the Company's investment strategy, policies and practices. The Directors are also given regular briefings on changes in law and regulatory requirements that affect the Company and the Directors. In November 2025, the Board members received training on their Directors' Duties under the Companies Act 2006 which was provided by the Company Secretary. The Board also received training from an external provider on inclusive working. It is the Chairman's responsibility to ensure that the Directors have sufficient knowledge to fulfil their role and Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies. Regular reviews of Directors' training needs are carried out by the Chairman by means of the evaluation process described below.

The Directors have access to the advice and services of the Company Secretary through its appointed representative, who is responsible for general secretarial functions and for assisting the Company with compliance with its continuing obligations as a company that falls under the Equity Shares (Commercial Companies) category. The Company Secretary is also responsible for ensuring good information flows between all parties.

Directors' Insurance and Indemnification

Directors' and Officers' liability insurance cover was in place throughout the year and remains in place at the date of this report. The Company's

Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgment is given in their favour by the Court. The Company has granted indemnity to Directors to the extent permitted by law in respect of liabilities that may attach to them in their capacity as Directors of the Company.

Board Committees

The Board delegates certain responsibilities and functions to the Audit Committee and the Nomination and Remuneration Committee. Both Committees comprise all Directors. The terms of reference for these Committees are available on the website www.ajot.co.uk or via the Company Secretary.

A separate Management Engagement Committee has not been established as the Board consists of only independent Non-Executive Directors. The investment management agreement and performance of the Investment Manager is reviewed by the Board as a whole on a regular basis, ensuring that the terms are fair and reasonable and that its continuance, given the Company's performance over both short and longer terms, is in the best interests of the Company and its Shareholders. The Board as a whole also reviews the terms of appointment and performance of the Company's other service providers.

Audit Committee

The Audit Committee comprises all Directors. During the year under review, the Audit Committee was chaired by Katya Thomson until January 2025, when she was succeeded by Margaret Stephens. Both Katya and Margaret are chartered accountants. The other Audit Committee members bring a combination of financial, investment and other experience gained throughout their careers. The Board is satisfied that at least one of the Audit Committee members has recent and relevant financial experience. The Audit Committee as a whole is considered to have competence relevant to the sector. All members of the Audit Committee are independent. The Chairman of the Board is a member of the Audit Committee but, in line with the AIC Code, does not chair it and was considered independent upon appointment. The Chairman's membership of the Audit Committee is considered appropriate given his extensive knowledge of the Investment Trust sector.

The Report of the Audit Committee, which forms part of this Corporate Governance Statement, can be found on pages 49 and 50.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee, consisting of all of the Directors and chaired by Tom Yoritaka, meets at least annually. The Nomination and Remuneration Committee is responsible for setting Directors' fees in line with the Remuneration Policy set out on page 45, which is subject to periodic Shareholder approval. The Nomination and Remuneration Committee is also responsible for ensuring that the Board has an appropriate balance of skills and experience to carry out its duties, to select and propose suitable candidates for appointment when necessary and for making recommendations regarding the re-election of existing Directors.

When considering succession planning and tenure policy, the Nomination and Remuneration Committee bears in mind the balance of skills, knowledge, experience, gender and diversity of Directors, the achievement of the Company's investment objective and compliance with the Company's Articles of Association and the AIC Code. The Nomination and Remuneration Committee keeps the Company's needs under continual review and will make recommendations when the recruitment of additional Non-Executive Directors is required. Once a decision is made to recruit additional Directors to the Board, a formal job description is drawn up, based on a review of the skills required to complement those of the remaining Directors.

The Nomination and Remuneration Committee also reviews and recommends to the Board the Directors seeking re-election and election. Recommendation is not automatic and will follow an annual performance evaluation of the Board, its Committees and individual Directors and consideration of the Director's independence. The evaluation of individual Directors takes into account whether they have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The evaluation of the Board and its Committees considers the balance of experience, skills, independence, corporate knowledge, its diversity, including gender, and how it works together.

The Nomination and Remuneration Committee met in March 2026 to carry out its annual review of the Board, its composition and size and its Committees, the results of which are detailed in the Performance Evaluation paragraph on this page. Two of the current Directors have served for a period of seven years. Their tenure is considered by the Nomination and Remuneration Committee as part of the review of succession planning.

During the reporting period, the Company engaged the services of an independent external consultancy with no connection to the Company, Nurle Ltd, and successfully recruited two Non-Executive Directors: Andrew Rose and Tom Yoritaka. Post the Year End, the Nomination and Remuneration Committee has engaged Trust Associates to facilitate the appointment of a new independent NED, with the potential to become Audit Committee Chair, as part of succession planning in preparation for Margaret Stephen's retirement, to provide stability and continuity to Shareholders. Other than also carrying out the Board performance review in the year as described elsewhere on this page, Trust Associates has no connection to the Company. Further changes are planned in the coming years to refresh the entire Board, including the selection of a successor for the Chairman of the Board. Further information on succession planning and recruitment will be provided in future Annual Reports, as and when appropriate.

Board and Committee Meeting Attendance

The table details the number of scheduled Board and Committee meetings held during the year under review and the number of meetings attended by each Director.

Director	Board	Audit Committee	Nomination and Remuneration Committee
Norman Crighton	4(4)	2(2)	2(2)
Margaret Stephens	4(4)	2(2)	2(2)
Andrew Rose	4(4)	2(2)	2(2)
Tom Yoritaka	4(4)	2(2)	2(2)

The number in brackets denotes the number of meetings each Director was entitled to attend.

The Directors also met on an ad hoc basis during the year to undertake business, such as discussing the combination of assets of the Company with the assets of Fidelity Japan Trust PLC, approving the prospectus and related documents as well as the 2025/2026 Exit Opportunity.

Performance Review

During the year, the Board engaged Trust Associates to carry out an external performance review of the effectiveness of the Board, its Committees, the Chairman and the Directors.

Trust Associates have interviewed the members of the Board, attended a Board meeting, reviewed: 1) meeting packs; 2) terms of reference; 3) the annual report; 4) and other relevant documents. Trust Associates presented their findings to the Board in March 2026 and a number of recommendations to help the Board recognise opportunities and issues, look forward and facilitate change (where that is agreed), are set out below.

Summary of Trust Associates performance review findings

Overall, the Board of AVI Japan Opportunity Trust Plc (AJOT) appears to be functioning effectively. The Board had been highly engaged in the successful combination of AJOT with the Fidelity Japan Trust, which concluded at the end of 2025. Directors report a strategic focus on ensuring that the fund continues to trade close to NAV, with a strong emphasis on marketing and the offer of regular share buy backs and an annual redemption opportunity. Gearing is moderate.

Directors appear to have a strong understanding of the investments and to have a close but appropriately challenging relationship with the investment manager. Board meetings appear to provide opportunities for debate with every director feeling freely able to contribute. Directors report that the Board's suppliers provide a good service.

Succession planning will need to be a key focus of the Board over the next year or so as two directors have been on the Board since IPO, including the Chair. The Board will also need to discuss how it will address the gender imbalance among directors.

The Board's two committees appear to function effectively. Directors could consider whether forming a Management Engagement Committee could be useful.

Governance / Corporate Governance Statement continued

Internal Control

The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The Audit Committee supports the Board in continuously monitoring of the internal control and risk management framework. Specific examples include the identification of increased cyber risk during the combination with FJV. As a result, the Board implemented new information security practices by mandating password protection requirements in its communications. Another example included the requirement for service providers to respond to annual due diligence queries from the Company with a higher threshold of assurance and declarations about its practices and internal controls within that organisation. The Board has established an ongoing process for identifying, evaluating and managing the principal and new or emerging risks faced by the Company. The process accords with the FRC's Corporate Governance Code Guidance published on 29 January 2024, which incorporates the FRC's guidance on risk management and internal controls.

The risk management process and system of internal control were in operation throughout the year and up to the date of this report. The system is designed to meet the specific risks faced by the Company, considering its reliance on its service providers and their internal controls. Therefore, the system manages rather than eliminates the risk of failure to achieve the Company's business objectives providing reasonable but not absolute assurance against material misstatement or loss.

In arriving at its judgement of the risks the Company faces, the Board, through the Audit Committee, has considered the Company's operations in light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the extent to which third parties operate the relevant controls.

The Company maintains a risk matrix which identifies key risks faced by the Company and has controls in place to mitigate those risks. The risks are assessed based on their likelihood, the impact on the business if they occur and the effectiveness of the controls in place to mitigate them. This risk matrix is reviewed twice a year by the Audit Committee and as necessary at other times.

The Directors confirm that they have carried out a robust assessment of the Company's emerging and principal risks as identified by the Board, which are set out on pages 34 and 35, as well as the controls in place to manage or mitigate those risks.

The Board reviews financial information produced by the Investment Manager and the Administrator regularly. Most functions for the day-to-day management of the Company are subcontracted, and the Directors therefore obtain assurances and information, including internal control reports, from key third-party suppliers regarding the internal systems and controls operated in their respective organisations. During the year under review, the Board also requested and reviewed updates from key service providers on business continuity, cyber security and fraud prevention.

By the means of the procedures set out above, the Board confirms that it has reviewed, and is satisfied with, the effectiveness of the Company's system of internal control for the year ended 31 December 2025, and to the date of approval of this Annual Report and Financial Statements. In the post reporting period, the Audit Committee has reviewed the declarations required by its service providers in line with the provision 34 AIC Code requirements, to provide further assurance to the Committee in its review of internal controls in place.

During the course of its review of the system of internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant. Therefore, a confirmation in respect of necessary actions has not been considered appropriate.

Internal Audit Function

As the Company is an externally managed investment company with day-to-day management and administrative functions being outsourced to third parties, and as the Company does not have Executive Directors, employees or internal operations, the Board does not consider it necessary to establish an internal audit function, as it believes the existing system of monitoring and reporting by the third parties to be appropriate and sufficient.

Accountability and Relationship with AVI

The Statement of Directors' Responsibilities in respect of the Financial Statements is set out on page 48, the Independent Auditor's Report on pages 51 to 55 and the Viability Statement on page 31.

The Board has delegated contractually to external third parties, including the Investment Manager, the management of the investment portfolio, the custodial services (including the safeguarding of the assets), the day-to-day accounting and cash management, company secretarial and administration requirements and registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company. Further information on management arrangements can be found on page 25.

The Board receives and considers regular reports from the Investment Manager and ad hoc reports and information are supplied to the Board as required. The Investment Manager takes decisions as to the purchase and sale of individual investments. The Investment Manager also ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information.

Representatives of AVI attend Board meetings, enabling the Directors to probe further on matters of concern. The Board and the Investment Manager operate in a supportive, co-operative and open environment.

Continued Appointment of the Investment Manager

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis. In addition to the monitoring of investment performance at each Board meeting, an annual review of the Company's investment performance over both the short and longer terms is undertaken.

Following an annual review, it is the Directors' opinion that the continuing appointment of AVI, the Investment Manager, on the existing terms, is in the best interests of the Company and its Shareholders as a whole.

By order of the Board

For and on behalf of MUFG Corporate Governance Limited



Company Secretary
12 March 2026

Governance / Directors' Remuneration Report

Directors' Remuneration Policy

The Remuneration Policy provides details of the remuneration policy for the Directors of the Company. The unamended Remuneration Policy was approved by Shareholders at the AGM of the Company held on 20 May 2025. The Remuneration Policy is outlined below. The Directors consider the Remuneration Policy to remain fit for purpose and are proposing no amendments.

The Company follows the recommendation of the AIC Code of Corporate Governance that Non-Executive Directors' remuneration should reflect the time commitment and responsibilities of the role. The Board's policy is that the remuneration of Non-Executive Directors should reflect the experience of the Board as a whole and be determined from time to time at the Board's discretion with reference to comparable organisations and appointments.

