Orbis Japan Equity

A symbol of Japan's export-led, industrial economy, Toyota Motor held the title of Japan's most valuable company for over 20 years. But in recent weeks the carmaker was dethroned by SoftBank Group—Masayoshi Son's technology giant—reclaiming the top spot it last held at the peak of the dot-com bubble in 2000. SoftBank's huge investments in British semiconductor designer Arm and in OpenAI, the maker of ChatGPT, drove the stock to new highs as investor excitement around AI continued to build. By early June, shares in SoftBank had risen more than threefold since the start of 2025, with OpenAI's widely anticipated IPO, expected to value the company at over a trillion dollars, yet to come.

But SoftBank's reign at the top was short-lived. Kioxia—a memory chip manufacturer that was spun out of Japanese giant, Toshiba, in 2017—in recent weeks has eclipsed both SoftBank and Toyota to claim the top spot. Remarkably, Kioxia only listed in late 2024, with an IPO that garnered little investor attention. More remarkable still is the fact that the listing had been delayed due to concerns around the lack of investor interest.

Despite a tricky start, Kioxia's subsequent rise has been extraordinary. Explosive demand for Kioxia's memory chips has sent company profits soaring and sent the share price stratospheric. Over the past 18 months, shares in Kioxia are up more than 50-fold.

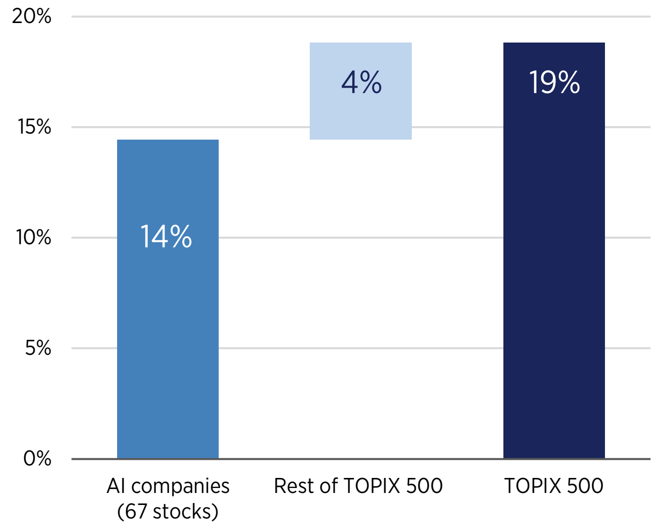
Even outside the obvious AI beneficiaries, almost any company that touches the AI supply chain has seen its share price soar. Specialist manufacturers of materials such as silicon, ceramics, and glass fibre cloth have seen their fortunes rise as supply-chain bottlenecks tighten. SUMCO, a producer of silicon wafers used in semiconductors, and Nitto Boseki, a manufacturer of the specialist glass fibre cloth used in AI chip substrates, are two such examples. Both companies' share prices were up more than threefold in the last 18 months.

Perhaps more unexpected still are Ajinomoto—best known for producing MSG—whose shares have surged on the basis that its amino acid technology has applications in semiconductor packaging, and Toto, the toilet maker, whose specialist ceramic electrostatic chucks are used to handle silicon wafers during semiconductor manufacturing. These are not obvious AI winners, but the market has been quick to handsomely reward any business with links to the AI supply chain.

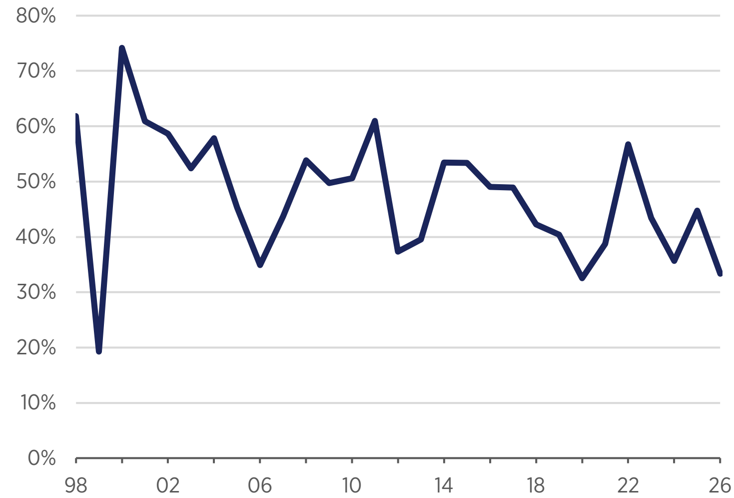
The result has been an unusually narrow, yet powerful market. Year to date, only a third of stocks in the TOPIX 500 have delivered benchmark-beating returns, yet the index has enjoyed one of its best starts to the year in decades.

