

August 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

### Rohto – Revenue +20% YoY

Rohto announced its Q1 earnings, with revenue rising +20% YoY while operating profit fell modestly by -1% YoY, although this beat consensus guidance. Full-year guidance was unchanged.

[Read more below](#)

### AZN – Encouraging Q2 Earnings

AZN announced its Q2 earnings, with revenue growing +28% and EBIT rising +48% YoY. Revenue growth was driven by inheritance advisory for HNWI's, and business succession planning for SMEs.

[Read more below](#)

### Broadmedia – Q1 Revenue Falls

Disclosed in July Q1 revenue fell -6%, however, EBIT grew by +8% for a 6% operating margin. The top-line fall was due to the sale of a loss-making, non-core media contents business last year.

[Read more below](#)

## THE TRUST

Share Price (pence)

176.0

NAV p/s (pence)

182.7

Prem./(Disc.)

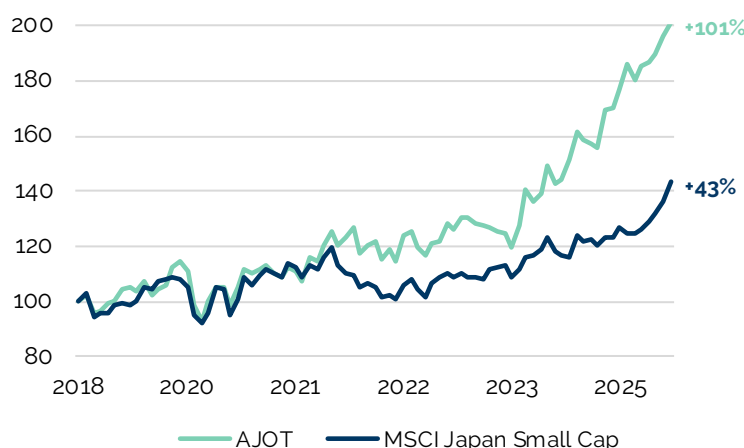
(3.7)%

### Net Performance

		Month	1Y	3Y	5Y
GBP	NAV p/s	2.4%	26.9%	60.1%	91.2%
	MSCI Japan Small Cap	5.2%	17.7%	32.4%	42.2%
JPY	NAV p/s	2.0%	31.6%	96.9%	167.1%
	MSCI Japan Small Cap	4.7%	22.0%	62.8%	98.7%

All performance shown net of fees total returns as of 31/08/2025. Source: Morningstar.

### NAV Total Return Since Inception (GBP)



Source: Morningstar as of 31/08/2025

## PORTFOLIO

### Top Ten Holdings

	% <sup>1</sup>
Raito Kogyo	11.6
Rohto Pharmaceutical	9.8
Eiken Chemical	9.8
Kurabo Industries	9.7
Wacom	9.0
Mitsubishi Logistics	7.7
Aoyama Zaisan Networks	7.6
Sharingtechnology	7.5
Atsugi	7.3
Broadmedia	6.2
<b>TOTAL</b>	<b>86.2</b>
No of Holdings	21

### Contributors/Detractors (GBP)<sup>2</sup>

Largest Contributors	1M Contrib. bps	% <sup>1</sup>
Rohto Pharmaceutical	138	9.8
Aoyama Zaisan Networks	108	7.6
Wacom	89	9.0
Raito Kogyo	67	11.6
Eiken Chemical	20	9.8

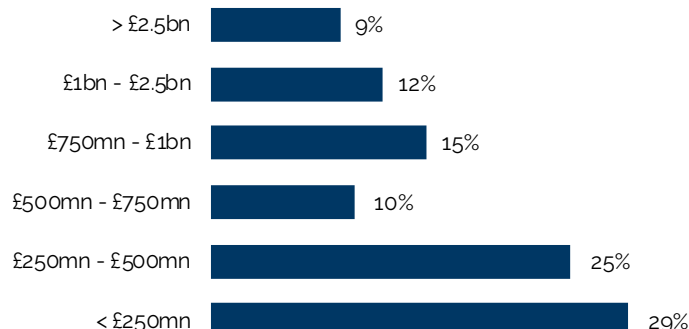
Largest Detractors	1M Contrib. bps	% <sup>1</sup>
Broadmedia	-52	6.2
Sharingtechnology	-49	7.5
Kurabo Industries	-44	9.7
Mitsubishi Logistics	-30	7.7
Atsugi	-26	7.3