All Directors are Non-Executive, appointed under the terms of letters of appointment. There are no service contracts in place. The Company has no employees. In line with the majority of investment trusts and the AIC Code, there are no performance conditions attached to the remuneration of the Directors as the Board does not consider such arrangements or benefits necessary or appropriate for Non-Executive Directors.

The Board has set three levels of fees: one for a Director and additional fees for the Chair of the Audit Committee and the Chairman of the Board. Fees are reviewed annually in accordance with the above policy. Annual fees are pro-rated where a change takes place during a financial year. The fee for any new Director appointed to the Board will be determined on the same basis.

In addition to the annual fee, under the Company's Articles of Association, any Director who is requested to perform services which, in the opinion of the Board, go beyond the ordinary duties of a director, may be paid such extra remuneration as the Board may in its discretion decide in addition to or in substitution for any other remuneration that they may be entitled to receive. Should any extra remuneration be paid during the year, details of the events, duties and responsibilities that gave rise to the additional Directors' fees would be disclosed in the Annual Report. Directors are also entitled to reimbursement of reasonable fees and expenses incurred by them in the performance of their duties.

The approval of Shareholders would be required to increase the aggregate annual Directors' remuneration limit of £250,000, as set out in the Company's Articles of Association.

None of the Directors has any entitlement to pensions or pension-related benefits, medical or life insurance schemes, share options, long-term incentive plans, or performance-related payments. No Director is entitled to any other monetary payment or any assets of the Company, except in their capacity (where applicable) as Shareholders of the Company. Directors' Letters of Appointment expressly prohibit any entitlement to payment on loss of office.

Directors' and Officers' liability insurance cover is maintained by the Company, at its expense, on behalf of the Directors. The Company has also provided indemnities to the Directors in respect of costs or other liabilities they may incur in connection with any claims relating to their performance or the performance of the Company while they are Directors.

The Company is committed to ongoing Shareholder dialogue. Any views expressed by Shareholders on the fees paid to Directors will be taken into consideration by the Board when reviewing the Directors' Remuneration Policy and during the annual review of Directors' fees.

Report on Implementation

This Report is prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2008 as amended in August 2013. The report also meets the relevant requirements of the Companies Act 2006 (the "Act") and the Listing Rules of the FCA and describes how the Board has applied the principles relating to Directors' remuneration. The Company's Auditors are required to report on certain information contained within this report; where information set out below has been audited it is indicated as such.

All Directors are Non-Executive, and the Company has no chief executive officer or employees; as such some of the reporting requirements contained in the Regulations are not applicable and have not been reported on, including the requirement for a future policy table and an illustrative representation of the level of remuneration that could be received by each individual Director. It is believed that all relevant information is disclosed within this report in an appropriate format.

The Board may amend the level of remuneration paid to individual Directors within the parameters of the Remuneration Policy.

Statement from the Chair of the Nomination and Remuneration Committee

Directors' remuneration is determined by the Nomination and Remuneration Committee, at its discretion, within an aggregate set amount per annum. This aggregate ceiling had been set at £250,000 in the Company's Articles of Association and in the Remuneration Policy as approved on 20 May 2025.

The Nomination and Remuneration Committee comprises all Directors and is chaired by Tom Yoritaka. Each Director abstains from voting on their own individual remuneration. The Board has not been provided with advice or services by any person in respect of its consideration of the Directors' remuneration.

During the year the Board carried out a review of the level of Directors' fees in accordance with the Remuneration Policy. As part of this review, the Board considered the Company's performance, the demands placed on Directors' time and the level of fees being paid to Non-Executive Directors in the Company's peer group. The review concluded that the fees being paid were consistent with the market rates for the work performed. Consequently, effective 1 January 2026, fees were adjusted in line with the Consumer Price Index ("CPI"). Fees were increased to £50,000 (previously £45,800) per annum for the Chairman, £43,300 (previously £41,700) per annum for the Chairperson of the Audit Committee and £40,100 (previously £38,600) per annum for other Directors. The Board is satisfied that the changes to the remuneration of the Directors are compliant with the Directors' Remuneration Policy.

During the year, Norman Crighton received non-recurring additional remuneration of £15,000 for the significant amount of work undertaken by him to facilitate the combination with FJV. The Board used its discretion when awarding this additional fee as, in line with the Company's Remuneration Policy, it considered this work to go beyond the ordinary duties of a Director.

There have been no other major decisions on Directors' remuneration or any other changes to the remuneration paid to each individual Director in the year under review.

Directors' Emoluments (audited information)

Directors are only entitled to fixed fees at such rates as are determined by the Board from time to time and in accordance with the Directors' Remuneration Policy as approved by the Shareholders.

Governance / Directors' Remuneration Report continued

Directors' Emoluments (audited information) continued

None of the Directors has any entitlement to pensions or pension-related benefits, medical or life insurance schemes, share options, long-term incentive plans, or performance-related payments. No Director is entitled to any other monetary payment or any assets of the Company. Accordingly, the Single Total Figure table below does not include columns for any of these items or their monetary equivalents. Directors' and Officers' liability insurance is maintained and paid for by the Company on behalf of the Directors.

In line with market practice, the Company has agreed to indemnify the Directors in respect of costs, charges, losses, liabilities, damages and expenses, arising out of any claims or proposed claims made for negligence, default, breach of duty, breach of trust or otherwise, or relating to any application under Section 1157 of the Companies Act 2006, in connection with the performance of their duties as Directors of the Company. The indemnities would also provide financial support from the Company should the level of cover provided by the Directors' and Officers' liability insurance maintained by the Company be exhausted.

The Directors who served during the year received the following emoluments:

Single Total Figure Table (audited information)

Name of Director	Fees paid*		Taxable benefits		Total		% change 2024-2025	% change 2023-2024	% change 2022-2023	% change 2021-2022	% change 2020-2021
	2025	2024	2025	2024	2025	2024					
Norman Crighton ¹	60,800	55,000	–	–	60,800	55,000	10.5%	35.8%	8.0%	5.3%	1.8%
Margaret Stephens	41,531	38,000	–	–	41,531	38,000	9.3%	8.3%	8.0%	6.1%	2.1%
Andrew Rose ²	34,097	–	–	–	34,097	–	–	–	–	–	–
Tom Yoritaka ³	34,097	–	35	–	34,132	–	–	–	–	–	–
Katya Thomson ³	2,245	41,000	–	–	2,245	41,000	–	8.5%	8.0%	5.7%	1.9%
Yoshi Nishio ³	–	38,500	–	–	–	38,500	–	9.7%	8.0%	6.1%	2.1%
	172,770	172,500	35	–	172,805	172,500	0.2%	16.2%	8.0%	5.8%	2.0%

* Excluding employer's National Insurance Contribution.

¹ Received additional non-recurring remuneration of £15,000 in 2025 in respect of the combination with FJV and £10,000 in 2024 in respect of meetings attended in Japan.

² Mr Rose and Mr Yoritaka were appointed with effect from 12 February 2025.

³ Ms Thomson resigned on 21 January 2025 and Mr Nishio resigned on 30 September 2024. Mr Nishio received an additional, non-recurring remuneration in the sum of £10,000 in 2024 in respect of meetings attended in Japan.

Sums Paid to Third Parties (audited information)

None of the fees referred to in the above table were paid to any third party in respect of the services provided by any of the Directors.

Other Benefits

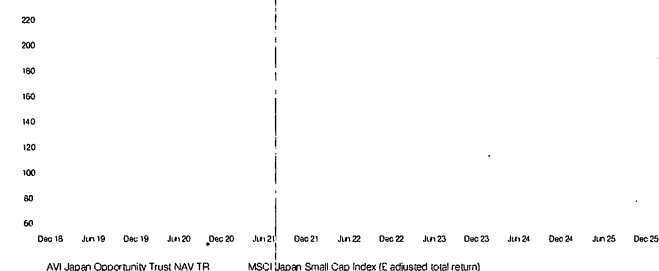
Taxable benefits – Article 105 of the Company's Articles of Association provides that Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings or any other meeting which they, as Directors, are entitled to attend.

Pensions-related benefits – Article 106 permits the Company to provide gratuities or pensions or similar benefits for Directors of the Company. However, no pension schemes or other similar arrangements have been established and no Director is entitled to any pension or similar benefits.

Performance

The chart below illustrates the total Shareholder return for a holding in the Company's shares, as compared to the MSCI Japan Small Cap (£ adjusted total return), which the Board has adopted as the measure for both the Company's performance and that of the Investment Manager for the year, over the period since inception of the Company.

Total Shareholder Return vs MSCI Japan Small Cap



Relative Importance of Spend on Pay

The table below shows the proportion of the Company's income spent on pay.

	2025 £'000	2024 £'000	Difference £'000
Spend on Directors' fees*	173	173	—
Distribution to Shareholders	4,314	3,033	1,281
Management fee and other expenses**	3,484	2,830	654

* As the Company has no employees the total spend on remuneration comprises only the Directors' fees.

** Note: the items listed in the table above are as required by the Large and Medium sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 s.20, with the exception of the management fee and other expenses, which has been included because the Directors believe it will help Shareholders' understanding of the relative importance of the spend on pay. The figures for this measure are the same as those shown in note 3 to the financial statements.

Statement of Directors' Shareholding and Share Interests (audited information)

Neither the Company's Articles of Association nor the Directors' Letters of Appointment require a Director to own shares in the Company. The interests of the Directors and their connected persons in the equity and debt securities of the Company at 31 December 2025 are shown in the table below:

Name of Director	Ordinary Shares
Norman Crighton	26,575
Andrew Rose	60,000
Margaret Stephens	10,000
Tom Yoritaka	—
Katya Thomson*	10,000
Total	106,575

* Ms Thomson resigned on 21 January 2025 and the holding above is as at the date of her resignation.

There have been no changes to Directors' interests between 31 December 2025 and the date of this Report.

Statement of Voting at AGM

At the 2025 AGM, 42,151,847 votes (99.74%) were received voting for the resolution seeking approval of the Directors' Remuneration Report, 107,918 (0.26%) were against, none were at the Chairman's discretion and 27,728 were withheld; the percentages of votes excludes votes withheld. In relation to the approval of the Remuneration Policy which was most recently approved at the 2025 AGM, a total of 42,150,627 votes (99.74%) were received in favour of the resolution, 109,138 votes (0.26%) were against, none were at the Chairman's discretion, and 27,728 votes were withheld. The percentages of votes excludes votes withheld.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Implementation summarises, as applicable, for the year to 31 December 2025:

- (a) the major decisions on Directors' remuneration;
- (b) any discretion which has been exercised in the award of Directors' remuneration;
- (c) any substantial changes relating to Directors' remuneration made during the year; and
- (d) the context in which the changes occurred and decisions have been taken.

A resolution to approve this Directors' Remuneration Report will be proposed at the AGM to be held on 5 May 2026.

Tom Yoritaka
Chair of the Nomination and Remuneration Committee
12 March 2026

Governance / Statement of Directors' Responsibilities in Relation to the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements and have elected to prepare the Company financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements, unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' report, a strategic report and Directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

Website Publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities Pursuant to DTR4

The Directors confirm to the best of their knowledge:

The Financial Statements have been prepared in accordance with the applicable set of accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.

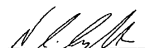
The Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

In the opinion of the Board, the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's position and performance, business model and strategy.

Directors' Statement as to the Disclosure of Information to Auditor

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

For and on behalf of the Board



Norman Crighton
Chairman
12 March 2026

Governance / Report from the Audit Committee

I am pleased to present the Audit Committee Report for the year ended 31 December 2025.

We met twice during the year and once following the year-end. The Company's Auditors are invited to attend meetings as necessary, and representatives of the Investment Manager may also be invited.

Details of the composition of the Committee are set out in the Corporate Governance Statement on page 42.