TOPIX 500 returns have been driven by a very narrow basket of AI names

Contribution to index returns, 1 Jan to 30 Jun 2026



Percentage of winners in the TOPIX 500 since 1998



Source: MSCI, Orbis. The 'AI companies' basket has been selected using discretionary Orbis judgement as key Japanese companies with exposure to AI-related themes. Statistics are compiled from an internal research database and are subject to subsequent revision due to changes in methodology or data cleaning. 2026 data is measured over the period from 31 December 2025 to 30 June 2026. Figures may not sum due to rounding.

Meanwhile, our positioning away from the AI-related action has meant that we have missed out on much of these returns. Our hit rate has been poor, with only around 25% of names in the portfolio outperforming the index year to date. Having little exposure to AI names has been painful, but in most market environments there are multiple paths to outperformance. This year, the market has rewarded AI exposure above almost everything else. Tellingly, four of our five largest winners were names related to the AI supply chain.

Orbis Japan Equity *(continued)*

Leading the portfolio's winners this year is Sumitomo Electric Industries (SEI), a name we have discussed in recent commentaries and a stock we have owned consistently for over seven years. For most of that time, SEI was regarded as a supplier of automotive wire harnesses, overlooked by the market, with its share price going broadly nowhere. The company has since undergone a remarkable transition, quadrupling in value since the start of last year. Surging demand for its energy-efficient optical devices and connectors, driven by the rapid build-out of data centre capacity, has transformed both the earnings trajectory and the market's perception of the business.

Among other winners in the portfolio have been Rigaku, a company that makes X-ray-based equipment—historically for use in research labs—but more recently their technologies have been applied in the semiconductor manufacturing process. We exited the position in May with the share price having more than tripled since our first purchase just seven months earlier as the market came to recognise the value in the company.

Misumi has been another portfolio beneficiary of AI-driven infrastructure growth. The company produces bespoke parts used in factory automation and data centres—both areas seeing rising demand as AI investment accelerates. Its share price has doubled over the past year.

While we have seen some extraordinary market moves in the AI-related names, the apathy towards anything outside of AI is just as striking. Such an environment—when capital floods so decisively into a single theme—can be hard for contrarian investors to keep up with in the short term. But it is precisely in such moments that the most compelling opportunities tend to emerge, for those with the courage and patience to look elsewhere.

Our contrarian philosophy means we are more than comfortable being early, so long as we are paying the right price. Overpaying, or simply following the crowd, is another matter entirely. This environment has given us the opportunity to meaningfully upgrade the quality of the portfolio, adding businesses we have long admired at valuations we have not seen in years—precisely because others are looking the other way.

GMO Payment Gateway is a case in point. The payments industry has been seen as a potential "AI loser". Consequently, the stock has underperformed the market by more than 20% this year despite continuing to deliver stellar earnings growth and now trades near a historical low valuation. We are less concerned, and GMO Payment Gateway now sits as the largest holding in the Orbis Japan Equity Strategy. In our view, the company's stellar track record speaks for itself, having compounded earnings by around 25% per annum for over two decades. In our view, the future looks bright—we forecast earnings per share to compound at around 15% per annum over the next 6 years, driven by several structural tailwinds, including rising e-commerce and a shift to cashless payments in Japan. At the helm, founder Issei Ainoura has proven himself as an outstanding executor, and we have every confidence he is the right person to navigate the company through the challenges and opportunities of the AI era.

Nintendo tells a similar story. Few companies' products are as universally loved as Nintendo, yet since peaking in August, the share price has halved, facing two AI-related headwinds in quick succession. Surging memory prices, as hyperscalers hoover up supply to build out AI infrastructure, have raised input costs and will likely squeeze near-term margins. Meanwhile, the market has grown anxious that AI could disrupt Nintendo's existing business model, making game development more accessible to new entrants and potentially eroding its competitive advantage in content.

