



AVI Japan Opportunity Trust

2025 AGM Presentation

Joe Bauernfreund & Nicola Takada Wood

AJOT Overview

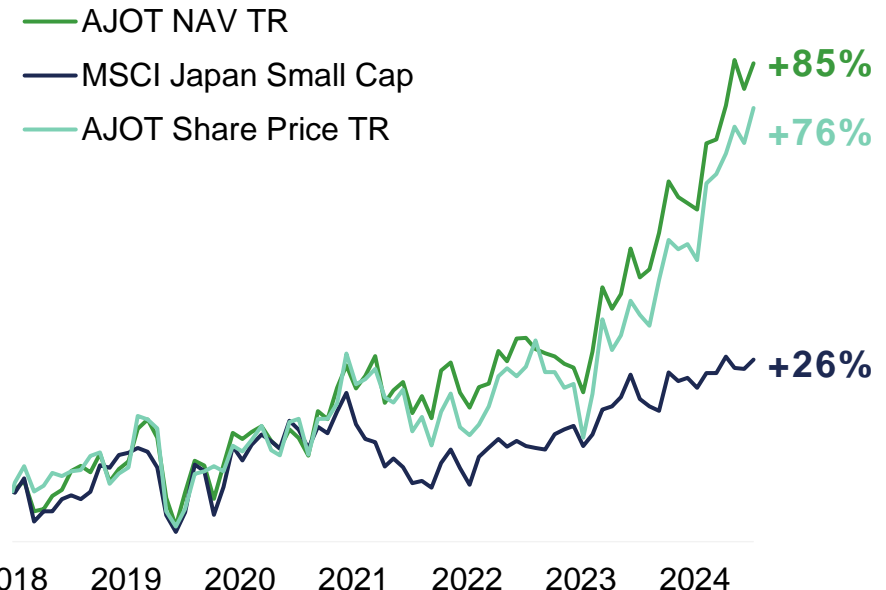
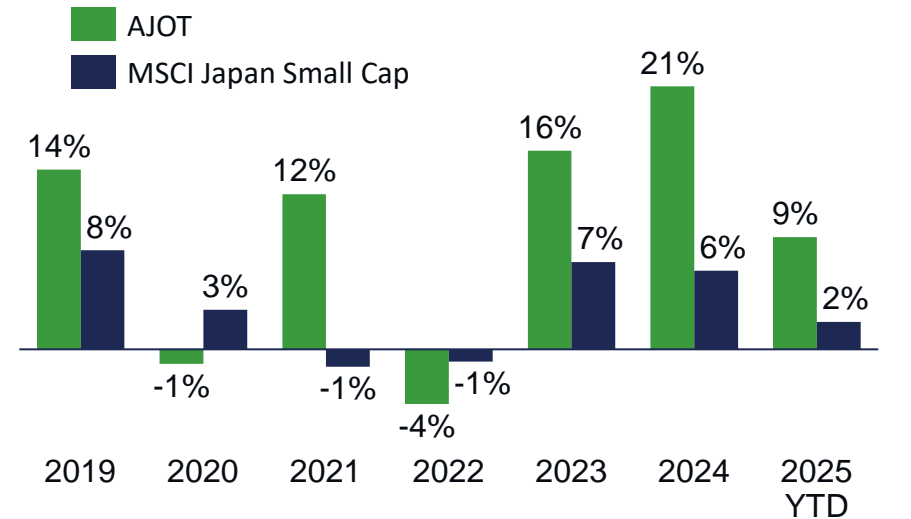
Market Cap:	£222m
AJOT Total Assets:	£263m
Benchmark:	MSCI Japan Small Cap
Annualised Turnover:	40% ¹
% Active Share:	>98%
Target Holdings:	15-25
Premium / (Discount):	(2.9)%
Redemption Opportunity:	Annual
Management Fee:	1.0% (o/w 25% reinvested ²)
Expected Holding Period	3 to 5 years

+58.9%

AJOT outperformance³
since inception Oct-18

Note: (as of 30/04/2025) ¹Annualised turnover since inception. ²25% reinvested into AJOT shares. ³Return figure since inception and not annualised, net of fees (GBP). Equivalent to +6.3% annualised outperformance, net of fees. AJOT inception date is 23/10/2018.