Responsibilities of the Committee

The Committee's responsibilities are set out in formal terms of reference which are available on the Company's website and are reviewed at least annually. The Committee's primary responsibilities are set as follows:

- to monitor the integrity of the financial statements of the Company, including its Annual and Half-Yearly reports and any other formal announcements of the Company relating to its financial performance, and to review and report to the Board on significant financial reporting issues and judgements which those statements contain, having regard to matters communicated to it by the Auditor;
- to review the Half-Yearly and Annual Reports;
- to review the Company's internal financial controls and the internal control and risk management systems of the Company and its third-party service providers;
- to make recommendations to the Board in relation to the appointment of the external Auditor and their remuneration;
- to review the scope, results, cost effectiveness, independence and objectivity of the external Auditor;
- to develop and implement policy on the engagement of the external Auditor to supply non-audit services and consider relevant guidance regarding the provision of non-audit services by the external audit firm; and
- to review circulars issued in respect of major non-routine and corporate transactions.

Activities in the Year

During the year, the Committee has:

- considered and approved the combination with FJV;
- took advice in relation to and key steps were undertaken to prepare for Provision 34 of the AIC Code;
- conducted a detailed review of the internal controls and risk management systems of the Company and its third-party service providers;
- reviewed the service levels provided by the Company's Custodian and Depositary;
- considered the emerging and principal risks facing the Company and the mitigating controls in place;
- carried out a detailed review of the external Auditor's performance during the 2024 audit;
- agreed the audit plan and fees with the Auditor in respect of the Annual Report for the year ended 31 December 2025, including the principal areas of focus;
- reviewed the Company's Half-Yearly Report and financial statements, discussed the appropriateness of the accounting policies adopted and recommended these to the Board for approval;
- assessed whether it was appropriate to prepare the Company's financial statements on a going concern basis and made recommendations to the Board. This review included challenging the assumptions on viability of the Company, and reviewing stress tests focused on its ability to continue to meet its liabilities;
- considered the appropriate level of dividend to be paid by the Company for recommendation to the Board; and
- examined in detail the methodology and assumptions applied in valuing the assets of the Company.

Following the year end, the Committee has received and discussed with the Auditor their report on the results of the audit and reviewed this Annual Report and Financial Statements, discussed the appropriateness of the accounting policies adopted and recommended these to the Board for approval.

Significant Matters and Decisions

The Committee considered the following key issues in relation to the Company's financial statements during the year. A more detailed explanation of the consideration of the matters set out below, and the steps taken to manage them, is set out in the principal risks and uncertainties on pages 34 and 35.

Valuation of Investments

The Committee considered the valuation of the investment portfolio. The Company's portfolio currently consists of mostly quoted investments, which are valued by reference to their bid prices on the relevant exchange. The Company engages an independent valuations services provider to conduct independent valuation analysis of the unquoted investments. The service provider determines appropriate and supportable inputs and assumptions in view of the requirement under IFRS 13. The independent valuations services provider documents a reconciliation of approaches where more than one approach has been employed. The Investment Manager reviews the valuation approaches taken considering the nature of the investment being valued. The Investment Manager considers the appropriateness of the data inputs and assumptions used in the valuation analysis. The following information was reviewed to make certain assumptions:

- Historical financial information was reviewed to inform the assumptions on financial metrics such as revenues and leverage ratios.
- Business plans and management presentations were reviewed to inform the assessment of trends in growth and profitability.

General economic and industry trends and the impact they may have are discussed and considered prior to recommending acceptance of the valuation. Any illiquid investments will be valued by the Directors based on recommendations from the Investment Manager.

Maintaining Internal Controls

The Committee has carefully considered the internal control systems, by monitoring and reviewing the Risk Matrix and using that to inform the material controls required to mitigate those risks identified. As the Company relies heavily on third-party suppliers, the Committee monitors the services and control levels of all of its suppliers on an ongoing basis, as explained below.

Going Concern and Long-term Viability of the Company

The Committee considered the Company's financial requirements for the next 12 months and concluded that it has sufficient resources to meet its commitments. Consequently, the financial statements have been prepared on a going concern basis. The Committee also considered the longer-term viability statement within the Annual Report for the year ended 31 December 2025, covering a five-year period, and the underlying factors and assumptions which contributed to the Committee deciding that this was an appropriate length of time to consider the Company's long-term viability. The Company's viability statement can be found on page 31.

Governance / Report from the Audit Committee continued

Internal Controls

The Committee carefully considers the internal control systems by continually monitoring the services and controls of its third-party service providers.

The Committee reviewed the risk matrix at both of its meetings held during the year under review, updating it where appropriate. The results of this ongoing process, as well as the principal risks identified and controls put in place to manage or mitigate these risks, are detailed on pages 34 and 35 of this report. The Committee received a report on internal control and compliance from the Investment Manager and the Company's other key service providers, and no significant matters of concern were identified.

The Company does not have an internal audit function. During the year, the Committee reviewed whether an internal audit function would be of value and concluded that this would provide minimal additional comfort at considerable extra cost to the Company. While the Committee believes that the existing systems of monitoring and reporting by third parties remain appropriate and adequate, it will continue, on an annual basis, to actively consider possible areas within the Company's controls environment that may need a detailed review.

Provision 34 readiness activities

A recurring item for the Committee has been the Company's readiness activities relating to changes brought by Provision 34 of the AIC Code. To that end, during the reporting period, the Committee received regular updates on steps being taken in the market to prepare for Provision 34 and as a result requested an update to its service provider questionnaires, specifically addressing the effectiveness of the internal controls of third parties. In the post reporting period following collation of the results were presented to the Board and any matters of concern identified will be monitored during 2026.

External Auditor

BDO LLP has been the Auditor to the Company since launch in 2018. No tender for the audit of the Company has been undertaken. In accordance with the Competitions and Markets Authority Order, a competitive audit tender must be carried out at least every ten years. The Company is therefore required to carry out a tender no later than in respect of the financial year ending 31 December 2029. The Committee reviews the continuing appointment of the Auditor on an annual basis and gives regular consideration to the Auditor's fees and independence, along with matters raised during each audit.

The Audit Partner is due to rotate every five years. This is the fifth year the current Audit Partner is in place. The Auditor has confirmed that a new partner will be introduced following completion of the FY25 audit.

The Audit Committee specifically considered and discussed with the Auditor the impact of the Exit Opportunity, the combination with FJV and preparation for reporting under provision 34 of the AIC Code. Key audit matters raised by the Auditor are detailed in their report on pages 51 and 52, as well as the materiality threshold.

Audit Fees and Non-audit Services Provided by the Auditor

In accordance with the Company's non-audit services policy, the Audit Committee reviews the scope and nature of all proposed non-audit services before engagement, to ensure that auditor independence and objectivity are safeguarded. The policy includes a list of non-audit services which may be provided by the Auditor provided there is no apparent threat to independence, as well as a list of services which are prohibited. Non-audit services are capped at 70.0% of the average of the statutory audit fees for the preceding three years.

Information on the fees paid to the Auditor is set out in note 3 to the financial statements on page 64.

Effectiveness of the External Audit

The Audit Committee monitors and reviews the independence and effectiveness of the external audit carried out by the Auditor, including a detailed review of the audit plan and the audit results report, and makes recommendations to the Board on the re-appointment, remuneration and terms of engagement of the Auditor. This review takes into account the experience and tenure of the audit partner and team, the nature and level of services provided, and confirmation that the Auditor has complied with independence standards. During the year to 31 December 2025, the Committee carried out a detailed review of the quality and effectiveness of the 2024 audit.

The review was based on feedback requested from the Investment Manager, the Administrator and the Company Secretary and discussions with the Auditor. No issues were identified with regards to the effectiveness of the external audit. The Board felt that the Auditor had demonstrated appropriate professional scepticism by showing curiosity and challenge by, among other things, actively questioning management explanations throughout the course of the annual report process, including requesting corroborating evidence rather than relying solely on representations provided to the Auditor. Any concerns with effectiveness of the external audit process

are reported to the Board.

Independence and Objectivity of the Auditor

The Committee has considered the independence and objectivity of the Auditor. £34,000 non-audit fees were paid to BDO LLP during the year to 31 December 2025 (2024: £nil). The fees paid were in respect of reporting accountant services provided in relation to the combination with FJV. The Committee is satisfied that the Auditor has fulfilled its obligations to the Company and its Shareholders and remains independent and objective.

Appointment of the Auditor

Following consideration of the performance of the Auditor, the services provided during the year and a review of its independence and objectivity, the Committee has recommended to the Board the reappointment of BDO LLP as Auditor to the Company.



Margaret Stephens
Chair of the Audit Committee
12 March 2026

Governance / Independent Auditor's Report
to the Members of AVI Japan Opportunities Trust plc

Report on the audit of the financial statements
Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of AVI Japan Opportunity Trust plc (the 'Company') for the year ended 31 December 2025 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

Evaluating the appropriateness of the Directors' method of assessing the going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment; Assessing the appropriateness of the Directors' assumptions and judgements made in their base case and stress tested forecasts including consideration of the available cash resources relative to forecast expenditure and commitments; Challenging the Directors' assumptions and judgements made in their forecasts by performing an independent analysis of the liquidity of the portfolio; and

We reviewed the Directors' assessment of the potential impact of the 'exit opportunity' as well as the related disclosures presented.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

	2025	2024
Key audit matters		
Valuation and ownership of investments	✓	✓
Materiality	Company financial statements as a whole £4.25m (2024: £2.12m) based on 1% (2024: 1%) of net assets	

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, the applicable financial reporting framework and the Company's system of internal control. We identified and assessed the risks of material misstatement of the Company financial statements. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Governance / Independent Auditor's Report continued to the Members of AVI Japan Opportunities Trust plc

An overview of the scope of our audit continued

Key audit matters continued

Key audit matter

Valuation and ownership of quoted & unquoted investments (Note 1 & 8)

We considered the valuation and ownership of investments to be the most important audit area as investments represent the most significant balance in the Financial Statements and underpin the principal activity of the Company.

The investment portfolio at the year-end comprised of equity investments.

There is a risk that the prices used for the listed investments held by the Company are not reflective of fair value. We do not consider the use of bid price as a proxy for fair value of listed investments to be subject to significant estimation uncertainty.

Significant judgment may be required in determining the valuation methodology for unlisted investments, and their valuations are subject to estimation uncertainty.

There is also a risk of error in the recording of investment holdings such that those records do not appropriately reflect the property of the Company.

For these reasons and the materiality to the Financial Statements as a whole, the valuation and ownership of listed and unlisted investments are considered to be a key area of our overall audit strategy and allocation of our resources and hence a Key Audit Matter.

How the scope of our audit addressed the key audit matter

We responded to this matter by testing the valuation and ownership of the whole portfolio of listed and unlisted investments.

In relation to the listed investments, we performed the following procedures:

Confirmed the year-end bid price was used by agreeing to independently obtained, externally quoted prices;

Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings;

Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the share price; and

Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date.

In relation to a sample of unlisted investments, we performed the following procedures:

Considered the appropriateness of the valuation methodology applied by the AIFM under the International Private Equity and Venture Capital Valuation (IPEV) Guidelines and applicable accounting standards;

Reviewed the valuations prepared by the management expert and challenged and corroborated the inputs to the valuation with reference to management information on investee companies, market data and our own understanding of the investee companies and assessed the impact of the estimation uncertainty concerning these assumptions; and

Agreed the holdings to independent confirmation received from the underlying investee companies, to confirm ownership.

Where appropriate, we performed stress and reverse stress tests to determine materiality of possible movements in selected inputs.

Key observations:

Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the listed and unlisted equity investments was not appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Company financial statements	2025	2024
Materiality	£4,250,000	£2,120,000
Basis for determining materiality	1% of Net assets	
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	£3,187,500	£1,590,000
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £212,500 (2024:£106,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Corporate governance statement

The UK Listing Rules sourcebook requires us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability

The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 49; and The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 50. The Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities set out on page 50.

