

April 2025

Investment Objective: To achieve capital growth through investing in a focused portfolio of over-capitalised small-cap Japanese equities. Asset Value Investors will leverage its three decades of experience investing in asset-backed companies to engage with company management and help to unlock value in this under-researched area of the market.

HEADLINES

Kurabo – Textiles restructuring

Kurabo Industries, a conglomerate founded as a textiles business, announced plans to shut down its Anjo textiles plant as part of its textiles business structural reform.

[Read more below](#)
Sharingtechnology – Buybacks

Sharingtechnology, which operates one of the largest life service matching platforms in Japan, announced it had successfully completed its 3% buyback program announced in November 2024.

[Read more below](#)
Atsugi – Caught in Tariff Turmoil

Atsugi is an apparel manufacturer primarily known for producing stockings, innerwear, and legwear for women. The company saw its share price fall amidst the tariff turmoil around 'Liberation Day'.

[Read more below](#)

THE TRUST

Share Price (pence)

163.3

NAV (pence)

168.1

Prem./(Disc.)

(2.9)%

EV/EBIT

8.1x

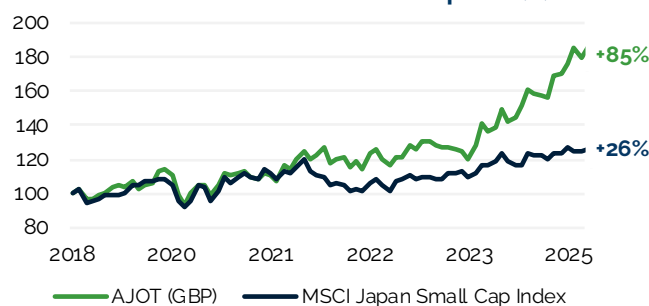
Net Cash/Market Cap¹

22.1%

NFV/Market Cap²

50.0%

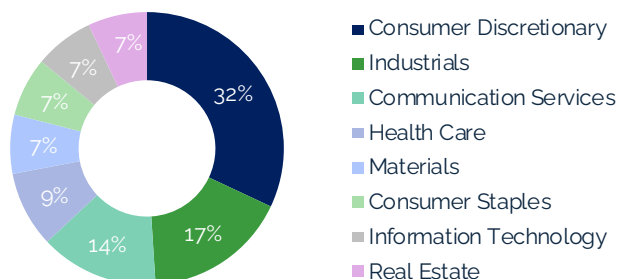
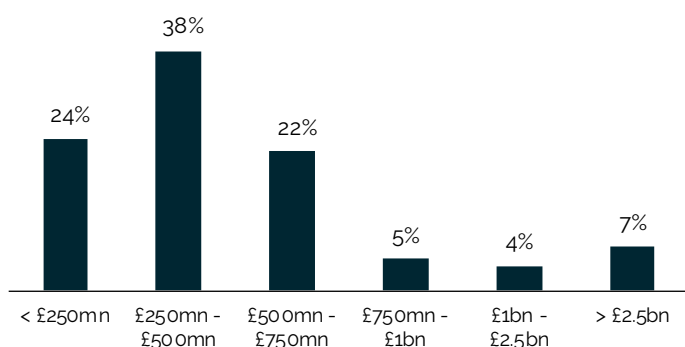
NAV Total Return Since Inception (£)



		Month	3 Month	YTD	1Y	3Y	5Y	SI*
GBP	AJOT NAV	2.8%	4.8%	9.0%	29.9%	60.2%	85.5%	85.1%
	MSCI Japan Small Cap	1.5%	-0.5%	2.2%	6.6%	24.2%	31.6%	26.2%
JPY	AJOT NAV	1.5%	3.8%	5.5%	25.6%	87.7%	162.0%	142.5%
	MSCI Japan Small Cap	0.2%	-1.5%	-1.1%	3.1%	45.4%	85.9%	65.3%

All performance shown net of fees and as at 30/04/2025. Source: Morningstar. Benchmark: MSCI Japan Small Cap Total Return Index.
*23 October 2018 Start Date

PORTFOLIO

Sector Breakdown***Market Cap Breakdown*****Top Ten Holdings***

	%
Kurabo Industries	10.4
Beenos	9.2
TSI Holdings	8.2
Eiken Chemical	7.5
Rohto Pharmaceutical	7.0
Aoyama Zaisan Networks	6.6
Sharingtechnology	6.2
Raito Kogyo	5.8
Atsugi	5.2
Wacom	4.0
TOTAL	70.1
% Net Gearing	10.4
No. of Holdings	23

¹ Net cash = Cash – Debt

² Net Financial Value (NFV) = Net cash + Investment Securities – Minority Interest

*All Figures shown as % of Portfolio

MANAGER'S COMMENT

AJOT's NAV increased by +2.8% (in GBP) and +1.5% (in JPY) over the month, while the benchmark returned +1.5% (in GBP) and +0.2% (in JPY).

