

July 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

AJOT Exits Longstanding Holdings

AJOT successfully exited longstanding positions in former top holding TSI Holdings, as well as Konishi, via company buybacks, highlighting our ability to exit relatively illiquid names.

[Read more below](#)

Eiken Chemical – Earnings Growth

Eiken Chemical announced revenue growth of +7.1% YoY and EBIT growth of +37.2%, however, last year's financial performance was quite poor.

[Read more below](#)

Atsugi Operating Loss Continues

Atsugi, an apparel manufacturer primarily known for producing stockings, announced its operating loss had continued in Q1 2025, with EBIT falling by -12.1% YoY and revenue -4.2%.

[Read more below](#)

THE TRUST

Share Price (pence)

173.3

NAV p/s (pence)

178.4

Prem./(Disc.)

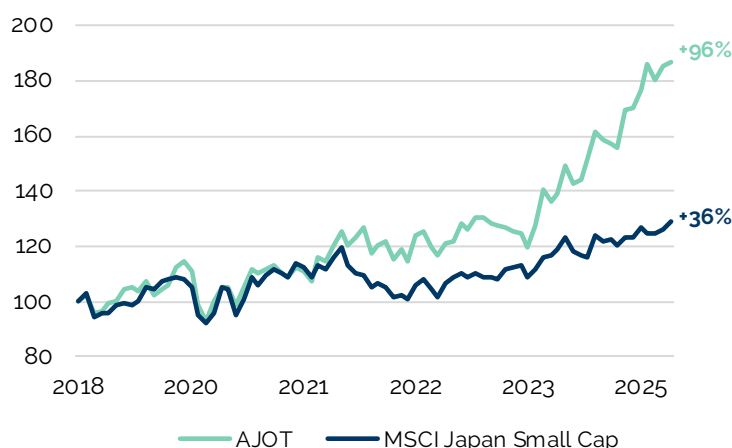
(2.9)%

Net Performance

		Month	1Y	3Y	5Y
GBP	NAV p/s	3.6%	21.6%	58.5%	99.4%
	MSCI Japan Small Cap	3.7%	10.3%	29.1%	43.1%
JPY	NAV p/s	4.2%	25.3%	94.0%	186.2%
	MSCI Japan Small Cap	4.3%	13.7%	58.1%	105.4%

All performance shown net of fees total returns as of 31/07/2025. Source: Morningstar.

NAV Total Return Since Inception (GBP)



Source: Morningstar as of 31/07/2025

PORTFOLIO

Top Ten Holdings

	% ¹
Kurabo Industries	11.6
Raito Kogyo	10.8
Rohto Pharmaceutical	8.7
Eiken Chemical	8.5
Wacom	7.7
Atsugi	7.4
Sharingtechnology	7.2
Broadmedia	6.9
Mitsubishi Logistics	6.7
Aoyama Zaisan Networks	6.2
TOTAL	81.7
No of Holdings	18

Contributors/Detractors (GBP)²

Largest Contributors	1M Contrib. bps	% ¹
Sharingtechnology	118	7.2
Eiken Chemical	86	8.5
Raito Kogyo	79	10.8
Kurabo Industries	74	11.6
Mitsubishi Logistics	38	6.7

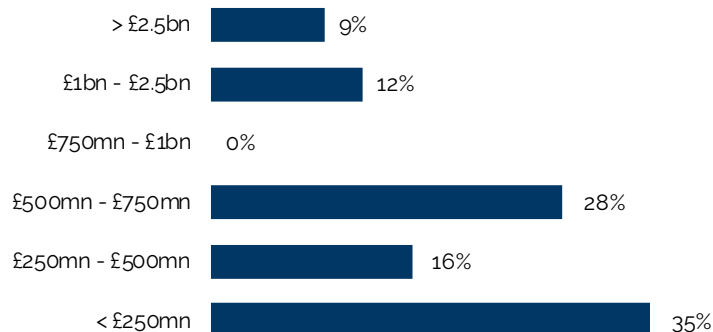
Largest Detractors	1M Contrib. bps	% ¹
Atsugi	-64	7.4
Wacom	-38	7.7
TSI Holdings	-21	Exited
Broadmedia	-16	6.9
DTS	-13	3.2