Other Code provisions

Directors' statement on fair, balanced and understandable set out on page 48; Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 34 and 35; The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 50; and The section describing the work of the Audit and Risk Committee set out on page 49.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Directors' remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or certain disclosures of Directors' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit.

Governance / Independent Auditor's Report continued to the Members of AVI Japan Opportunities Trust plc

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with the Investment Manager and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be Companies Act 2006, DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and the Company's qualification as an Investment Trust under UK tax legislation, as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Investment Manager, the Administrator and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:

- Detecting and responding to the risks of fraud; and
- Internal controls established to mitigate risks related to fraud.

Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and

Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

In addressing the risk of management override of controls, we performed the following:

- Performed a review of estimates and judgements made in the unlisted investment valuations and considered whether the valuation methodology applied is appropriate;
- Performed a review of estimates and judgements applied by the Investment Manager in the Financial Statements to assess their appropriateness and the existence of any systematic bias;
- Considered the opportunity and incentive to manipulate accounting entries and target tested relevant adjustments made in the period end financial reporting process;
- Reviewed for significant transactions outside the normal course of business; and
- Performed a review of unadjusted differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board of Directors on 8 October 2018 to audit the financial statements for the year ended 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is seven years, covering the years ended 31 December 2019 to 31 December 2025.

Our audit opinion is consistent with the additional report to the Audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R - 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R - DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R - DTR 4.1.18R.

Chris Meyrick

Chris Meyrick (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

12 March 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements / Statement of Comprehensive Income
For the year ended 31 December 2025

	Notes	For the year ended 31 December 2025			For the year ended 31 December 2024		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Income							
Investment income	2	6,326	–	6,326	4,761	–	4,761
Gains on investments held at fair value	8	–	38,314	38,314	–	36,663	36,663
Exchange losses on currency balances		–	(1,692)	(1,692)	–	(1,106)	(1,106)
		6,326	36,622	42,948	4,761	35,557	40,318
Expenses							
Investment management fee	3	(239)	(2,151)	(2,390)	(187)	(1,684)	(1,871)
Other expenses	3	(1,093)	–	(1,093)	(959)	–	(959)
Profit before finance costs and tax		4,994	34,471	39,465	3,615	33,873	37,488
Finance costs	4	(56)	(504)	(560)	(30)	(267)	(297)
Exchange gains on revolving credit facility	4	–	2,948	2,948	–	1,422	1,422
Profit before taxation		4,938	36,915	41,853	3,585	35,028	38,613
Taxation	5	(644)	(92)	(736)	(488)	–	(488)
Profit for the year		4,294	36,823	41,117	3,097	35,028	38,125
Earnings per Ordinary Share (pence)	7	2.94	25.20	28.14	2.21	25.00	27.21

The total column of this statement is the Income Statement of the Company prepared in accordance with UK-adopted international accounting standards. The supplementary revenue and capital columns are presented in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ("AIC SORP").

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

There is no other comprehensive income, and therefore the profit for the year after tax is also the total comprehensive income.

The accompanying notes are an integral part of these financial statements.

Financial Statements / Statement of Changes in Equity
For the year ended 31 December 2025

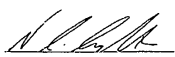
	Ordinary Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Special reserve* £'000	Capital reserve* £'000	Revenue reserve** £'000	Total £'000
For the year to 31 December 2025							
Balance as at 31 December 2024	1,372	36	64,255	70,653	73,223	2,442	211,981
Issue of Ordinary Shares	1,107	-	183,037	-	-	-	184,144
Expenses of share issue	-	-	(1,252)	-	-	-	(1,252)
Tender Offer costs	-	-	-	(4)	-	-	(4)
Ordinary Shares bought back and held in treasury	-	-	-	(6,077)	-	-	(6,077)
Total comprehensive income for the period	-	-	-	-	36,823	4,294	41,117
Ordinary dividends paid	-	-	-	-	-	(4,618)	(4,618)
Balance as at 31 December 2025	2,479	36	246,040	64,572	110,046	2,118	425,291
For the year ended 31 December 2024							
Balance as at 31 December 2023	1,408	-	64,255	77,144	38,195	1,941	182,943
Tender Offer Ordinary Shares bought back and cancelled	(36)	36	-	(5,543)	-	-	(5,543)
Tender Offer costs	-	-	-	(364)	-	-	(364)
Ordinary Shares bought back and held in treasury	-	-	-	(584)	-	-	(584)
Total comprehensive income for the period	-	-	-	-	35,028	3,097	38,125
Ordinary dividends paid	-	-	-	-	-	(2,596)	(2,596)
Balance as at 31 December 2024	1,372	36	64,255	70,653	73,223	2,442	211,981

* Distributable reserves. Within the balance of the capital reserve, £71,665,000 (31 December 2024: £32,411,000) relates to realised gains which is distributable. The remaining £38,360,000 (31 December 2024: £40,812,000) relates to unrealised gains on investments and is non-distributable.

** Revenue reserve is fully distributable.

The accompanying notes are an integral part of these financial statements.

Financial Statements / Balance Sheet
For the year ended 31 December 2025

		As at 31 December 2025 £'000	As at 31 December 2024 £'000			As at 31 December 2025 £'000	As at 31 December 2024 £'000
	Notes				Notes		
Non-current assets				Equity attributable to equity Shareholders			
Investments held at fair value through profit or loss	8	432,911	220,865	Ordinary Share capital	13	2,479	1,372
		432,911	220,865	Capital redemption reserve		36	36
				Share premium		246,040	64,255
Current assets				Special reserve		64,572	70,653
Receivables	9	902	1,256	Capital reserve		110,046	73,223
Cash and cash equivalents		28,236	5,403	Revenue reserve		2,118	2,442
		29,138	6,659	Total equity		425,291	211,981
Total assets		462,049	227,524	Net asset value per Ordinary Share – basic and diluted (pence)	14	174.71	155.44
Current liabilities				Number of shares in issue excluding treasury	13	243,423,107	136,373,227
Revolving credit facility	11	(31,304)	–	These financial statements were approved and authorised for issue by the Board of AVI Japan Opportunity Trust plc on 12 March 2026 and were signed on its behalf by:			
Other payables	10	(5,454)	(664)				
		(36,758)	(664)				
Total assets less current liabilities		425,291	226,860				
Non-current liabilities				Norman Crighton			
Revolving credit facility	11, 12	–	(14,879)	The accompanying notes are an integral part of these financial statements.			
Net assets		425,291	211,981	Registered in England & Wales No. 11487703			

Financial Statements / Statement of Cash Flows

For the year ended 31 December 2025

	Notes	31 December 2025 £'000	31 December 2024 £'000		Notes	31 December 2025 £'000	31 December 2024 £'000
Reconciliation of profit before taxation to net cash inflow from operating activities				Reconciliation of net cash flow movement			
Profit before taxation		41,853	38,613	Cash and cash equivalents at beginning of year		5,403	13,430
Gains on investments held at fair value through profit or loss		(38,314)	(36,663)	Exchange losses on currency balances		(1,692)	(1,147)
Increase in other receivables		(197)	(434)	Exchange rate movements		4	–
Exchange gains on revolving credit facility		(2,948)	(1,422)	Increase/(decrease) in cash and cash equivalents		24,521	(6,880)
Exchange losses on currency balances		1,692	1,147	Cash and cash equivalents at end of year		28,236	5,403
Interest paid		466	283				
Increase in other payables		250	25	Dividends received		6,416	4,388
Taxation paid		(736)	(488)	Interest paid		466	303
Net cash inflow from operating activities		2,066	1,061	Interest received		7	–
Investing activities				The accompanying notes are an integral part of these financial statements.			
Purchases of investments		(255,407)	(121,417)				
Sales of investments		233,214	122,846				
Net cash (outflow)/inflow from investing activities		22,193	1,429				
Financing activities							
Dividends paid	6	(4,618)	(2,596)				
Issue of Ordinary Shares	13	37,542	–				
Cost of share issues		(1,190)	–				
Payments for Ordinary Shares bought back and held in treasury		(5,989)	(584)				
Payments for Tender Offer Ordinary Shares bought back and cancelled		–	(5,543)				
Tender Offer costs		(4)	(364)				
Drawdown of revolving credit facility	11	19,373	–				
Interest paid		(466)	(283)				
Cash inflow/(outflow) from financing activities		44,648	(9,370)				
Increase/(decrease) in cash and cash equivalents		24,521	(6,880)				

Financial Statements / Notes to the Financial Statements

For the year ended 31 December 2025

1

1. General Information and Accounting Policies

AVI Japan Opportunity Trust plc is a public limited company incorporated on 27 July 2018 and registered in England and Wales. The principal activity of the Company is that of an investment trust company within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010 and its investment approach is detailed in the Strategic Report. The Company commenced trading and was listed on the London Stock Exchange on 23 October 2018.

The Company's financial statements have been prepared in accordance with UK-adopted international accounting standards and the AIC SORP.

Basis of Preparation

The financial statements of the Company have been prepared for the year ended 31 December 2025.

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by The AIC, supplementary information which analyses the Statement of Comprehensive Income between items of revenue and a capital nature has been prepared alongside the Statement of Comprehensive Income.

The Company invests in Japan with subsequent cash flows (dividend receipts and interest payments) being received in Japanese Yen, however the Directors consider the Company's functional currency to be Pounds Sterling as the shares of the Company are listed on the London Stock Exchange, it is regulated in the United Kingdom, principally having its Shareholder base in the United Kingdom, and pays dividend and expenses in Pounds Sterling. The Directors have chosen to present the financial statements in Pounds Sterling rounded to the nearest thousand, except where otherwise indicated.

Going concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met. The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were approved.

In making the assessment, the Directors of the Company have considered the likely impacts of international and economic uncertainties on the Company, operations and the investment portfolio. These include, but are not limited to, geopolitical events and global economic uncertainties. The Directors also regularly assess the resilience of key third-party service providers, most notably the Investment Manager and Fund Administrator.

The Directors noted that the Company, with the current cash balance and holding a portfolio of listed investments, is able to meet the obligations of the Company as they fall due. The surplus cash enables the Company to meet any funding requirements and finance future additional investments. The revolving credit facility (extended to 2 April 2026) is fully utilised at year end. The Company is able to repay the facility at its own discretion from available cash and liquid investments. The Investment Manager assesses the exposure to risk when making each investment decision, and monitors cash flows and the performance of the portfolio on a daily basis. The Company is a closed-ended fund, where assets are not required to be liquidated to meet day-to-day redemptions.

The Directors have completed stress tests assessing the impact of changes in market value, inflation and income with associated cash flows. In making this assessment, they have considered severe but plausible downside scenarios and the impact on future cash flows as a result of this through to December 2030. The scenarios included a 50% reduction in NAV during April 2026, an annual Tender Offer of 5% in October and a full repayment of the revolving credit facility upon its maturity on 2 April 2026. The conclusion was that in a severe but plausible downside scenario the Company could continue to meet its liabilities. Whilst the economic future is uncertain, and the Directors believe that it is possible the Company could experience further reductions in income and/or market value, and changes in expenses, the opinion of the Directors is that this should not be to a level which would threaten the Company's ability to continue as a going concern.

The Directors may, at their discretion, offer an Exit Opportunity to Shareholders on an annual basis. Following the Exit Opportunity in January 2026, the next Exit Opportunity is expected to be made available to Shareholders in October 2026, and every 12 months thereafter. The Board may, in its total discretion, elect not to operate the Exit Opportunity in whole or in part if, in its reasonable opinion, it has become impractical or inappropriate without materially harming the interests of Shareholders as a whole.

The Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on the going concern basis.

Segmental Reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

The Company invests in companies listed in Japan on recognised exchanges.

Accounting Developments

In the current year, the Company has applied a number of amendments to UK-adopted international standards that are mandatorily effective for an accounting period that begins on or after 1 January 2025.