AJOT NAV Total Return (GBP)⁴

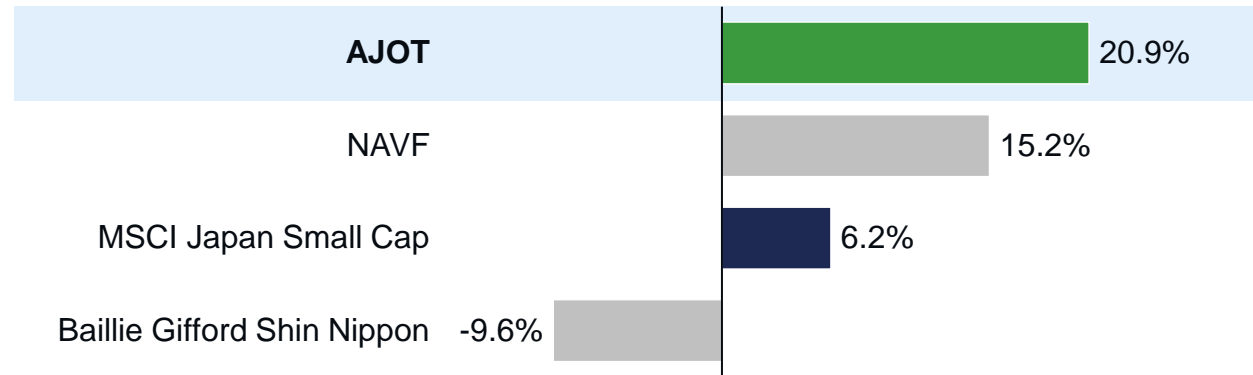


Source: AVI, Morningstar (as at 30/04/2025). **Note:** ⁴All returns in GBP, net of fees. 2019 includes the period from 23/10/2018 to 31/12/2018.

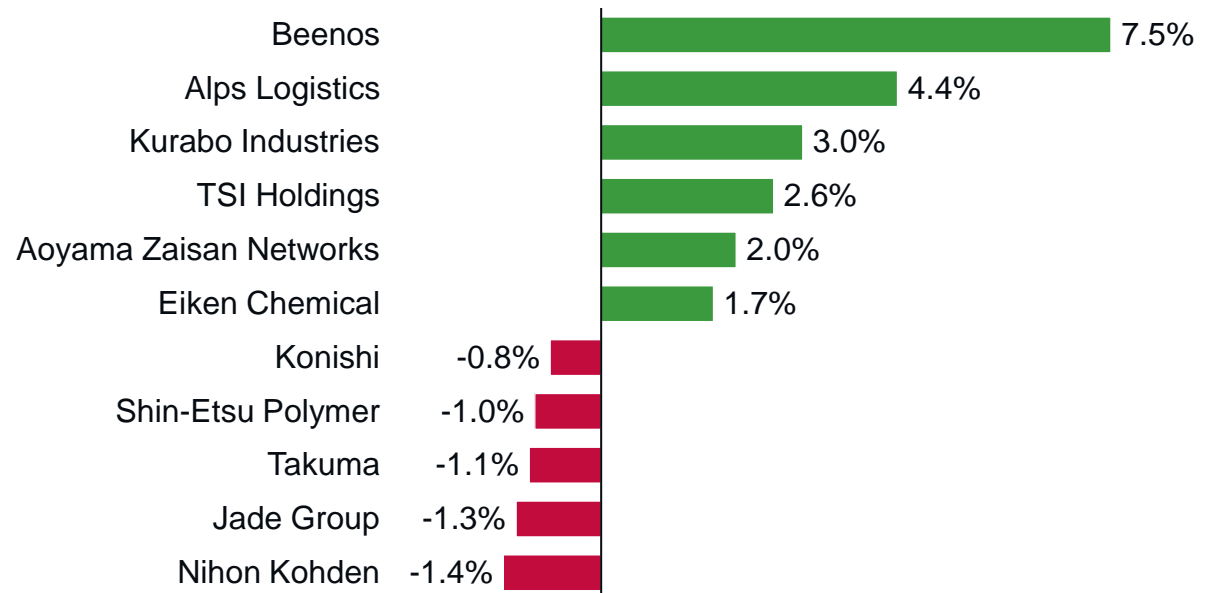
Review of 2024

- **DESPITE** continuing macro headwinds, the portfolio posted +32.4% JPY return
- **INCREASED** engagement success momentum amongst portfolio companies, with 8 buybacks announced, 4 dividend policy hikes and 2 ROE commitments
- **EXITED** 4 positions through tender offer bids, at average premiums of +83% to the undisturbed share prices