¹All Figures shown as % of Net Asset Value

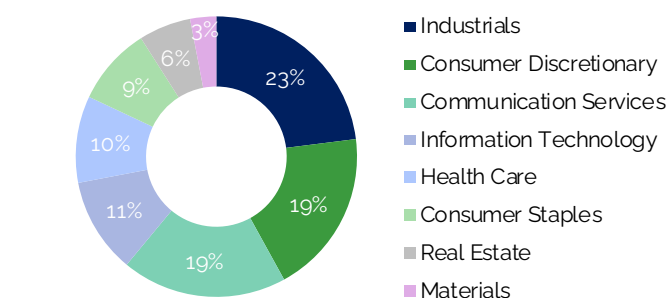
²Contributors and detractors from Factset

PORTFOLIO (continued)

Market Cap Breakdown³



Sector Breakdown³



³Shown as % of Portfolio

MANAGER'S COMMENT

AJOT's NAV increased by +3.6% (in GBP) and +4.2% (in JPY) over the month, while the benchmark returned +3.7% (in GBP) and +4.3% (in JPY).

The two largest contributors to performance over the month were Sharingtechnology (+20% share price), which saw its volatile share price gain over the month, and Eiken Chemical (+12%), which announced Q1 FY2025 operating profit growth of +37.4% YoY. Meanwhile, Atsugi (-7%) was the most significant detractor as it announced a continued operating loss in Q1 FY2025.

During the month, we exited the longstanding position in former top holding TSI Holdings, as well as Konishi, which was held in AJOT since inception. Both were successful investments, with TSI Holdings generating an ROI of +92% for an IRR of +46%, and Konishi generating an ROI of +74% for an IRR of +13%. We successfully exited both positions via company buybacks, highlighting our ability to exit relatively illiquid names in an efficient manner.

TSI Holdings serves as an excellent illustration of our full engagement repertoire, as AVI drove improvements in operational efficiency, as well as significant capital structure enhancements such as the liquidation of real estate equal to 30% of the market cap at the time of the announcement. Meanwhile, we engaged extensively with Konishi to address its undervaluation despite its high business quality as the manufacturer of the no. 1 adhesive brand in Japan, 'Bond'. We took the decision to exit both positions after realising engagement success, prioritising other attractive opportunities to drive improvement through constructive engagement both with existing portfolio names as well as new ideas.

Across the AJOT portfolio, AVI made several large ownership declarations in July, with AVI's combined stake across funds more than 5% of the voting rights in nine portfolio names, which account for 54% of NAV. During July, AJOT increased its stake in Synchro Food, with AVI now holding close to 17% of the voting rights (14% of which are held in AJOT), with the holding accounting for 4.9% of AJOT's NAV.

AJOT is a major shareholder that is involved in the combined AVI engagement highlighted below. Investment Manager AVI's constructive engagement strategy has a unique focus on

operational improvements, in addition to the traditional activist themes of capital efficiency, shareholder communication, and corporate governance. 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, focusing on operational improvements in addition to typical engagement areas.

The team has several high-conviction ideas in the pipeline, and we look forward to continuing to uncover opportunities in the under-researched small to mid-cap market, with a focus on overcapitalised high-quality companies with scope for improvement through our constructive engagement.

Sharingtechnology (3989) – Share price rises amid volatility

Sharingtechnology was the largest contributor over the month, adding +118bps to performance as its share price rose +20%.

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.

In a period of limited news, the volatile share price performed strongly over the month, taking the total return in 2025 YTD to +35%.

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.

Added to the portfolio in July 2024, Sharingtechnology accounted for 7.2% of AJOT's NAV 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 +45% for an IRR of +73% (in JPY).

MANAGER'S COMMENT (continued)

Eiken Chemical (4549) – +37% EBIT Growth

Eiken Chemical was the second largest contributor over the month, adding +86bps to performance as its share price rose by +12%.