The updates incorporated:

Lack of Exchangeability – Amendments to IAS21.

There are amendments to IAS/IFRS that will apply from 1 January 2026 as follows:

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7; and
Annual Improvements to IFRS Accounting Standards.

There are amendments to IAS/IFRS that will apply from 1 January 2027 as follows:

IFRS 18 Presentation and Disclosure in Financial Statements.

The Company is assessing the impact of these standards and intends to adopt them in the reporting period when they become effective. The adoption of these standards impacts the Company's accounting policy disclosures and the presentation of the Financial Statements.

1

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with UK-adopted international accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts in the Balance Sheet, the Statement of Comprehensive Income and the disclosure of contingent assets at the date of the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The areas requiring judgement and estimation in the preparation of the financial statements relate to the determination of the carrying value of unquoted investments at fair value through profit or loss. The policy for unquoted investments is set out in the Investments section below. Further areas are recognising and classifying unusual or special dividends received as either capital or revenue in nature; the recognition of expenses between capital and revenue; and the level of deferred tax.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. There are no further significant judgements or estimates in these financial statements.

Investments

The investment objective of the Company is to provide Shareholders with a total return in excess of the MSCI Japan Small Cap Index in GBP, through the active management of a focused portfolio of equity investments listed or quoted in Japan which have been identified by the Investment Manager as undervalued and having a significant proportion of their market capitalisation held in cash, listed securities and/or realisable assets.

The investments held by the Company are measured "at fair value through profit or loss". All gains and losses are allocated to the capital return within the Statement of Comprehensive Income as "Gains or losses on investments held through profit or loss". Also included within this heading are transaction costs in relation to the purchase or sale of investments. When a purchase or sale is made under a contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date.

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at subsequent reporting dates at fair value, which is the bid price. The Company derecognises a financial asset only when the contractual right to the cash flows from the asset expire, or when it transfers the financial asset and subsequently all the risks and rewards of ownership to another entity. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been accumulated is recognised in profit or loss.

The Company engages an independent valuations services provider to conduct independent valuation analysis of the unquoted investments. The service provider determines appropriate and supportable inputs and assumptions in view of the requirement under IFRS 13. The independent valuations services provider documents a reconciliation of approaches where more than one approach has been employed.

The Investment Manager reviews the valuation approaches taken considering the nature of the investment being valued. The Investment Manager considers the appropriateness of the data inputs and assumptions used in the valuation analysis.

All investments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy in note 15.

We considered it appropriate to present the below sensitivities performed on AVI Japan Opportunity Trust plc's unquoted investments that are valued using a market approach based on revenue multiples. The analysis considered the impact of changes in the key unobservable input, namely the enterprise value to revenue multiples (TEV/LTM revenue and, where applicable, TEV/FY+1 revenue) applied in the valuation. A sensitivity of $\pm 10\%$ was applied to the selected multiples to assess the potential range of outcomes. The analysis indicates that a 10% decrease or increase in the applied multiples would result in a corresponding decrease or increase in the estimated fair value per share of the underlying investments, with movements broadly proportional to the change in the multiples used. This reflects the reliance of the valuations on comparable market multiples and demonstrates that the fair values are moderately sensitive to changes in the selected revenue multiples. The calculation of the analysis was aided by an independent valuation service provider.

Financial Statements / Notes to the Financial Statements continued
For the year ended 31 December 2025

1

1. General Information and Accounting Policies continued

Investments continued

Company	Valuation approach	Total fair value (mid-point) - Based on Q4'2025 Report £'000	Key unobservable inputs	Sensitivity	Total fair value (mid-point) for +/- 10% move of key unobservable input £'000	Impact on Value of Holding within AJOT for +/- 10% move of key unobservable input £'000
Asoview ¹	Market Approach	5,589.3	TEV / LTM* revenue multiple	10%	4,889.3 6,056.0	-700.0 466.7
Yoriso ²	Market Approach	543.3	TEV / LTM* revenue multiple	10%	490.9 592.9	-52.4 49.6
Go Inc. ³	Market Approach	3,211.7	TEV / LTM* revenue multiple	10%	2,480.7 3,914.6	-731.0 702.9
iYell ⁴	Market Approach	1,736.2	TEV / LTM* revenue multiple	10%	1,276.9 2,292.5	-459.3 556.3
Studyplus ⁵	Market Approach	1,987.4	TEV / LTM* revenue multiple	10%	1,572.7 2,557.8	-414.8 570.3

*TEV/LTM: Total enterprise value / Actual revenue for the last twelve months.

**TEV/FY +1: Total enterprise value / Forecasted revenue for the next fiscal year.

¹Asoview fair market valuation is based on a calibrated market approach. The sensitivity analysis applies a variation of +/-10% to the change in the average of comparable company multiples between the latest financing round and the valuation date.

²Yoriso fair value assessment is based on market approach. The sensitivity analysis applies a variation of +/-10% to the selected TEV/LTM Revenue multiple.

³Go Inc fair value assessment is based on a market calibration approach. The sensitivity analysis applies a variation of +/-10% to i) the movement of comparable company multiples between the latest financing round and the valuation date, ii) the company-specific adjustment factor that reflects the company's financial and operational performance since the latest financing round, and iii) forecasted revenue for the next fiscal year.

⁴iYell fair value assessment is based on a market calibration approach. The sensitivity analysis applies a variation of +/-10% to i) the movement of comparable company multiples between the latest financing round and the valuation date, ii) the company-specific adjustment factor that reflects the company's financial and operational performance since the latest financing round, and iii) forecasted revenue for the next fiscal year.

⁵Studyplus fair value assessment is based on a market calibration approach. The sensitivity analysis applies a variation of +/-10% to i) the movement of comparable company multiples between the latest financing round and the valuation date, ii) the company-specific adjustment factor that reflects the company's financial and operational performance since the latest financing round, and iii) forecasted revenue for the next fiscal year.

Foreign currency

Transactions denominated in currencies other than Pounds Sterling are recorded at the rates of exchange prevailing on the date of transaction. Items which are denominated in foreign currencies are translated at the rates prevailing on the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as exchange gain or loss in the capital reserve or revenue reserve depending on whether the gain or loss is capital or revenue in nature.

Cash and Cash Equivalents

Cash comprises cash in hand and balances held in interest bearing accounts revalued for exchange rate movements.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Revolving Credit Facility

The revolving credit facility is shown at amortised cost and revalued for exchange rate movements. Any gain or loss arising from changes in exchange rates is included in the capital reserve and shown in the capital column of the Statement of Comprehensive Income.

Income

Dividends receivable on quoted equity shares are taken to revenue on an ex-dividend basis. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Dividends from overseas companies are shown gross of any withholding taxes. Irrecoverable withholding taxes are disclosed within taxation in the Statement of Comprehensive Income.

Special dividends are taken to the revenue or capital account depending on their nature. In deciding whether a dividend should be regarded as a capital or revenue receipt, the Board reviews all relevant information as to the reasons for the sources of the dividend on a case-by-case basis.

When the Company has elected to receive scrip dividends in the form of additional shares, rather than cash, the amount of the cash dividend forgone is recognised as income. Any excess in the value of the cash dividend is recognised in the capital column. All other income is accounted for on a time-apportioned accruals basis and is recognised in the Statement of Comprehensive Income.

Expenses and Finance Costs

Expenses incurred directly in relation to arranging debt finance are amortised over the term of the finance. All expenses and finance costs are accounted for on an accruals basis. On the basis of the Board's expected long-term split of total returns the Company charges 90% of its management fee and finance costs to capital.

Taxation

The charge for taxation is based on the net revenue for the year and takes into account taxation deferred or accelerated because of temporary differences between the treatment of certain items for accounting and taxation purposes.

The tax charge consists of overseas tax not recoverable.

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Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. In line with the recommendations of the SORP, the allocation method used to calculate the tax relief on expenses charged to capital is the "marginal" basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

Dividends Payable to Shareholders

Dividends to Shareholders are recognised as a liability in the period in which they are paid or approved in general meetings and are taken to the Statement of Changes in Equity. Dividends declared and approved by the Company after the Balance Sheet date have not been recognised as a liability of the Company at the Balance Sheet date.

Capital redemption reserve

The capital redemption reserve represents non-distributable reserves that arise from the cancellation of shares.

Share Premium

The share premium account represents the accumulated premium paid for shares issued above their nominal value less issue expenses. This is a reserve forming part of the non-distributable reserves. The following items are taken to this reserve:

- costs associated with the issue of equity; and
- premium on the issue of shares.

Special Reserve

The special reserve was created by the cancellation of the share premium account by order of the court* and forms part of the distributable reserves. The following items are taken to this reserve:

- Tender Offer costs and Tender Offer shares cancelled; and
- costs of share buybacks; and
- crediting the cost of share buybacks for shares reissued.

Capital Reserve

The following are taken to the capital reserve through the capital column in the Statement of Comprehensive Income:

Capital reserve – other, forming part of the distributable reserves:

- gains and losses on the disposal of investments;
- issue expenses on revolving credit facility;
- exchange differences of a capital nature; and
- expenses, together with the related taxation effect, allocated to this reserve in accordance with the above policies.

Capital reserve – investment holding gains, not distributable:

- increase and decrease in the valuation of investments held at the year end.

* The share premium account cancellation was completed following the registration of the court order on 4 June 2019.

Revenue Reserve

The revenue reserve represents the surplus of accumulated profits and is distributable by way of dividends.

2. Income

	31 December 2025 £'000	31 December 2024 £'000
Income from investments		
Overseas dividends*	6,443	4,880
Bank and deposit interest	8	(3)
Exchange losses on receipt of income**	(125)	(116)
Total income	6,326	4,761

* Overseas dividends are shown gross.

** Exchange movements arise from ex-dividend date to payment date.

During the year ended 31 December 2025, the Company received an aggregate amount of £916,000 in respect of TSI Holdings and Saxa special dividends. These dividends have been treated as capital returns and are recognised as Gains on investments at fair value within the Statement of Comprehensive Income.

Financial Statements / Notes to the Financial Statements continued
For the year ended 31 December 2025

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3. Investment Management Fee and Other Expenses

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	239	2,151	2,390	187	1,684	1,871
Other expenses:						
Directors' emoluments – fees	173	–	173	173	–	173
Directors' insurances and other expenses	18	–	18	20	–	20
Directors' National Insurance Contributions	22	–	22	19	–	19
Auditor's remuneration – audit services	58	–	58	58	–	58
Marketing	220	–	220	210	–	210
Printing and postage costs	32	–	32	29	–	29
Registrar fees	23	–	23	20	–	20
Custodian fees	50	–	50	26	–	26
Depositary fees	39	–	39	33	–	33
Advisory and professional fees	367	–	367	311	–	311
Regulatory fees	47	–	47	39	–	39
Irrecoverable VAT	6	–	6	–	–	–
Sundry expenses	38	–	38	21	–	21
Total other expenses	1,093	–	1,093	959	–	959

The management fee changed structure during the year following the combination of Fidelity Japan Trust PLC ("FJV") assets into the Company. The revised structure is calculated on the lesser of the Company's NAV or Market Capitalisation at a rate of 1% per annum on the first £300 million; 0.95% over £300 million and up to £350 million; and 0.90% over £350 million. The management fee was previously calculated at a rate of 1% per annum on the lesser of the Company's NAV or Market Capitalisation. The Investment Manager will invest 25% of the management fee it receives in shares of the Company (through open market purchases) and will hold these for a minimum of two years.

During the year to 31 December 2025, £34,000 (2024: £nil) non-audit fees were paid to BDO LLP in respect of reporting accountant services provided in relation to the combination with FJV. This cost is part of the expenses of share issue allocated to the Share premium account.