<sup>1</sup>All Figures shown as % of Net Asset Value

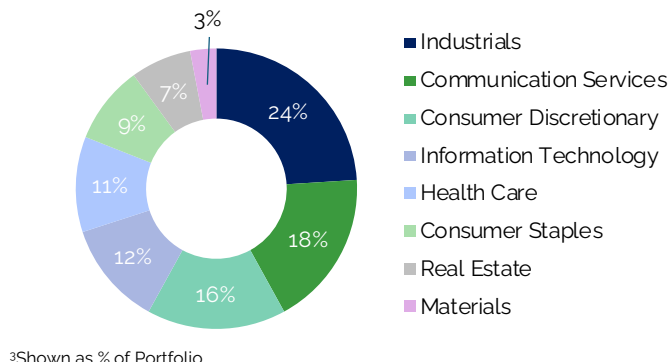
<sup>2</sup>Contributors and detractors from Factset

PORTFOLIO (continued)

**Market Cap Breakdown<sup>3</sup>**



**Sector Breakdown<sup>3</sup>**



MANAGER'S COMMENT

AJOT's NAV increased by +2.4% (in GBP) and +2.0% (in JPY) over the month, while the benchmark returned +5.2% (in GBP) and +4.7% (in JPY).

The two largest contributors to performance over the month were Rohto Pharmaceuticals (+16% share price), which announced FY2025 Q1 revenue grew +20% YoY, and Aoyama Zaisan Networks (+17%), which also disclosed strong earnings growth for FY2025 Q2. Meanwhile, Broadmedia (-8%) was the most significant detractor in a quiet news period for the company following its Q1 earnings announcement in late July.

During August we added several new small-cap names to the portfolio with operations spanning the consumer goods, B2B services and IT sectors. The team continue to identify attractive undervalued, overcapitalised, high-quality companies in the small to mid-cap space, and have several ideas in the pipeline. We look forward to unlocking substantial value through our constructive engagement initiatives, with a unique focus on operational improvements in addition to the traditional engagement areas.

Across the AJOT portfolio, AVI made several large ownership declarations in August, with AVI's combined stake across funds more than 5% of the voting rights in 7 portfolio names, which account for 57% of NAV. During August, AVI declared increased stakes in Wacom (13.2%), Atsugi (20.2%) and Sharingtechnology (14.5%).

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.

**Rohto Pharmaceutical (4527) – Revenue +20% YoY, EBIT beats consensus**

Rohto Pharmaceutical ("Rohto") was the largest contributor over the month, adding +138bps to performance as its share price increased +16%.

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.

In August, Rohto announced its FY2025 Q1 earnings, with revenue rising +20% YoY while operating profit fell modestly by -1% YoY, although this beat consensus guidance. Full-year guidance remained unchanged, with revenue forecast to grow by +8% YoY and operating profit to increase by +2%. The share price rose +14% in the day following the announcement.

In line with our suggestions, Rohto announced its first mid-term plan in March, which indicated management now views the core skincare and eye-drops businesses as long-term growth drivers. Positively, corporate governance is improving, and with a diverse Board in terms of experience, age, tenure and gender, we look forward to engaging further with the company on constructive suggestions to rectify the undervaluation.

Added to the portfolio in September 2024, Rohto accounted for 9.8% of AJOT's NAV at month-end as the second largest holding. We see significant upside to the current share price and to month-end, our investment has generated an ROI of +5% for an IRR of +12% (in JPY).

**Aoyama Zaisan Networks (8929) – Encouraging Q2 earnings announcement**

Aoyama Zaisan Networks ("AZN") was the second largest contributor over the month, adding +108bps to performance as its share price rose +17%.

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.