Eiken Chemical is a diagnostics company specialising in manufacturing medical chemicals that react with body samples to obtain a diagnosis for cancer, disease or infection. Our investment thesis centred on Eiken's fundamentals, attractive valuation and room for improvement through our constructive engagement. The company has a track record of earnings growth, benefits from structural tailwinds such as the ageing population, and holds a leading market position in colon cancer screening.

At the end of July, Eiken Chemical reported its Q1 earnings for FY2025. Despite sales increasing by +7.1% YoY and EBIT rising +37.2% YoY, it is important to note that the previous year's financial performance was quite poor. Additionally, the company announced a special income of ¥1.9 billion from the sale of an overseas subsidiary in China, however, this was already factored into FY2025 guidance and therefore has no impact.

Eiken Chemical was added to the portfolio in July 2023 and is now the fourth largest holding, accounting for 8.5% of AJOT's NAV, with the investment already generating a +41% ROI, for an IRR of +30% to month-end (in JPY).

Atsugi (3529) – Operating loss continues in Q1 FY2025

Atsugi was the largest detractor, reducing performance by -64bps as its share price fell -7%.

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

During July, Atsugi announced its Q1 earnings results for FY25, with sales declining by -4.2% YoY and EBIT remaining in the red while falling -12.1% YoY.

AJOT increased its stake in the company in late June, with AVI declaring combined ownership of 19% of the shares. This large stake will further support our engagement initiatives with the company as we seek to unlock long-term value through capital efficiency enhancement and turnaround of the operationally inefficient business.

Added to the portfolio in July 2024, Atsugi accounted for 7.4% of AJOT's NAV at month-end as the sixth largest holding. We see significant upside to the current share price, and to month-end, our investment has returned an ROI of +29% for an IRR of +52% (in JPY).

STATISTICS

Performance Summary (GBP)

Total Returns (%)	1M	1Y	3Y	5Y	SI ⁴
Share Price	-0.7	24.7	61.4	78.0	86.9
NAV p/s	3.6	21.6	58.5	99.4	96.5
MSCI Japan Small Cap	3.7	10.3	29.1	43.1	36.4
CY Total Returns (%)	YTD	2024	2023	2022	2021
Share Price	14.6	21.5	14.8	-6.0	10.0
NAV p/s	15.6	20.9	15.8	-4.3	12.3
MSCI Japan Small Cap	10.5	6.2	6.9	-1.0	-1.4

All performance shown net of fees in GBP Total Return and as at 31/07/2025

Source: Morningstar

⁴Start Date 23 October 2018

Characteristics

Portfolio Statistics

EV/EBIT	8.6x
Net Cash/Market Cap ⁵	13.7%
NFV/Market Cap ⁶	46.1%

⁵Net Cash = Cash - Debt

⁶Net Financial Value (NFV) = Net Cash + Investment Securities - Minority Interest

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	£275.5m
Debt at fair value (gross)	£33.1m
Gearing (net) ⁷	-0.1%

Fund Facts

Launch Date	23-Oct-18
Net Assets	£242.4m
Investment Manager	Asset Value Investors Limited
Value Owned by AVI ⁸	£5,647,897
Shareholder Services	MUFG Corporate Markets
Management Fee ⁹	1.0% of lower of market cap or NAV
Ticker Code	AJOT.LN
ISIN	GB00BD6H5D36

⁷Net gearing at fair value

⁸Value owned by AVI Ltd & AVI Ltd employees as at 31 July 2025

⁹Annual Management Fee. 25% of Management Fee is reinvested in shares of AJOT

Investment Manager – Joe Bauernfreund

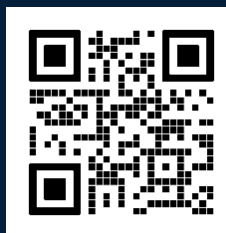
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The share price can be found in The Financial Times.
ISIN: GB00BD6H5D36 Trading as: AJOT:LN

Information may be found on the following websites:

www.ajot.co.uk

www.assetvalueinvestors.com



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") with reference number 119270 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.