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4. Finance Costs

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
JPY revolving credit facility	(56)	(504)	(560)	(30)	(267)	(297)
Exchange gains on JPY revolving credit facility*	–	2,948	2,948	–	1,422	1,422

* Revaluation of revolving credit facility.

Details of the revolving credit facility are set out in notes 10, 11 and 12.

5. Taxation

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Analysis of charge for the year						
Overseas tax not recoverable*	644	92	736	488	–	488
Tax charge for the year	644	92	736	488	–	488

* Tax deducted on payment of overseas dividends by local tax authorities.

Financial Statements / Notes to the Financial Statements continued
For the year ended 31 December 2025

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5. Taxation continued

The tax assessed for the year is the standard rate of corporation tax in the United Kingdom of 25%. The differences are explained below:

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Return on ordinary activities after interest payable but before appropriations	4,938	36,915	41,853	3,585	35,028*	38,613*
Profit before taxation multiplied by the standard rate of corporation tax of 25% (2024: 25%)	1,234	9,229	10,463	896	8,757*	9,653*
Effects of:						
- Tax - exempt overseas investment income	(1,579)	(229)	(1,808)	(1,192)	-	(1,192)
- Foreign exchange losses/(gains) not taxable	-	(314)	(314)	1	(79)*	(78)*
- Losses on investments and exchange losses on capital items	-	(9,350)	(9,350)	-	(9,166)	(9,166)
- Expenditure not deductible	-	-	-	-	2*	2*
- Excess management expenses carried forward	332	538	870	287	421	708
- Disallowed expenses	1	-	1	-	-	-
- Movement in non-trading loan relationship deficit not utilised	12	126	138	8	65*	73*
- Overseas tax not recoverable	644	92	736	488	-	488
Tax charge for the year	644	92	736	488	-	488

* 2024 figures updated for consistency.

At 31 December 2025, the Company had unrelieved tax losses of £18,614,000 (31 December 2024: £14,585,000) that are available to offset future taxable revenue.

A deferred tax asset of £4,654,000 (31 December 2024: £3,646,000), which has been calculated using a corporation tax rate of 25% (2024: 25%), has not been recognised because the Company is not expected to generate sufficient taxable income in future periods to utilise these tax losses.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an investment trust company.

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6. Dividends

	31 December 2025 £'000	31 December 2024 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2024 of 1.20p (2023: 0.85p) per Ordinary Share	1,630	1,193
Interim dividend for the year ended 31 December 2025 of 1.60p (2024: 1.00p) per Ordinary Share	2,173	1,403
Special interim dividend for the year ended 31 December 2025 of 0.60p (2024: nil) per Ordinary Share	815	–
	4,618	2,596

Set out below are the interim and final dividends paid or proposed on Ordinary Shares in respect of the financial year, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered:

	31 December 2025 £'000	31 December 2024 £'000
Interim dividend for the year ended 31 December 2025: 1.60p (2024: 1.00p) per Ordinary Share	2,173	1,403
Special interim dividend for the year ended 31 December 2025 of 0.60p (2024: nil) per Ordinary Share	815	–
Proposed final dividend for the year ended 31 December 2025 of 0.60p (2024: 1.20p) per Ordinary Share	1,326*	1,630
	4,314	3,033

* Based on shares in circulation on 12 March 2026.

Financial Statements / Notes to the Financial Statements continued
For the year ended 31 December 2025

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7. Earnings per Ordinary Share – Basic and Diluted

The earnings per Ordinary Share is based on the Company's net profit after tax of £41,117,000 (year ended 31 December 2024: profit of £38,125,000) and on 146,133,122 (year ended 31 December 2024: 140,095,962) Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the year.

The earnings per Ordinary Share detailed above can be further analysed between revenue and capital as follows:

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue	Capital	Total	Revenue	Capital	Total
Net profit (£'000)	4,294	36,823	41,117	3,097	35,028	38,125
Weighted average number of Ordinary Shares			146,133,122			140,095,962
Earnings per Ordinary Share – basic and diluted (pence)	2.94	25.20	28.14	2.21	25.00	27.21

There are no dilutive instruments issued by the Company.

8. Investments Held at Fair Value Through Profit or Loss

	31 December 2025			31 December 2024		
	Equities £'000	Unrealised Derivatives £'000	Liability £'000	Equities £'000	Unrealised Derivatives £'000	Liability £'000
Financial assets held at fair value						
Opening book cost	180,624	–	180,624	163,409	–	163,409
Opening investment holding gains	40,241	–	40,241	22,448	–	22,448
Opening fair value	220,865	–	220,865	185,857	–	185,857
Movement in the year:						
Purchases at cost: Equities	406,400	–	406,400	121,626	–	121,626
Sales proceeds: Equities	(232,668)	–	(232,668)	(123,420)	139	(123,281)
– realised gains/(losses) on equity sales and close of total return swaps	42,005	–	42,005	19,009	(139)	18,870
Increase in investment holding (losses)/gains	(3,691)	–	(3,691)	17,793	–	17,793
Closing fair value	432,911	–	432,911	220,865	–	220,865
Closing book cost	396,361	–	396,361	180,624	–	180,624
Closing investment holding gains	36,550	–	36,550	40,241	–	40,241
Closing fair value	432,911	–	432,911	220,865	–	220,865

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8. Investments Held at Fair Value Through Profit or Loss continued

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Transaction costs		
Cost on acquisition	149	69
Cost on disposals	99	65
	248	134
Analysis of capital gains		
Gains on sales of financial assets based on historical cost	42,005	18,870
Movement in investment holding (losses)/gains for the year	(3,691)	17,793
Net gains on investments held at fair value	38,314	36,663

The Company received £232,667,000 (year ended 31 December 2024: £123,281,000) from investments sold in the year. The book cost of these investments when they were purchased was £190,663,000 (year ended 31 December 2024: £104,411,000). These investments have been revalued over time and until they were sold, any unrealised gains or losses were included in the fair value of the investments.

The Company has 14 investments of 3% or more of the equity capital of the investee companies, which are set out in the table below.

Company	% of investee company
Atsugi	24.2
Broadmedia	23.9
Synchro Food	23.8
Sharingtechnology	18.3
Asiro	18.0
Wakamoto Pharmaceutical	8.6
Aoyama Zaisan Networks	7.0
Sanyo Shokai	7.0
Eiken Chemical	6.5
Ines	4.9
Wacom	4.8
Kurabo Industries	4.6
Raito Kogyo	3.5
Saxa	3.0

9. Receivables

	2025 £'000	2024 £'000
Trade receivables, prepayments and other debtors		
Due from brokers	207	758
Other receivables and prepayments	695	498
	902	1,256
No receivables are past due or impaired.		

10. Current Liabilities

	2025 £'000	2024 £'000
Revolving credit facility	31,304	–
Trade payables, accruals and short-term borrowings		
Management fees	338	170
Interest payable	147	61
Purchases for future settlement	4,765	287
Other payables	204	146
	5,454	664
Total current liabilities	36,758	664

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For the year ended 31 December 2025

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11. Revolving Credit Facility

	Year ended 31 December 2025		Year ended 31 December 2024	
	¥'000	£'000	¥'000	£'000
Opening balance	2,930,000	14,879	2,930,000	16,301
Proceeds from amounts drawn	3,670,000	19,373	–	–
Exchange rate movement	–	(2,948)	–	(1,422)
Closing balance	6,600,000	31,304	2,930,000	14,879
Maximum facility available	6,600,000	31,304	2,930,000	14,879

On 2 April 2024 the revolving credit facility ("the facility") was renewed for a further two years to 2 April 2026, for a total facility size of ¥2.9 billion (the facility size was increased to ¥6.6 billion on 28 March 2025). Interest charged is the aggregate of the Margin 1.55% and the Daily Non-Cumulative Compounded Risk Free Rate ("RFR") that day payable bi-annually. RFR being the Tokyo Overnight Average Rate ("TONAR") (previously where TONAR – the reference rate was less than zero it was deemed to be zero). The current estimated aggregate interest rate is 2.03% (previously 1.78%) and estimated effective rate 2.03% (previously 1.78%).

Commitment fees of 0.5% (previously 0.325% on undrawn balances if over 50% of the facility is drawn down, 0.375% if less than 50% is drawn down) are charged on undrawn balances payable quarterly. As at the date of this report, the Company has fully utilised the facility.

Under the terms of the facility covenants, remaining the same, the net assets shall not be less than £75 million; and the adjusted total net assets to borrowing ratio shall not be less than 4.5:1.

The facility is shown at amortised cost and revalued for exchange rate movements. Any gain or loss arising from changes in exchange rates are included in the capital reserves and shown in the capital column of the Statement of Comprehensive Income. Interest costs are charged to capital and revenue in accordance with the Company's accounting policies.

During the year ended 31 December 2024, costs of £18,000 were incurred in relation to the extension of the facility.

12. Non-Current Liabilities

	2025 £'000	2024 £'000
Revolving credit facility	–	14,879
Total	–	14,879

13. Share Capital

	As at 31 December 2025 Ordinary Shares of 1p each		As at 31 December 2024 Ordinary Shares of 1p each	
	Number of shares	Nominal value £'000	Number of shares	Nominal value £'000
Allotted, called up and fully paid				
Balance at beginning of year	137,198,943	1,372	140,836,702	1,408
Issue of Ordinary Shares	110,674,880	1,107	–	–
Ordinary Shares bought back – Tender Offer	–	–	(3,637,759)	(36)
	247,873,823	2,479	137,198,943	1,372
Treasury shares:				
Balance at beginning of year	825,716		400,000	
Buyback of Ordinary Shares into treasury	3,625,000		425,716	
Balance at end of year	4,450,716		825,716	
Total Ordinary Share capital excluding treasury shares	243,423,107		136,373,227	

During the year ended 31 December 2025, 110,674,880 Ordinary Shares (31 December 2024: nil) were issued for a net consideration of £182,892,000 (31 December 2024: £nil), including nil Ordinary Shares issued from treasury (31 December 2024: nil).

During the year, 3,625,000 Ordinary Shares (31 December 2024: 425,716) were bought back and placed in treasury for an aggregate consideration of £6,077,000 (31 December 2024: £584,000).

Exit Opportunity

In 2024 the Company offered an Exit Opportunity, allowing eligible Shareholders to tender all or part of their holdings. The Company received applications from eligible Shareholders to tender a total of 3,637,759 shares, representing 2.58% of the issued Ordinary Share capital, at a price of 152.37 pence per share. These Ordinary Shares were bought back and cancelled for an aggregate consideration of £5,907,000.

FJV Combination

On 27 November 2025, the Company announced the acquisition of approximately £184million of net assets for FJV in consideration for the issue of 110,674,880 New Shares to FJV shareholders. The number of New Shares to be issued was calculated based on an AJOT Formula Asset Value ("FAV") per share of 166.382531 pence. The net assets acquired comprised of £133,648,000 of quoted investments and £12,954,000 unquoted investments and £37,542,000 of cash. Additionally, the Company received £275,000 as part of the exit charge applied to FJV shareholders that elected to receive cash rather than shares in the Company. Note that this transaction is not a business combination under the scope of IFRS 3.

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14. NAV per Ordinary Share

The NAV per Ordinary Share is based on net assets of £425,291,000 (31 December 2024: £211,981,000) and on 243,423,107 (31 December 2024: 136,373,227) Ordinary Shares, being the number of Ordinary Shares in issue excluding treasury Shares at the year end.

	31 December 2025		31 December 2024	
	NAV per Ordinary Share Pence	Net asset value attributable £'000	NAV per Ordinary Share Pence	Net asset value attributable £'000
Basic and diluted	174.71	425,291	155.44	211,981

15. Financial Instruments and Capital Disclosures

Investment Objective and Policy

The investment objective of the Company is to achieve a total return through a focused portfolio of investments, particularly in companies whose share prices stand at a discount to estimated underlying NAV.

The Company's investment objective and policy are detailed on page 24.