## MANAGER'S COMMENT (continued)

During August, the company announced its FY2025 Q2 earnings results, with revenue growing +28% YoY and EBIT rising +48% YoY. Revenue growth was driven by inheritance advisory for high-net-worth individuals, as well as business succession planning for SMEs. The newly acquired subsidiary in January this year also contributed to business growth. Full-year guidance remains unchanged, with revenue and operating income forecast to grow by +3% and +10% respectively.

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.

AZN is now the seventh largest holding, accounting for 7.6% of AJOT's NAV, with the investment having so far generated a +37% ROI for an IRR of +42% to month-end (in JPY).

### **Broadmedia (4347) – Share price drifts lower following Q1 revenue dip**

Broadmedia was the largest detractor, reducing performance by -52bps as its share price fell -8%.

Broadmedia, mainly engaged in online education and IT service businesses, 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 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. The online education business is the most profitable segment for the conglomerate, with studio contents and other smaller segments a drag on the bottom-line.

Across AVI funds, AVI now controls over 27% of Broadmedia shares, as declared on 17 June 2025 (c.86% is held in AJOT). This large stake provides AJOT with significant engagement influence as we seek to unlock substantial value through our constructive suggestions.

In late July, Broadmedia announced revenue for FY2025 Q1 had fallen by -6%, however, EBIT grew by +8% for a 6% operating margin. The top-line decrease was due to the sale of a non-core media contents business last year, which was loss-making. Full-year guidance for the year ended March 2026 forecasts revenue growth of +6% and operating income growth of +56%.

Added to the portfolio in April 2024, Broadmedia accounted for 6.2% 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 returned an ROI of +8% for an IRR of +12% (in JPY).

On 12 August, the Boards of AVI Japan Opportunity Trust (AJOT) and Fidelity Japan Trust (FJV) confirmed that non-binding heads of terms have been agreed for the proposed rollover of the assets of FJV into AJOT. More information can be found at [The benefits of investing with AJOT - Asset Value Investors](#)

## STATISTICS

### Performance Summary (GBP)

Total Returns (%)	1M	1Y	3Y	5Y	SI <sup>4</sup>
Share Price	1.6	28.2	59.0	82.6	86.9
NAV p/s	2.4	26.9	60.1	91.2	101.2
MSCI Japan Small Cap	5.2	17.7	32.4	42.2	43.4
CY Total Returns (%)	YTD	2024	2023	2022	2021
Share Price	16.5	21.5	14.8	-6.0	10.0
NAV p/s	18.4	20.9	15.8	-4.3	12.3
MSCI Japan Small Cap	16.2	6.2	6.9	-1.0	-1.4

All performance shown net of fees in GBP Total Return and as at 31/08/2025

Source: Morningstar

<sup>4</sup>Start Date 23 October 2018

### Characteristics

#### Portfolio Statistics

EV/EBIT	9.0x
Net Cash/Market Cap <sup>5</sup>	12.5%
NFV/Market Cap <sup>6</sup>	45.4%

<sup>5</sup>Net Cash = Cash - Debt

<sup>6</sup>Net 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	£281.5m
Debt at fair value (gross)	£33.3m
Gearing (net) <sup>7</sup>	5.6%

#### Fund Facts

Launch Date	23-Oct-18
Net Assets	£248.2m
Investment Manager	Asset Value Investors Limited
Value Owned by AVI <sup>8</sup>	£5,793,405
Shareholder Services	MUFG Corporate Markets
Management Fee <sup>9</sup>	1.0% of lower of market cap or NAV
Ticker Code	AJOT.LN
ISIN	GB00BD6H5D36

<sup>7</sup>Net gearing at fair value

<sup>8</sup>Value owned by AVI Ltd & AVI Ltd employees as at 31 August 2025

<sup>9</sup>Annual Management Fee. 25% of Management Fee is reinvested in shares of AJOT

### Investment Manager – Joe Bauernfreund

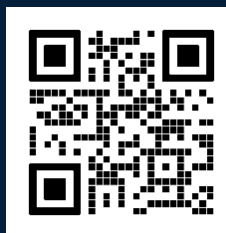
AVI Ltd. +44 20 7659 4800 info@ajot.co.uk

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](http://www.ajot.co.uk)

[www.assetvalueinvestors.com](http://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.