The two largest contributors to performance in April were Kurabo Industries (+5% share price), which announced plans to shut down its largest textiles plant, and Sharingtechnology (+9%), which completed its buyback program for 3% of the float. Meanwhile, Atsugi (-9%) was the most notable detractor, which was somewhat caught in the tariff turmoil.

Over the last month, markets have been dominated and dictated by "Liberation Day" and the ensuing tariff turmoil. Despite the ongoing global volatility, we are pleased to report that the AJOT portfolio has continued to outperform the benchmark. The portfolio's resilience can partly be ascribed to the domestic nature of the companies' underlying businesses - as a reminder over 80% of look-through sales at a portfolio level are domestically driven. We have also experienced share price strength in companies where we have seen engagement success, like Kurabo (discussed below), which, in line with our recommendation, announced plans to close down its largest and most unprofitable textile factory.

The expectation of AVI's future engagement success also seems to have moved Rohto Pharmaceutical, a leader in eye drops and skincare. We launched a public campaign, "[Awakening Rohto](#)" in April, highlighting the strengths of the company as well as a proposed roadmap to improved corporate efficiency and shareholder value. Our newest portfolio addition, Synchro Food's share price has also reacted positively to our appearance on the shareholder register and was one of the period's top performers.

During the period, the team launched public campaigns for both Rohto Pharmaceuticals and Wacom, and held around 30 in-person meetings in Japan across our portfolio companies.

Across the AJOT portfolio, AVI made several large ownership declarations in April, including a 5% declaration in Kurabo Industries the largest position in the portfolio. AVI now holds more than 5% of the voting rights in 13 portfolio names, which account for 79% of NAV. Building large stakes is beneficial for AVI's differentiated engagement strategy, as it signals to management teams our intention to unlock long-term value through constructive engagement, with a unique focus on operational improvements in addition to the traditional engagement areas.

Kurabo Industries (3106) – Shut down of largest textiles plant

Kurabo Industries was the largest contributor over the month, adding +71bps to performance as its share price rose by +5%.

Kurabo Industries, originally established 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, while it 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.

Pleasingly, in March, Kurabo Industries announced plans in line with our recommendations, to close down its largest and most unprofitable textile factory, the Anjo Plant, by June 30 2025. This is part of a strategic shift toward high-value-added materials and overseas production to strengthen profitability.

Kurabo Industries was added to the portfolio in January 2024 and is now the largest holding, accounting for 10.4% of the portfolio, with the investment already generating a +40% ROI, for an IRR of +63% (in JPY) to month-end.

Sharingtechnology (3989) – 3% buyback program completed

Sharingtechnology was the second largest contributor over the month, adding +70bps to performance as its share price rose +9%.

Sharingtechnology operates one of the largest life service matching platforms in Japan, which connects a variety of user needs arising from ever diversifying lifestyles, with high-quality services. With nearly 200 specialised websites and over 6,000 external service providers on the platform, the most frequent services catered for include lost keys, pet cremation, lawn mowing and termite control.

One of our engagement priorities has been better capital allocation, and during April, the company announced it had successfully completed its share buyback program announced in November 2024, equal to 3% of the float.

We believe there are several tailwinds to support continued growth, including the ageing Japanese population and projected increase in the number of single-person households, which have led to an increase in the number of urgent day-to-day problems.

We anticipate substantial upside to the share price, with the 6.2% position in AJOT (7th largest) reflective of our conviction. Added to the portfolio in July 2024, the investment has achieved an ROI of +39% for an IRR of +96% (in JPY) to April month-end.

Atsugi (3529) – Share price unfairly hit in tariff fallout

Atsugi was the largest detractor, reducing performance by -54bps as its share price fell -9%.

Atsugi is an apparel manufacturer primarily known for producing stockings, innerwear, and legwear for women. The company manufactures and retails under its own brands.

In positive news, on March 31st, the company announced it had completed the sale of cross-shareholdings, with a Y1.8bn gain on sale, which was previously expected to be Y1.4bn. However, following Trump's 'Liberation Day', the share price fell -13%, which was unjustified in our view given their mostly domestic sales limits the impact of tariffs and overseas markets. The share price rebounded c.10% the next day and trended higher for the remainder of April.

Added to the portfolio in July 2024, Atsugi accounted for 5.2% of the portfolio at month-end as a top 10 holding. We see significant upside to the current share price, and to month-end, our investment has generated an ROI of +20% for an IRR of +45%.

STATISTICS

Contributors / Detractors (in GBP)¹

Largest Contributors	Monthly Con bps	% Weight ²
Kurabo Industries	71	10.4
Sharingtechnology	70	6.2
Rohto Pharmaceutical	64	7.0
Raito Kogyo	59	5.8
Synchro Food	43	3.4

Largest Detractors	Monthly Con bps	% Weight ²
Atsugi	-54	5.2
TSI Holdings	-22	8.2
Konishi	-13	3.2
Eiken Chemical	-10	7.5
Shin-Etsu Polymer	-4	1.6

Performance Summary

Period Net Returns (%)****	1m	1Y	3Y	5Y	SI ¹
Share Price TR	4.1%	30.4%	57.4%	82.5%	76.1%
Net Asset Value TR	2.8%	29.9%	60.2%	85.5%	85.1%
MSCI Japan Small Cap	1.5%	6.6%	24.2%	31.6%	26.2%
CY Net Returns (%)	YTD	2024	2023	2022	2021
Share Price TR	8.0%	21.5%	14.8%	-6.0%	10.0%
Net Asset Value TR	9.0%	20.9%	15.8%	-4.3%	12.3%
MSCI Japan Small Cap	2.2%	6.2%	6.9%	-1.0%	-1.4%

Trust Details

Capital Structure	
Ordinary Shares	137,198,943
Shares held in Treasury	1,360,716
TONAR + 1.55% Revolving Credit facility	¥6,600,000,000
Gross Assets/Gearing	
Gross Assets	£263m
Debt at fair value (gross)	£34.6m
Gearing (net)*****	10.4%

Fund Facts	
Launch Date	23-Oct-18
Net Assets	£228.3m
Investment Manager	Asset Value Investors Limited
AJOT Shares Owned by the Manager**	3,218,297
Shareholder Services	MUFG Corporate Markets
Management Fee***	1.0% of lower of market cap or NAV
Website	www.ajot.co.uk
Ticker Code	AJOT.LN
ISIN	GB00BD6H5D36

All performance shown in GBP Total Return and as at 30/04/2025

Source: Morningstar for all performance figures

*23 October 2018 Start Date

** Shares owned by AVI Ltd & AVI employees

*** 25% of Management Fee is reinvested in shares of AJOT

**** Returns stated net of fees

***** Net gearing at fair value

¹Contributors and detractors from Facstet

²All Figures shown as % of Portfolio

Investment Manager – Joe Bauernfreund

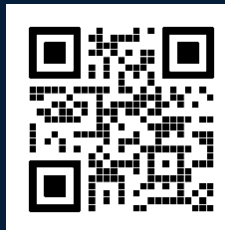
AVI Ltd. +44 20 7659 4800 info@ajot.co.uk

The share price can be found in [The Financial Times](#).
ISIN: GB00BD6H5D36 Trading as: [AJOT:LN](#)

Information may be found on the following websites:

www.ajot.co.uk

www.assetvalueinvestors.com



IMPORTANT INFORMATION

All figures are as at the period under review unless otherwise stated. All sources Asset Value Investors Ltd ("AVI") unless otherwise stated. AVI is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA") and is a registered investment adviser with the Securities and Exchange Commission of the United States. While AVI is registered with the SEC as an investment adviser, it does not comply with the Advisers Act with regard to its non-U.S. clients. This document does not constitute an offer to buy or sell shares in AVI Japan Opportunity Trust plc (the "Trust"). The contents of this message are not intended to constitute, and should not be construed as, investment advice. Potential investors in the Trust should seek their own independent financial advice. AVI neither provides investment advice to, nor receives and transmits orders from, investors in the Fund.