The Company's financial instruments comprise equity investments, cash balances, receivables, payables and borrowings. The Company makes use of borrowings to achieve improved performance in rising markets.

Risks

The risks identified arising from the financial instruments are market risk (which comprises market price risk, interest rate risk and foreign currency risk), liquidity risk and credit and counterparty risk. The Company may also enter into derivative transactions to manage risk.

The Board and Investment Manager consider and review the risks inherent in managing the Company's assets which are detailed below.

Market Risk

Market risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss which the Company might suffer through holding market positions by way of price movements, interest rate movements, exchange rate movements and systematic risk (risk inherent to the market, reflecting economic and geopolitical factors). The Investment Manager assesses the exposure to market risk when making each investment decision and these risks are monitored by the Investment Manager on a regular basis and the Board at quarterly meetings with the Investment Manager.

Market Price Risk

Market price risk (i.e. changes in market prices other than those arising from currency risk or interest rate risk) may affect the value of investments.

Adherence to investment policies mitigates the risk of excessive exposure to any particular type of security or issuer. The portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis, with the objective of maximising overall returns to shareholders. The assessment of market risk is based on the Company's portfolio as held at the year end. The Company has experienced volatility in the fair value of investments during recent years due to geopolitical events. The Company has used 10% to demonstrate the impact of a reduction/increase in the fair value of the investments and the impact upon the Company that might arise from future events. This percentage is considered a reasonable estimate of a market movement, based on historical fluctuations observed in the portfolio and broader market indices during periods of heightened uncertainty. It is not intended to represent a forecast, but rather to demonstrate the potential effect of a substantial adverse or favourable change in market prices.

The portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis with the objective of maximising overall returns to Shareholders. If the fair value of the Company's investments at the year end increased or decreased by 10%, then it would have had an impact on the Company's capital return through (losses)/gains on investments held at fair value, impacting profit/(loss) and the NAV by £43,291,000 (31 December 2024: £22,086,000).

Foreign Currency

The value of the Company's assets and the total return earned by the Company's Shareholders can be significantly affected by foreign exchange rate movements as most of the Company's assets are denominated in currencies other than Pounds Sterling, the currency in which the Company's financial statements are prepared. Income denominated in foreign currencies is converted to Pounds Sterling upon receipt. The JPY exchange rate at 31 December 2025 was ¥210.835:£1 (31 December 2024: ¥196.915:£1).

Currency Risk

	GBP £'000	JPY £'000	Total £'000
At 31 December 2025			
Receivables	416	486	902
Cash and cash equivalents	172	28,064	28,236
JPY revolving credit facility	-	(31,304)	(31,304)
Payables	(629)	(4,825)	(5,454)
Currency exposure on net monetary items	(41)	(7,579)	(7,620)
Investments held at fair value through profit or loss	-	432,911	432,911
Total net currency exposure	(41)	425,332	425,291

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15. Financial Instruments and Capital Disclosures continued

Currency Risk continued				31 December 2025	31 December 2024
	GBP £'000	JPY £'000	Total £'000	£'000	£'000
At 31 December 2024					
Receivables	122	1,134	1,256		
Cash and cash equivalents	13	5,390	5,403		
JPY revolving credit facility	–	(14,879)	(14,879)		
Payables	(316)	(348)	(664)		
Currency exposure on net monetary items	(181)	(8,703)	(8,884)		
Investments held at fair value through profit or loss	–	220,865	220,865		
Total net currency exposure	(181)	212,162	211,981		

Exposure to floating interest rates

Cash and cash equivalents	28,236	5,403
JPY revolving credit facility	(31,304)	(14,879)

If the above level of cash and JPY revolving credit facility was maintained for a year, a 1% increase in interest rates would decrease the revenue return and net assets by £31,000 (31 December 2024: £95,000). Management proactively manages cash balances. If there was a fall of 1% in interest rates. The total effect would be a change in profit/(loss) and the NAV, through a cost increase/revenue reduction, of £31,000 (31 December 2024: £95,000).

The estimated current interest rate chargeable on the revolving credit facility (the "facility") is 2.03% and the estimated effective interest rate 2.03%. The effective rate chargeable for a year on the current drawn down balance of ¥6.6 billion is £635,000. Upon maturity on 2 April 2026, the facility will be extended for a further two years and the facility size will increase to ¥12.7 billion.

Liquidity Risk

Liquidity risk is mitigated by the fact that the Company has £28,236,000 (2024: £5,403,000) cash at bank, the assets are readily realisable, which can be easily sold to meet funding commitments and further short-term flexibility is available through the use of bank borrowings. The current revolving credit facility is repayable on 2 April 2026, or prior to that date at the discretion of the Company. Repayment may be completed through cash repayments, further borrowings and/or disposal of investments. Unlisted investments, if any, in the portfolio are subject to liquidity risk which is taken into account by the Directors when arriving at their valuation.

The Company is a closed-ended fund, assets do not need to be liquidated to meet redemptions, and sufficient liquidity is maintained to meet obligations as they fall due.

The remaining contractual payments on the Company's financial liabilities at 31 December 2025, based on the earliest date on which payment can be required and current exchange rates at the Balance Sheet date undiscounted amounts, were as follows:

A 5% increase or decrease in foreign exchange rates has been used to illustrate the potential effect on net asset value. This percentage is considered appropriate based on:

Historical volatility of the relevant currencies;

The nature of the Company's foreign currency exposures, which are diversified and not concentrated in highly volatile markets;

Industry practice, where a 5% sensitivity is commonly used for similar investment companies.

A 5% rise or decline in Sterling against foreign currency denominated (i.e. non Pounds Sterling) assets and liabilities held at the year end would have decreased/increased the net asset value by £21,266,000 (31 December 2024: £10,608,000).

Interest Rate Risk

Interest rate movements may affect:

the level of income receivable on cash deposits; and

the interest payable on variable rate borrowings.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

The exposure at 31 December of financial assets and financial liabilities to interest rate risk is shown by reference to floating interest rates.

	In more than 1 year but not more than 2 years		Total £'000
	In 1 year or less £'000	£'000	
At 31 December 2025			
Revolving credit facility	31,304	–	31,304
Payables	(5,454)	–	(5,454)
	25,850	–	25,850

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15. Financial Instruments and Capital Disclosures continued

Liquidity Risk continued

	In 1 year or less £'000	In more than 1 year but not more than 2 years £'000	Total £'000
At 31 December 2024			
Revolving credit facility	–	(14,879)	(14,879)
Payables	(664)	–	(664)
	(664)	(14,879)	(15,543)

Credit Risk

Credit risk is mitigated by diversifying the counterparties through which the Investment Manager conducts investment transactions. The credit standing of all counterparties is reviewed periodically, with limits set on amounts due from any one counterparty. As at 31 December 2025, cash was held with J.P. Morgan Chase Bank (A2+ Moody's credit rating).

The total credit exposure represents the carrying value of cash and receivable balances and totals £29,138,000 (31 December 2024: £6,660,000).

Fair Values of Financial Assets

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value is the amount at which the asset could be sold or the liability transferred in an orderly transaction between market participants, at the measurement date, other than a forced or liquidation sale.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

- Level 1 – valued using quoted prices unadjusted in active markets for identical assets or liabilities.
- Level 2 – valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included within Level 1.
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

The table below sets out fair value measurements of financial instruments as at the year end, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial assets at fair value through profit or loss at 31 December 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	419,957	–	12,954	432,911
	419,957	–	12,954	432,911

Financial assets at fair value through profit or loss at 31 December 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	220,865	–	–	220,865
	220,865	–	–	220,865

Fair value of Level 3 investments

	31 December 2025 £'000	31 December 2024 £'000
Opening fair value of investments	–	–
Acquisition	12,954	–
Closing fair value of investments	12,954	–

Investments classified within Level 3 are reviewed on a regular basis by the Investment Manager. As observable prices are not readily available for the unquoted investments, the Directors have engaged an independent valuations services provider to conduct independent valuation analysis of these investments. The service provider determines appropriate and supportable inputs and assumptions in view of the requirement under IFRS 13. The independent valuations services provider determines and documents a reconciliation of approaches where more than one approach has been employed. Their observations and results are discussed with the Manager who reviews the valuation analysis. The Manager consider the appropriateness of the valuation analysis as well as the valuation result and determined the various methods and techniques are generally recognised as standard.

There have been no transfers during the year between Levels 1, 2 and 3.

Capital Management Policies and Procedures

The structure of the Company's capital is described on page 70 and details of the Company's reserves are shown in the Statement of Changes in Equity on page 58.

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern;
- to achieve capital growth through a focused portfolio of investments, particularly in companies whose share prices stand at a discount to estimated underlying NAV, through an appropriate balance of equity capital and debt; and
- to maximise the return to Shareholders while maintaining a capital base to allow the Company to operate effectively and meet obligations as they fall due.

The Board, with the assistance of the Investment Manager, regularly monitors and reviews the broad structure of the Company's capital on an ongoing basis. These reviews include:

- the level of gearing, which takes account of the Company's position and the Investment Manager's views on the market; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

Financial Statements / Notes to the Financial Statements continued

For the year ended 31 December 2025

15 16 17

15. Financial Instruments and Capital Disclosures continued

Capital Management Policies and Procedures continued

The Company's objectives, policies and processes for managing capital are set out in the Strategic Report. The Company is subject to externally imposed capital requirements:

- as a public company, the Company is required to have a minimum share capital of £50,000; and in accordance with the provisions of Sections 832 and 833 of the Companies Act 2006, the Company, as an investment company:
 - is only able to make a dividend distribution to the extent that the assets of the Company are equal to at least one and a half times its liabilities after the dividend payment has been made; and
 - is required to make a dividend distribution each year such that it does not retain more than 15% of the income that it derives from shares and securities.

These requirements are unchanged since last year and the Company has complied with these requirements at all times since commencing trading on 23 October 2018.

16. Related Party Disclosures and Investment Management Fees

Fees paid to the Company's Directors are disclosed in the Directors' Remuneration Report on page 46 and in note 3 on page 64.

The Company paid management fees to AVI during the year amounting to £2,222,000 (2024: £1,835,000). As at the year end, £338,000 remained outstanding in respect of management fees (2024: £170,000). At 31 December 2025, AVI held 1,140,000 Ordinary Shares (2024: 1,890,000 Ordinary Shares) of the Company.

Finda Telecoms Oy and City of London Investment Management Company Limited ("City of London"), significant Shareholders of the Company, are deemed to be related parties of the Company for the purposes of the Listing Rules by virtue of their holding in the Company's issued share capital. During the year under review, no material transactions took place between the Company and Finda Telecoms Oy or City of London. As at 31 December 2025, Finda Telecoms Oy's holding represented 12.17% of voting rights, as notified to the Company on 1 December 2025. Following the year end, on 15 January 2026, Finda Telecoms Oy informed the Company that its holding had reduced to 9.24%. City of London informed the Company on 2 December 2025 that its holding had increased to 19.53% of the voting rights. Since the year end, on 2 March 2026, City of London informed the Company that its holding had reduced to 14.75%.

As at 12 March 2026, no further notifications have been received from either of the significant Shareholders.

17. Post Balance Sheet Events

On 9 December 2025, the Company announced that it would offer Shareholders the opportunity to tender some or all of their Shares for sale. The Company announced on 13 January 2026 that it had received applications from eligible Shareholders to tender an aggregate of 26,899,713 shares, representing 11.05% of the issued Ordinary Share capital, at a price of 173.7587 pence. The tendered Shares were to be held in treasury.

Since the year-end, the Company has issued 4,550,000 Ordinary Shares from treasury for a net consideration of £8,526,000.

Shareholder Information / AIFMD Disclosures

The Company's AIFM is Asset Value Investors Limited.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. Those disclosures that are required to be made pre-investment are included within an AIFMD Investor Disclosure Document. This, together with other necessary disclosures required under AIFMD, can be found on the Company's website www.ajot.co.uk. All authorised AIFMs are required to comply with the AIFMD Remuneration Code. The AIFM's remuneration disclosures can be found on the Company's website www.ajot.co.uk.