In our view, both concerns are overblown. Mario, Zelda and Pokémon have proven resilient through decades of technological change—we don't think the introduction of AI will be any different. At half the price it fetched nine months ago, we believe the current share price represents compelling value for one of the world's most recognisable and resilient franchises in entertainment, with earnings potential of its intellectual property still largely untapped.

GMO and Nintendo are just two examples. Across the portfolio, we see the same pattern: businesses with strong fundamentals, proven track records, and clear long-term potential, trading at valuations that are too good to ignore.

Whether the ascent of SoftBank and Kioxia to the top of Japan's corporate ladder marks a permanent changing of the guard, or just the latest chapter in a long history of Japan's evolving market, is difficult to call. What we do know is that, in the shadows of these fast-moving technological giants lie plenty of overlooked, high-quality businesses trading at very attractive prices. Identifying such businesses, while the market looks elsewhere, is the essence of what we do.

Commentary contributed by Alex Bowles and Brett Moshal, Orbis Portfolio Management (Europe) LLP, London

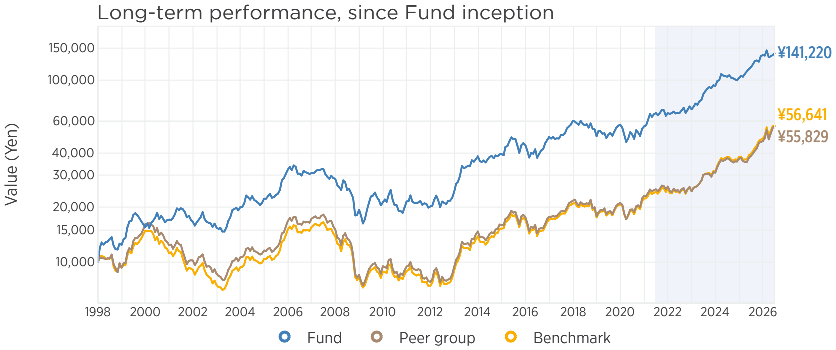
Orbis SICAV
Japan Equity (Yen) Fund

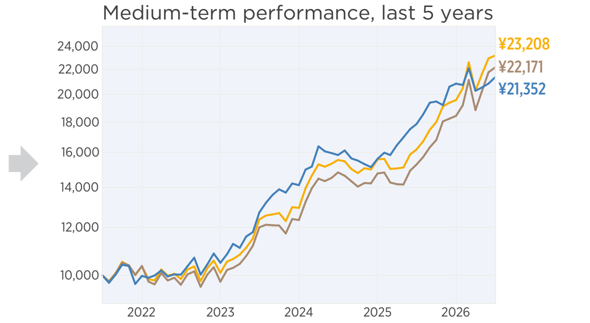
Investor Share Class

The Fund is actively managed and designed to be exposed to all of the risks and rewards of selected Japanese equities and seeks higher returns than the Japanese stockmarket, without greater risk of loss. It is predominantly exposed to the Japanese yen. The performance fee benchmark ("Benchmark") of the Class is the Tokyo Stock Price Index, including income, gross of withholding taxes ("TOPIX").

Price	¥14,122	**Benchmark**	TOPIX
Pricing currency	Japanese yen	**Peer group**	Average Japan Equity Fund Index
Domicile	Luxembourg		
Type	SICAV	**Minimum investment**	US$50,000
Fund size	¥383 billion	**Dealing**	Weekly *(Thursdays)*
Fund inception	1 January 1998	**Entry/exit fees**	None
Strategy size	¥697 billion	**UCITS compliant**	Yes
Strategy inception	1 January 1998	**ISIN**	LU0160128079

Growth of ¥10,000 investment, net of fees, dividends reinvested





Returns (%)

	Fund	Peer group	Benchmark
Annualised		*Net*	*Gross*
Since Fund inception	9.7	6.2	6.3
10 years	14.2	14.5	15.0
5 years	16.4	17.3	18.3
3 years	18.8	22.6	23.3
1 year	19.6	45.0	43.3
Not annualised			
Calendar year to date	2.4	20.3	18.6
3 months	5.2	17.7	14.4
1 month	2.4		1.1

Annual returns to 30 Jun	2022	2023	2024	2025	2026
	0.3	26.9	24.6	12.6	19.6

Sector Allocation (%)

Sector	Fund	Benchmark
Consumer Non-Durables	41	20
Cyclicals	27	31
Information and Communications	21	6
Financials	7	17
Technology	4	25
Utilities	0	1
Net Current Assets	*1*	*0*
Total	**100**	**100**

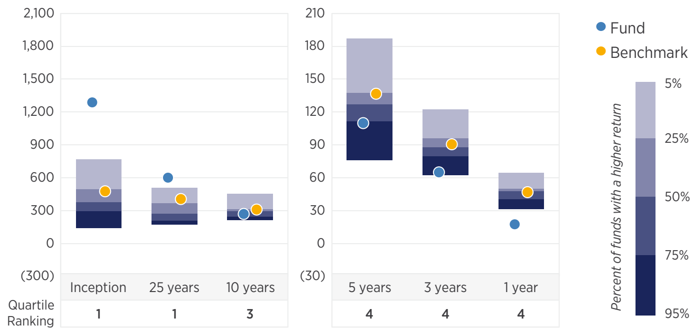
Top 10 Holdings

	Sector	%
GMO Payment Gateway	Information and Communications	7.4
Daiwa House Industry	Cyclicals	5.7
Mitsui Fudosan	Cyclicals	5.7
CyberAgent	Consumer Non-Durables	5.6
MISUMI Group	Consumer Non-Durables	5.0
Visional	Information and Communications	4.3
ABC-MART	Consumer Non-Durables	3.9
GMO Internet Group	Information and Communications	3.9
Sumitomo Electric Industries	Cyclicals	3.7
Sumitomo Mitsui Fin.	Financials	3.7
Total		**48.8**

Risk Measures, since Fund inception

	Fund	Peer group	Benchmark
Historic maximum drawdown (%)	52	59	56
Months to recovery	90	95	93
Annualised monthly volatility (%)	17.3	17.5	16.8
Beta vs Benchmark	0.9	1.0	1.0
Tracking error vs Benchmark (%)	9.1	2.5	0.0

Ranking within peer group, cumulative return (%)



Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	85
Total number of holdings	43
12 month portfolio turnover (%)	65
12 month name turnover (%)	29
Active share (%)	91

Fees & Expenses (%), for last 12 months

Fund expenses	0.09
Total management fee[1]	1.88
Total Expense Ratio (TER)	**1.97**

Orbis Fund share prices fluctuate and are not guaranteed. Returns may decrease or increase as a result of currency fluctuations. When making an investment in the Funds, an investor's capital is at risk.

See Notices for important information about this Fact Sheet.

[1] Total management fee consists of 1.5% per annum ± up to 1%, based on 3 year rolling outperformance/(underperformance) vs Benchmark.

Orbis SICAV Semi-Annual Report

For SICAV funds, this report contains only some of the information included in the semi-annual report of the Orbis SICAV (the "Company") as at 30 June 2026. The semi-annual report will be available upon request and free of charge at the registered office of the Company within two months following 30 June.

Legal Notices

Past performance does not predict future returns. Fund share prices fluctuate and are not guaranteed. Returns may decrease or increase as a result of currency fluctuations. When making an investment in the Funds, an investor's capital is at risk. This Report does not constitute advice nor a recommendation to buy, sell or hold, nor an offer to sell or a solicitation to buy interests or shares in the Orbis Funds or other securities in the companies mentioned in it. Subscriptions are only valid if made on the basis of the current Prospectus of an Orbis Fund. The Fund may be exposed to risks such as liquidity, credit, counterparty, derivatives and currency/exchange rate risks. Please refer to the respective Fund's Prospectus for full information on the risks associated with investing.

The discussion topics for the commentaries were selected, and the commentaries were finalised and approved, by Orbis Investment Management Limited, the Funds' Manager. Information in this Report is based on sources believed to be accurate and reliable and provided "as is" and in good faith. The Orbis Group does not make any representation or warranty as to accuracy, reliability, timeliness or completeness of the information in this Report. To the maximum extent permitted by applicable law, the Orbis Group disclaims all liability (whether arising in contract, tort, negligence or otherwise) for any error, omission, loss or damage (whether direct, indirect, consequential or otherwise) in connection with the information in this Report.

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This is a marketing communication for the purposes of the Bermuda Monetary Authority's investment business rules and ESMA guidelines on marketing materials. You should consider the relevant offering documents including the Fund Prospectus and Key Information document (for a SICAV Fund) before making any final investment decisions. These offering documents are available in English on our website (www.orbis.com). Investors in a SICAV Fund can obtain a summary of their investor rights in English on our website (www.orbis.com). When investing in the Orbis Funds an investor acquires shares within the Fund and not in the underlying assets held within the Fund.

Fees charged reduce the potential growth of your investment. Please refer to the relevant Fund's Prospectus for detailed information on the fees and expenses attributable to the Fund and for information on date of payment of the performance fee as applicable.

The return of your investment may change as a result of currency fluctuations if the return is calculated in a currency different from the currency shown in this Report.

Notice to Persons in the European Economic Area (EEA) and the United Kingdom (UK)

Each sub-fund of the Orbis SICAV (a Luxembourg-domiciled UCITS) is admitted for public marketing in Luxembourg and the United Kingdom. In addition, all sub-funds other than Global Cautious are admitted for public marketing in Ireland, the Netherlands, Norway and Sweden. In all cases, only certain share classes are available to investors in these jurisdictions. A list of the share classes admitted in each jurisdiction is available upon request.

Within the EEA, the Orbis Funds that are not Orbis SICAV funds are Alternative Investment Funds that are not marketed in the EEA for the purposes of EU AIFMD. Similarly, in the United Kingdom, the Orbis Funds that are not Orbis SICAV Funds or Orbis OEIC Funds are Alternative Investment Funds that are not marketed in the UK for the purposes of UK AIFMD.

Persons located in any EEA member state or the UK will only be permitted to subscribe for shares in the Orbis Funds admitted for public marketing in their specific jurisdiction, or as otherwise permitted under applicable law.

Orbis Funds that are within the scope of the EU Directive on Administrative Cooperation (Direction 2014/107/EU) are required to report (i) certain payments made to investors that are tax-resident in an EU Member State and (ii) the annual balance of the Orbis accounts held by those investors.

Under applicable automatic exchange of information provisions, this information may also be forwarded to the tax authorities in the EU Member State in which the investor is tax-resident.

Notes to Help You Understand This Report

Certain capitalised terms are defined in the Glossary section of the Orbis Funds' respective Prospectuses, copies of which are available on our website (www.orbis.com). Returns are net of fees, include income and assume reinvestment of dividends/distributions. Annualised returns show the average amount earned on an investment in the Fund/share class each year over the given time period. The country and currency classification for securities follows that of third-party providers for comparability purposes. Emerging Markets follows MSCI classification when available and includes Frontier Markets. Emerging Markets currency exposure is based on currency denomination. Based on a number of factors including the location of the underlying business, Orbis may consider a security's classification to be different and manage the Funds' exposures accordingly. Totals presented in this Report may not sum due to rounding. The Fund does not seek to mirror the investment universe of the Benchmark and is thus not constrained by the Benchmark's composition.

Risk measures are ex-post and calculated on a monthly return series. Drawdowns occur when the cumulative return of the Fund drops below its preceding peak. Months to recovery measures the number of months from the preceding peak in performance to recovery of that level of performance.

Beta compares the sensitivity of the periodic returns of a fund to those of an index. A beta of 1.0 implies that a percentage move in the index has been reflected by a similar percentage move in the fund, on average. A beta higher than 1.0 implies that a fund has proportionally more exposure to market volatility than the index.

Annualised Monthly Volatility measures the variability of monthly returns, adjusted to reflect an annual level. A higher value suggests greater volatility and risk, while a lower value indicates more stable returns.

Tracking error is a measure of the difference between a fund's return and the return of its benchmark. Low tracking error indicates that the fund is closely following its benchmark. High tracking error indicates the opposite.

12 month portfolio turnover for the Orbis Equity and Multi-Asset Class Funds is calculated as the lesser of total security purchases or sales in the Fund over the period, divided by the average net asset value (NAV) of the Fund. Cash, cash equivalents and short-term government securities are not included.

12 month name turnover for the Orbis Equity and Multi-Asset Class Funds is calculated as the number of positions held by the Fund at the start of the period but no longer held at the end of the period, divided by the total number of positions held by the Fund at the start of the period.

Active share is a measure of the extent to which the holdings of the Orbis Equity and Balanced Funds differ from their respective benchmark's holdings. It is calculated by summing the absolute value of the differences of the weight of each individual security in the specific Orbis Fund, versus the weight of each holding in the respective benchmark index, and dividing by two. For the Balanced Funds, three calculations of active share are disclosed. The Portfolio active share incorporates the equity, fixed income, commodity-linked and other securities (as applicable) held by the Orbis Fund and compares those to the holdings of the composite benchmark. The Equity and Fixed Income active shares are calculated as if the equity and fixed income portions of the Orbis Funds are independent funds; each of those two sets of holdings is separately compared to the fully-weighted holdings in the appropriate component of the composite benchmark. Although the Balanced Funds hedge stock and bond market exposure, the active share calculations are "gross" and not adjusted to reflect the hedging in place at any point in time.

Benchmark related information is as at the date of production based on data provided by the official benchmark and/or third party data providers. There may be timing differences between the date at which data is captured and reported.

The total expense ratio has been calculated using the expenses, excluding trading costs, and average net assets for the 12 month period ending 30 June 2026.

Orbis Multi-Asset Class Funds: Net Equity is Gross Equity minus stockmarket hedging. Fixed Income refers to fixed income instruments issued by corporate bodies, governments and other entities, such as bonds, money market instruments and cash. Net Fixed Income is Gross Fixed Income minus bond market hedging. Except where otherwise noted, government fixed income securities are aggregated by time to maturity and issuer. TIPS are not aggregated with ordinary treasuries. Duration is a measure of the sensitivity of a bond's price to changes in interest rates. A higher duration indicates greater sensitivity to interest rate changes. Duration is calculated using the modified duration of the fixed income instruments in the portfolio, or the effective duration in the case of fixed income instruments with embedded options and real effective duration in the case of inflation-linked bonds. Yield to Maturity ("YTM") is the total expected return on a bond if it is held until it matures. YTM for the Fund and the JP Morgan Global Government Bond Index is the average of the portfolio's fixed income instruments' YTMs, weighted by their net asset value. Real YTM is used for inflation-linked bonds. The calculations are gross and exclude non-performing fixed income instruments.

Orbis SICAV Funds: The Fund expenses exclude portfolio transaction costs. The performance related management fee becomes payable to Orbis on each Dealing Day as defined in the Funds' Prospectus.

Orbis Optimal Funds: Total Rate of Return for Bank Deposits is the compound total return for one-month interbank deposits in the specified currency. Beta Adjusted Exposure is calculated as Equity Exposure multiplied by a Beta determined using Blume's technique, minus Portfolio Hedging.

Fund Information

Orbis SICAV Global Balanced Fund: The benchmark is a composite index consisting of the MSCI World Index with net dividends reinvested (60%) and the JP Morgan Global Government Bond Index (40%).

Prior to 1 November 2016 the Orbis SICAV Emerging Markets Equity Fund was named the Orbis SICAV Asia ex-Japan Equity Fund and its Benchmark was the MSCI All Country Asia ex-Japan (Net) (US$) Index. The peer group prior to this date for the Investor Share Class and Shared Investor RRF Classes is the Average Asia ex-Japan Equity Fund and for the Wholesale and Fixed Fee Share Classes is the Investment Association Asia Pacific ex-Japan Sector.

Prior to 29 November 2002 the Investor Share Class of the Orbis SICAV Japan Equity (Yen) Fund was a British Virgin Islands investment company, Orbis Japan Equity (Yen) Fund Limited.

Prior to 1 July 1998 Orbis Optimal (US$) was managed with a currency benchmark of 40% US dollars, 40% European currency units and 20% Japanese yen. On 1 July 1998 this was changed to 100% US dollars and the euro denominated Fund was launched.

Fund Minimums

Minimum investment amounts in the Orbis Funds are specified in the respective Fund's Prospectus. New investors in the Orbis Funds must open an investment account with Orbis, which is subject to minimum investment restrictions, country restrictions and/or other terms and conditions. For more information on opening an Orbis investment account, please visit www.orbis.com.

Sources

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60/40 Index: The 60/40 Index values are calculated by Orbis using end of day index level values licensed from MSCI ("MSCI Data") and J.P. Morgan. For the avoidance of doubt, MSCI is not the benchmark "administrator" for, or a "contributor", "submitter" or "supervised contributor" to, the blended returns, and the MSCI Data is not considered a "contribution" or "submission" in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided "as is" without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilising any MSCI Data, models, analytics or other materials or information. JP Morgan Global Government Bond Index (the "JPM GBI"): Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The JPM GBI is used with permission. Copyright 2026, J.P. Morgan Chase & Co. All rights reserved. The 60/40 Index may not be copied, used, or distributed without prior written approval.

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