2024 NAV Total Return (GBP)¹

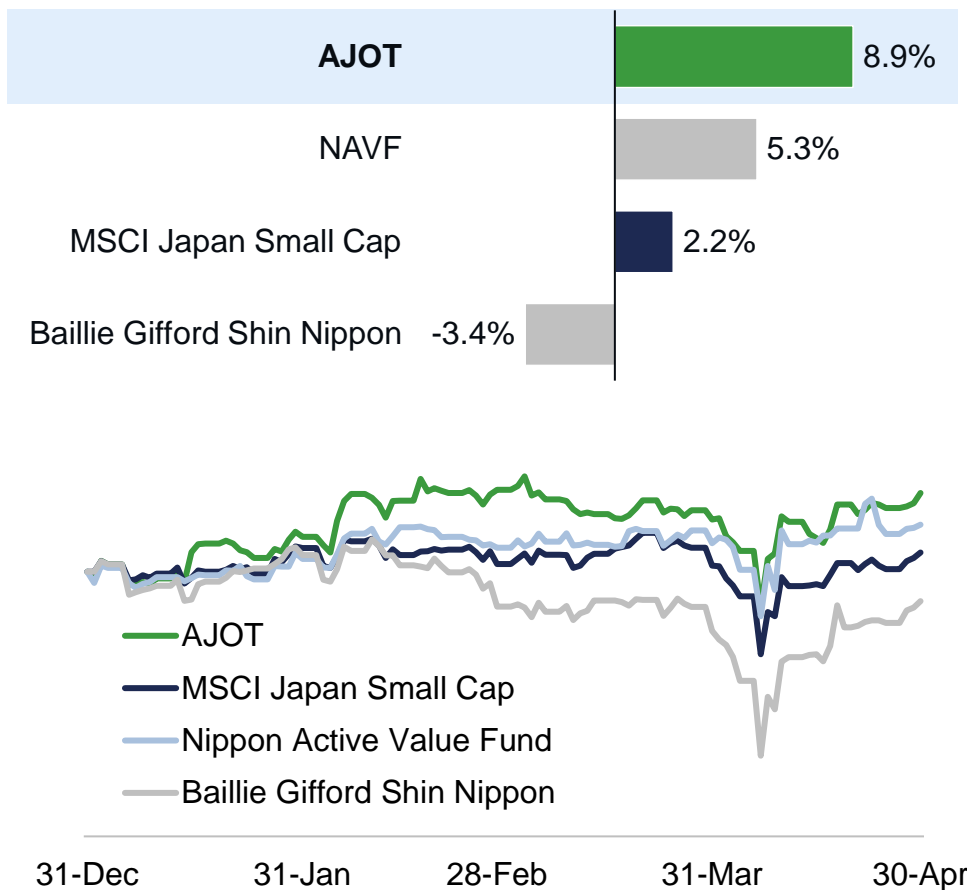


2024 Top Contributors & Detractors (GBP)

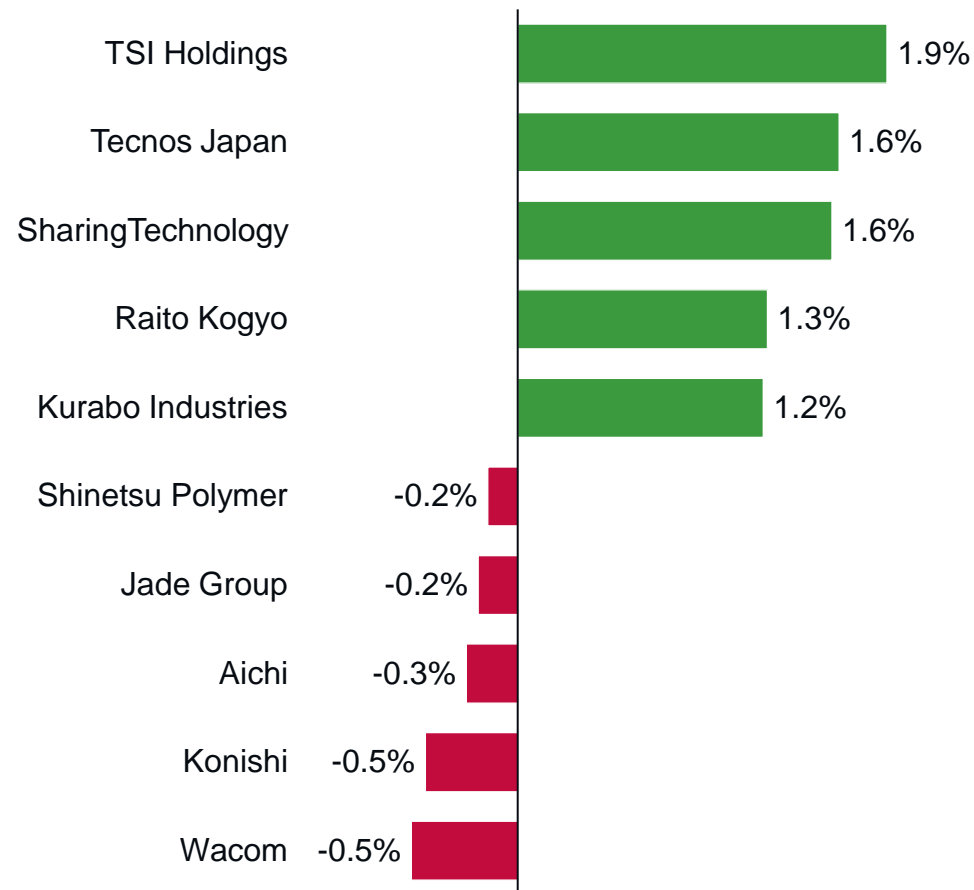


2025 Performance Year-to-Date

2025 YTD NAV Total Return (GBP)¹



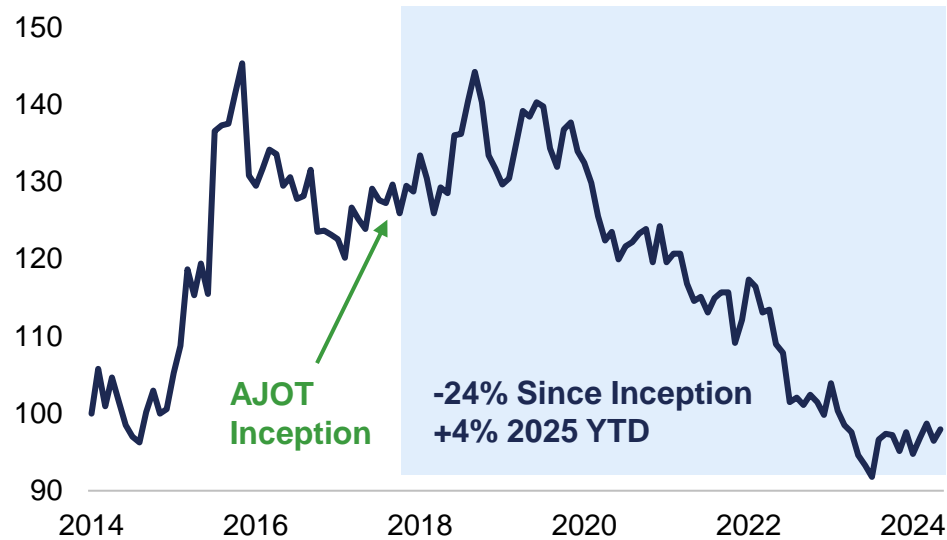
2025 YTD Top Contributors & Detractors (GBP)¹



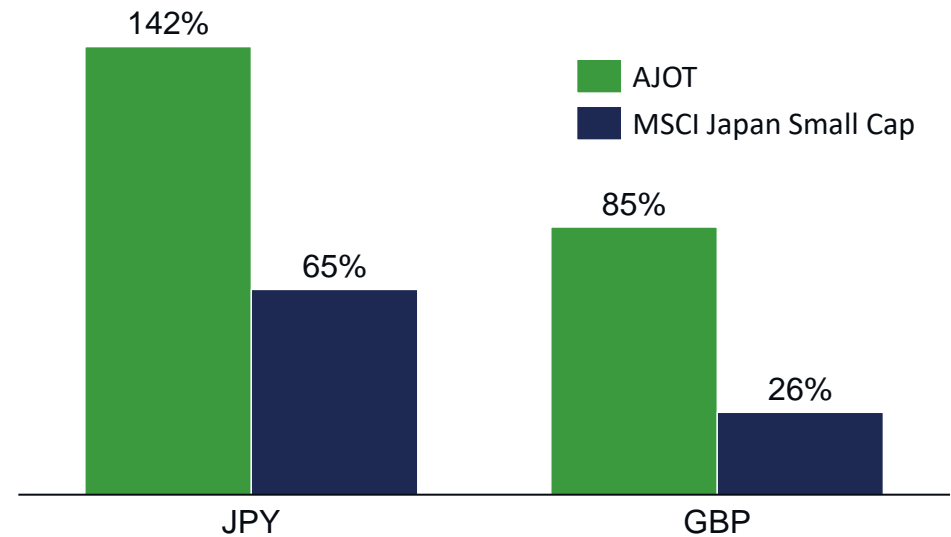
Yen Depreciation Has Been a Headwind

+4% Recovery in 2025 as BoJ Raised Rates

Yen -24% Weakening Since AJOT Inception



Impact on Net Returns Since Inception¹



		Month	3 Month	YTD	1Y	3Y	SI*
GBP	AJOT NAV	2.8%	4.8%	8.9%	29.9%	60.2%	85.1%
	MSCI Japan Small Cap	1.5%	-0.5%	2.2%	6.6%	24.2%	26.2%
JPY	AJOT NAV	1.5%	3.8%	5.4%	25.6%	87.7%	142.5%
	MSCI Japan Small Cap	0.2%	-1.5%	-1.1%	3.1%	45.4%	65.3%

Tokyo Stock Exchange Embracing Activists



Tokyo Stock Exchange President and CEO Hiromi Yamaji speaks to Nikkei Asia in Tokyo. (Photo by Ken Kobayashi)

MARKET SPOTLIGHT

Tokyo Stock Exchange boss tells Japan to embrace activist investors

'Frank, open discussions' could help decision-making, says CEO Yamaji

Recent reforms made by Tokyo Stock Exchange:

Companies to be more “conscious of share price and cost of capital”

- TSE started publishing a list of companies who disclose measures to improve their share price (Jan 2024)
- Published a review of the list (Sep 2024) explaining:
 - If a company wishes to be contacted by institutional investors
 - Date of disclosure update
- **TSE started disclosing “bad practices”** of listed companies’ disclosures, regarding measures to improve share price and cost of capital (Nov 2024)

List of Companies that Have Disclosed Information in Accordance with “Action to Implement Management that is Conscious of Cost of Capital and Stock Price”

As of September 30, 2024

Sector code	Sector	Market segment	Securities code	Company name	Disclosure status in compliance with the request	Change in disclosure status from last month	English disclosure
50	Fishery, Agriculture and Forestry	Prime	1301	KYOKUYO CO., LTD.	Under consideration		
50	Fishery, Agriculture and Forestry	Prime	1332	Nissui Corporation	Disclosed		Available
50	Fishery, Agriculture and Forestry	Prime	1333	Maruha Nichiro Corporation	Disclosed		
50	Fishery, Agriculture and Forestry	Prime	1375	YUKIGUNI MAITAKE CO., LTD.	Disclosed		Available
50	Fishery, Agriculture and Forestry	Prime	1377	SAKATA SEED CORPORATION	Disclosed		Available
50	Fishery, Agriculture and Forestry	Prime	1379	HOKUTO CORPORATION	Disclosed		

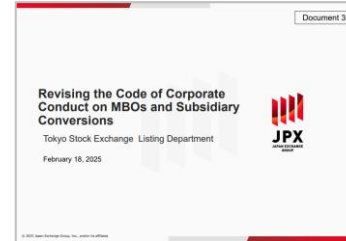
Regulators & Activists Pile Pressure for Reform

TSE & FSA increase pressure on companies amid rising corporate activity

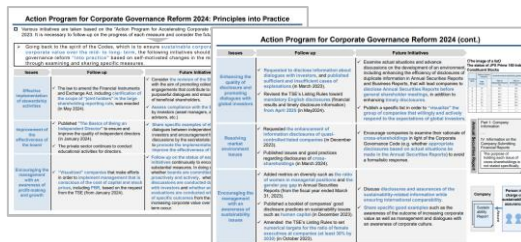
List of Companies that Have Disclosed Information in Accordance with "Action to Implement Management that is Conscious of Cost of Capital and Stock Price"

As of December 31, 2023

Sector code	Sector	Market segment	Securities code	Company name	Disclosure status in compliance with the request	English disclosure
50	Forestry, Agriculture and Forestry	Prime	1301	KYOKUYO CO., LTD.	Disclosed	
50	Forestry, Agriculture and Forestry	Standard	1384	Hokuryo Co., Ltd.	Disclosed	
1050	Mining	Prime	1515	Nittetsu Mining Co., Ltd.	Under consideration	
1050	Mining	Prime	1605	INPEX CORPORATION	Disclosed	Available
1050	Mining	Prime	1662	Japan Petroleum Exploration Co., Ltd.	Disclosed	Available
2050	Construction	Prime	1417	MIRAIT ONE Corporation	Disclosed	Available
2050	Construction	Prime	1719	HAZAMA ANDO CORPORATION	Disclosed	
2050	Construction	Prime	1720	TOKYU CONSTRUCTION CO., LTD.	Disclosed	Available



- TSE begins publishing monthly list of companies with P/B <1.0x
- TSE first requested disclosure in March 2023
- KKR launched bid for Fujisoft, which Bain countered with 7% higher offer
- KKR countered with 1 Yen higher offer
- KKR acquired 58% in Feb 2025
- TSE announced new protections for minority shareholders amidst rising MBOs, requiring timely and sufficient disclosure
- TSE mandates English Disclosures to lure overseas investors



Engagement Outcomes 2025 YTD

Many positive disclosures announced by portfolio companies, including 1 TOB announcement

Portfolio Company Announcements



- New buy-back program (**3.61%** to its shares outstanding)



- **Announcement of privatisation** through TOB by Ant Capital Partners



Maruzen Showa

- New buy-back program (**2.70%** to its shares outstanding)



- New buy-back program (**11.59%** to its shares outstanding)
- Shutdown of its Anjo Plant in Aichi Prefecture as part of its **textile business restructuring**

14th Jan

31st Jan

4th Feb

6th Feb

10th Feb

14th Feb

25th Mar



TSI HOLDINGS

- Sale of investment real estate asset located in central Tokyo (**c. 30% to the market cap**)



- Announcement of sale in cross-shareholding (**JPY 11.5bn**)



- Announcement of a new buy-back program (**7.29%** to its shares outstanding)
- Setting new P/B target at 1.5x



- New buy-back program (**14.28%** to its shares outstanding)



- New buy-back program (**7.5%** to its shares outstanding)



Source: AVI, company disclosure (as at 30/04/2025).

Exit via Corporate Activity: Last 12 months

- Below are examples 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
- While not a core part of our investment criteria, AVI pushes the catalyst when privatisation is deemed the suitable path

Beenos

Apparel E-commerce

Held in AJOT since January 2024

Tender offer by strategic buyer, LY Corporation in December 2024

AVI controlled c.10% of the shares

+19%

TOB Premium¹

Alps Logistics

Electronics Logistics

Added to AJOT in October 2018

Private equity buyout in June 2024, after a failed bid in late 2023

AVI controlled c.2% of the shares

+194%

TOB Premium¹

NC Holdings

Conveyor Belts, Parking Systems

Added to AJOT in June 2021

Private equity buyout in June 2024 by another major shareholder, Miri Capital

AVI controlled c.22% of the shares

+47%

TOB Premium¹

Tecnos Japan

IT Services (ERP/CRM)

Added to AJOT in April 2024

Private equity buyout in March 2025 by Ant Capital Partners

AVI controlled c.10% of the shares

+39%

TOB Premium¹



High Conviction Portfolio

AJOT Portfolio Top 10 Holdings

Name	Business	Date of entry ¹	% NAV	ROI % (JPY)	AVI % Ownership ²	EV / EBIT	NFV % Mkt Cap
Kurabo Industries	Textiles & Other	Jan 24'	11.5	+40.4	5.3	3.0	72%
Beenos*	E-Commerce	Jan 24'	10.2	+126.2	9.5	10.1	44%
TSI Holdings	Apparel	Jul 22'	9.1	+125.5	8.7	0.9	97%
Eiken Chemical	Diagnostics	Jul 23'	8.2	+34.9	5.5	24.9	13%
Rohto Pharmaceutical	Pharmaceuticals	Sep 24'	7.7	(3.7)	2.4	13.3	9%
Aoyama Zaisan Networks	Wealth Management	Mar 24'	7.2	+28.1	7.6	10.0	24%
SharingTechnology	Service Matching Platform	Jul 24'	6.9	+38.8	12.9	11.9	14%
Raito Kogyo	Specialist Construction	Mar 24'	6.4	+22.4	2.8	6.1	37%
Atsugi	Apparel, Stockings	Jul 24'	5.8	+19.9	18.1		125%
Wacom	Digital Writing Solutions	Aug 21'	4.5	(8.2)	10.3	7.1	9%
Total / Average (Top 10)			77.4%			8.8x	47%

*Exited via tender offer completion post month-end.



Source: AVI as at 30/04/2025. Note: ¹Inception is 23/10/2018. ²AVI ownership across all client funds based on voting rights (as at 30/04/2025).

Strong Pipeline

New Additions in 2025



KOKUYO

Name	Entered	Business	Market Cap (\$m)	NFV % Market Cap	EV / EBIT LTM
Synchro Food	Mar 25'	Restaurant Job Listings	120	30%	10.8x
Wakamoto Pharmaceutical	Feb 25'	Pharmaceuticals	82	74%	-
Maruzen Showa Unyu	Jan 25'	Logistics	834	25%	6.3x
Mitsubishi Logistics	Jan 25'	Logistics	2,476	254%	-
Kokuyo	Jan 25'	Furniture & Stationary	2,322	43%	8.0x

Reserve Ideas



Company A	N/A	Chemicals & Fertilisers	186	105%	-
Company B	N/A	Healthcare	1,367	33%	5.4x
Company C	N/A	IT Services	3,866	41%	6.2x
Company D	N/A	Semiconductor Testing Equipment	93	65%	2.2x

AVI Japan Team



Joe Bauernfreund



CEO & CIO

Responsible for final investment decisions

29 years' industry experience
Portfolio Manager of AJOT since inception
London Business School – Masters in Finance



Kaz Sakai, CFA



Head of Japan Research
Generalist

12 years' industry experience
McKinsey & Company, Lone Star Funds
Harvard Business School – MBA



Luke Hutcherson



Investment Analyst
Generalist

2 years' industry experience
University of Sydney – BComm
London Business School – MSc Financial Analysis



Ben Levy



ESG Analyst
Generalist

2 years' industry experience
University of Glasgow – MA (Hons) Economics
Imperial College London – MSc Climate Finance

Nicola Takada Wood



Managing Director
Generalist

20 years' industry experience
Redwheel, Goldman Sachs, Mizuho Securities
University of London & Waseda University - BSc

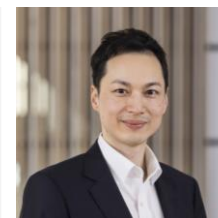


Shuntaro Shimizu



Senior Investment Analyst
Generalist

10 years' industry experience
Bain & Company, Bank of Japan
Stanford University – MBA

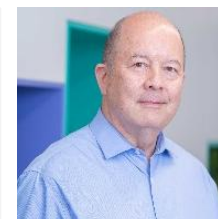


Jason Bellamy (Japan-based)



Senior Engagement Consultant
Generalist, engaging with all portfolio holdings

30 years' industry experience
Aberdeen Standard Investments
London School of Economics – BSc Economics



[See appendix for more detailed team biographies.](#)





Key Takeaways

Track Record of Outperformance

- Since AJOT launch in 2018, AVI has delivered annualised returns¹ of **16.3% vs 8.2%** for the MSCI Japan Small Cap index

A Japan Equity Specialist

- Constructive engagement with consulting expertise
- Identify durable, overcapitalised businesses trading at discounted valuations
- Under-researched, differentiated portfolio companies
- Dedicated and experienced Japan Investment Team

Ripe Environment for Engagement

- Corporate Governance reform has reached critical mass. The environment for engagement and activism has never been better
- Valuations remain compelling and the invest-able universe continues to expand

Appendix

Japan Team Bios

Name/Position	Experience & Expertise
Joe Bauernfreund CEO and CIO	Joe Bauernfreund joined AVI in 2002 and worked closely with AVI's founder, before becoming CEO and CIO in October 2015. Joe is the named portfolio manager for the AVI Global Trust plc, which he has solely managed since 2015, and for the AVI Japan Opportunity Trust plc, which he has managed since its inception in 2018. He oversees all investment decisions at AVI. Prior to joining AVI in 2002, Joe worked six years for a real estate investment organisation in London. He has a Master's in Finance from London Business School.
Nicola Takada Wood* Managing Director	Nicola Takada Wood joined AVI in January 2025. Nicola has focused on Japanese equities throughout her career, joining AVI from Redwheel where she was Portfolio Manager for 6 years. Prior to this, Nicola was an Executive Director of Mizuho Securities and a Vice President at Goldman Sachs, based in both London and Tokyo. Nicola leads the Japan team at AVI, with her role spanning investment, business strategy and stakeholder engagement. Nicola graduated with First Class Honours in Economics and Japanese from the University of London and Waseda University, where she was a Government Scholar.
Kaz Sakai* Head of Japan Research	Kaz Sakai has been working with AVI since May 2020 and, after completing his MBA at Harvard, joined AVI's investment team full-time in June 2021, currently Head of Japan Research. Prior to Harvard, Kaz was an Engagement Manager at McKinsey & Company in Tokyo, gaining unique insights into advising Japanese companies on operational improvements. Kaz also gained valuable experience at a private equity firm in Tokyo from 2016-2018. Kaz leads the team of Japan research analysts and spearheads the team's engagement methodology.
Shuntaro Shimizu* Senior Investment Analyst	Shuntaro Shimizu joined AVI in August 2023. Shuntaro previously worked for Bain & Company as Manager in Tokyo where he engaged with Japanese companies on ways to improve their business. Prior, Shuntaro worked at the Bank of Japan, before gaining an MBA from Stanford Graduate School of Business. With guidance from the head of research, Shuntaro leads the engagement and research for several portfolio companies.
Luke Hutcherson Investment Analyst	Luke Hutcherson joined AVI in February 2023. Before joining AVI, Luke completed internships at Tico Capital Management and Ernst & Young. Luke has a BCom in Finance & Accounting from the University of Sydney and an MSc in Financial Analysis from London Business School.
Jason Bellamy* Senior Engagement Consultant	Jason Bellamy joined AVI in March 2020. He works closely with the analyst team and leads on the engagement efforts in Japan. He brings more than 30 years' experience in the financial services industry, working for and engaging with global companies, government bodies, regulators and international investors including Sumitomo Mitsui Trust Bank, First Trust Advisors and Aberdeen Standard Investments.
Ben Levy ESG Analyst	Ben Levy joined AVI in April 2025. Prior to joining AVI, Ben worked as a Sustainable Finance Consultant at Guidehouse, having previously completed an internship at Worthstone Impact Investing. Ben has an MA Economics from the University of Glasgow and an MSc in Climate Change, Management & Finance from Imperial College London.

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