Shareholder Information / Glossary (unaudited)

Alternative Performance Measure ("APM")

An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework.

The definitions below are utilised for the measures of the Company, the investment portfolio and underlying individual investments held by the Company. Certain of the metrics are to look through to the investments held, excluding certain non-core activities, so the performance of the actual core of the investment may be evaluated. Where a company in the investment portfolio holds a number of listed investments these are excluded in order to determine the actual core value metrics.

Comparator Benchmark

The Company's Comparator Benchmark is the MSCI Japan Small Cap Index, expressed in Sterling terms. The benchmark is an index which measures the performance of the Japan Small-Cap equity market. The weighting of index constituents is based on their market capitalisation. Dividends paid by index constituents are assumed to be reinvested in the relevant securities at the prevailing market price. The Investment Manager's investment decisions are not influenced by whether a particular company's shares are, or are not, included in the benchmark. The benchmark is used only as a yardstick to compare investment performance.

Cost

The book cost of each investment is the total acquisition value, including transaction costs, less the value of any disposals or capitalised distributions allocated on a weighted average cost basis.

Discount/Premium (APM)

If the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price of 172.0p (2024: 152.3p) from the NAV per share of 174.7p (2024: 155.4p) and is usually expressed as a percentage of the NAV per share, 1.6% (2024: 2.1%). If the share price is higher than the NAV per share, this situation is called a premium.

The discount and performance are calculated in accordance with guidelines issued by The AIC. The discount is calculated using the net asset values per share inclusive of accrued income.

Dry Powder

Refers to the amount of capital committed by investors to a Private Equity fund that the fund manager has not yet called for investment.

Earnings Before Interest and Taxes ("EBIT")

EBIT is equivalent to profit before finance costs and tax set out in the Statement of Comprehensive Income.

Enterprise Value ("EV")

Enterprise Value reflects the economic value of the business by taking the market capitalisation less cash, investment securities and the value of treasury shares plus debt and net pension liabilities.

Enterprise Value ("EV")/Earnings Before Interest and Taxes ("EBIT")

A multiple based valuation metric that takes account of the excess capital on a company's balance sheet. For example, if a company held 80% of its market capitalisation in NFV (defined under Net Financial Value/Market Capitalisation), and had a market capitalisation of 100 and EBIT of 10, the EV/EBIT would be 2x, (100-80)/10.

Enterprise Value ("EV") Free Cash Flow Yield ("EV FCF Yield")

A similar calculation to free cash flow yield, except the free cash flow excludes interest and dividend income and is divided by enterprise value. This gives a representation for how overcapitalised and undervalued a company is. If a company were to pay out all of its NFV (defined under Net Financial Value/Market Capitalisation) and the share price remained the same, the EV FCF Yield would become the FCF yield. For example, take a company with a market capitalisation of 100 that had NFV of 80 and FCF of 8. The FCF yield would be 8%, 8/100, but if the company paid out all of its NFV the FCF yield would become 40%, 8/(100-80). This gives an indication of how cheaply the market values the underlying business once excess capital is stripped out.

Free Cash Flow ("FCF") Yield

Free cash flow is the amount of cash profits that a business generates, adjusted for the minimum level of capital expenditure required to maintain the company in a steady state. It measures how much a business could pay out to equity investors without impairing the core business. When free cash flow is divided by the market value, we obtain the free cash flow yield.

Gearing (APM)

Gearing refers to the ratio of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company's assets grow, the Shareholders' assets grow *RifiOram!*

situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

The gross gearing of 7.4% (31 December 2024: 7.0%) represents borrowings of £31,304,000 (31 December 2024: £14,879,000) expressed as a percentage of Shareholders' funds of £425,291,000 (31 December 2024: £211,981,000). The net gearing of 1.8% (31 December 2024: 4.5%) represents borrowings net of cash of £7,620,000 (31 December 2024: £9,476,000) expressed as a percentage of Shareholders' funds of £425,291,000 (31 December 2024: £211,981,000).

IRR

Internal rate of return.

NAV/Share Price Total Return (APM)

NAV total return is calculated by assuming that dividends paid out are re-invested into the NAV on the ex-dividend date. This is accounted for in the "Effect of reinvesting dividends" line. The NAV used here includes debt marked to fair value and is inclusive of accumulated income.

	Page	31 December 2025	31 December 2024	
NAV total return over 1 year				
Closing NAV per share (p)		174.7	155.5	a
Dividends paid out (p)	67	3.4	1.9	b
Effect of reinvesting dividends (p)		0.1	0.2	c
Adjusted NAV per share (p)		178.3	157.5	d= a+b+c
Opening NAV per share (p)		155.5	130.3	e
NAV total return (%)		14.7%	20.9%	+(d/e)-1

NAV/Share Price Total Return (APM) continued

	31 December Page	2025	31 December 2024	
Share price total return over 1 year				
Closing price per share (p)		172.0	152.3	a
Dividends paid out (p)	67	3.4	1.9	b
Effect of reinvesting dividends (p)		0.1	0.2	c
Adjusted price per share (p)		175.5	154.3	d= a+b+c
Opening price per share (p)		152.3	127	e
Share price total return (%)		15.3%	21.5%	+(d/e)-1

Net Asset Value ("NAV")

The NAV is Shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of all of the Company's assets, at their current market value, having deducted all liabilities and prior charges at their par value, or at their asset value as appropriate. The total NAV per share is calculated by dividing the NAV by the number of Ordinary Shares in issue.

Net Cash/Market Capitalisation

Net cash is equal to cash less debt. It is a measure of the excess cash on a company's balance sheet and, by implication, how much value the market attributes to the core operating business. Net cash = cash – debt. For example, the implied valuation of the core operating business of a company trading with a net cash/market capitalisation of 100% is zero.

Net Financial Value ("NFV")/Market Capitalisation

Net Financial Value is equal to net cash, less minority interest, plus investment securities (less capital gains tax) plus investment real estate assets (after tax). Net Financial Value ("NFV") = cash + investment securities – net debt – minority interest. A measure of the excess cash on a company's balance sheet and, by implication, how much value the market attributes to the core operating business. For example, the implied valuation of the core operating business of a company trading with a NFV/market capitalisation of 100% is zero.

Ongoing Charges Ratio (APM)

The Company's Ongoing Charges Ratio is its annualised expenses (excluding finance costs and certain non-recurring items) of £3,451,000 (2024: £2,810,000) being investment management fees of £2,390,000 (2024: £1,871,000) and other expenses of £1,093,000 (2024: £959,000) less non-recurring expenses of £32,000 (2024: £20,000) expressed as a percentage of the average daily net assets of £248,400,000 (2024: £193,417,000) of the Company during the year.

Portfolio Discount

A proprietary estimate of how far below fair value a given company is trading. For example, if a company with a market capitalisation of 100 had 80 NFV and a calculated fair value of the operating business of 90, we would attribute it a discount of -41%, $100/(90+80) - 1$. This indicates the amount of potential upside. The company trading on a -41% discount has a potential upside of +69%, $1/(1-0.41)$.

Portfolio Yield

The weighted-average dividend yield of each underlying company in AJOT's portfolio.

Return on Equity ("ROE")

A measure of performance calculated by dividing net income by Shareholder equity.

ROE ex Non-Core Financial Assets

Non-core financial assets consists of cash and investment securities (less capital gains tax) less debt and net pension liabilities. The ROE is calculated as if non-core financial assets were paid out to Shareholders. Companies with high balance sheet allocations to non-core, low yielding financial assets have depressed ROEs. The exclusion of non-core financial assets gives a fairer representation of the true ROE of the underlying business.

ROI

Return on investment.

Total Return – NAV and Share Price Returns

The combined effect of any dividends paid, together with the rise or fall in the share price or NAV. Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. Any dividends received by a Shareholder are assumed to have been reinvested in either additional shares in the Company or in the assets of the Company at the prevailing NAV, in either case at the time that the shares begin to trade ex-dividend.

Treasury Share

When a share is bought back it may be cancelled immediately or held (at zero value) as a Treasury Share. Shares that are held in treasury can be reissued for cash at minimal cost. The Company will only reissue shares from treasury at a price at or above the prevailing NAV per share.

Weight

Weight is defined as being each position's value as a percentage of net assets.

Weighted-average Discount (APM)

The weighted-average discount is calculated as being the sum of the products of each holding's weight in AJOT's portfolio times its discount.

AVI calculates an estimated sum-of-the-parts NAV per share for each holding in AJOT's portfolio. This NAV is compared with the share price of the holding in order to calculate a discount.

Weighted Average Shares (APM)

The weighted average shares outstanding is calculated by multiplying the outstanding number of shares after each share issue and buy back of shares during the year with the time weighted portion. The total of the weighted average of shares in issue excluding treasury shares during the year is 146,133,122.

Shareholder Information / Investing in the Company

The Company's Ordinary Shares are listed on the London Stock Exchange and can be bought directly on the London Stock Exchange or through the platforms listed on www.ajot.co.uk/how-to-invest/platforms/.

Share Prices

The share price is published daily in The Financial Times, as well as on the Company's website: www.ajot.co.uk.

Dividends

Shareholders who wish to have dividends paid directly into a bank account, rather than by cheque to their registered address, can complete a mandate form for the purpose. Mandate forms may be obtained from Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA on request or downloaded from Equiniti's website www.shareview.com. The Company operates the BACS system for the payment of dividends. Where dividends are paid directly into Shareholders' bank accounts, dividend tax vouchers are sent to Shareholders' registered addresses.

Change of Address

Communications with Shareholders are mailed to the last address held on the share register. Any change or amendment should be notified to Equiniti Limited using the contact details given above, under the signature of the registered holder.

Daily NAV

The daily NAV of the Company's shares can be obtained from the London Stock Exchange or via the website: www.ajot.co.uk.

Shareholder Information / Company Information

Directors

Norman Crighton (Chairman)
 Andrew Rose
 (Appointed 12 February 2025)
 Margaret Stephens
 Ekaterina (Katya) Thomson
 (Resigned 21 January 2025)
 Thomas (Tom) Yoritaka
 (Appointed 12 February 2025)

Administrator

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 Exeter

EX1 1TS

Auditor

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 W1U 7EU

Corporate Brokers

Singer Capital Markets
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 London
 EC2N 2AX

Canaccord Genuity Limited
 88 Wood Street
 London
 EC2V 7QR

Custodian

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 National Association
 London Branch
 25 Bank Street
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 London
 E14 5JP

Depositary

J.P. Morgan Europe Limited
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 Canary Wharf
 London
 E14 5JP

Investment Manager and AIFM

Asset Value Investors Limited
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Registered Office

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 United Kingdom
 EC3M 7DQ

Registrar and Transfer Office

Equiniti Limited
 Aspect House
 Spencer Road
 Lancing
 West Sussex
 BN99 6DA

Registrar's Online Platform

www.shareview.co.uk

Registrar's Shareholder Helpline

Tel. 0371 384 2030
 Lines are open 8.30am to 5.30pm,
 Monday to Friday.

Registrar's Broker Helpline

Tel. 0906 559 6025

Calls to this number cost £1 per
 minute from a BT landline, other
 providers' costs may vary. Lines are
 open 8.30am to 5.30pm, Monday
 to Friday.

Secretary

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 United Kingdom
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Solicitors

Stephenson Harwood LLP
 1 Finsbury Circus
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 EC2M 7SH

HOW TO INVEST

AJOT is a closed-ended investment trust with shares
 listed on the London Stock Exchange and part of
 the FTSE All-Share and FTSE Small Cap indices.
 Shares in AJOT can be bought directly on the London
 Stock Exchange or through investment platforms.

For more information visit: