

# Platinum Japan Fund

[Investor Update](#)

A street scene in Japan, viewed through a dark blue gradient overlay. The street is lined with buildings and various signs. On the left, there are signs for '日野家' (Hinoya) and '日野家' (Hinoya) with a logo. In the center, a large sign reads '神具店' (Kamigata). On the right, there are signs for '末吉餅' (Matsuyoshi Biscuits) and '聖護院ハツ楼' (Seigoin Hatsu). The background shows a hillside with trees and power lines.

# Portfolio Performance



# Performance summary

As at 30 April 2026 (Net of fees)

	Platinum Japan Fund	MSCI Japan Net Index (AUD)	Relative return
<b>3 months (%)</b>	6.8	1.1	+5.7
<b>6 months (%)</b>	8.3	0.6	+7.7
<b>1 year (%)</b>	17.6	16.2	+1.4
<b>3 years (% p.a.)</b>	11.3	15.7	(4.4)
<b>7 years (% p.a.)</b>	8.1	9.5	(1.4)
<b>10 years (% p.a.)</b>	8.8	9.6	(0.8)
<b>Since inception (% p.a.)</b>	12.6	4.5	8.1

A photograph of a street in Japan, viewed through a dark, semi-transparent overlay. The street is lined with buildings and various signs. On the left, a sign for '日野家' (Hinoya) is visible, along with a sign for 'タム-石物' (Tam-iwashimono) and '岡小' (Okano). In the center, a sign for '神具店' (Shinkudon) is prominent. On the right, a sign for '末吉餅' (Matsuyoshihimo) is visible, along with a sign for '聖護院ハツ楼' (Seigoin Hatsujo). The background shows a hillside with trees and power lines.

Japan  
– A new Golden Age beckons



## 1992 – 2012 | “The Lost Decades”

### Investing in Japan following the collapse of the Bubble

- Slowing innovation and stagnant wages saw an insular mindset develop
- Falling real estate and price deflation saw bad debts rising, shrinking bank lending
- Fiscal and monetary policy remained behind the curve, with a persistently strong Yen
- Corporate savings increased and investment slows
- Manufacturing moved offshore leading to a “hollowing out”
- Weak corporate governance with little focus on core competencies
- Japan’s ‘stakeholder capitalism’ came at the expense of shareholders
- Topix return -4% annually over 20 years



# 2013 – 2026 | “Abenomics Revival”

Investing in  
Japan began to  
be reassessed

- Abenomics broke this cycle, beginning in 2013, when the BOJ launched their monetary stimulus driving down interest rates and sharp fall in the Yen
- Real Estate markets recovered, bank lending accelerated
- Following COVID, inflation returned after three decades leading to a return of corporate pricing power
- Major corporate governance reform drove improved cash returns to shareholders, which accelerated meaningfully from 2023
- Emergence of Japan as a “Soft Power” – Gaming, Anime, Manga, Tourism
- By 2025, Japanese stock market had reclaimed record highs
- Topix return +12% annually over 13 years



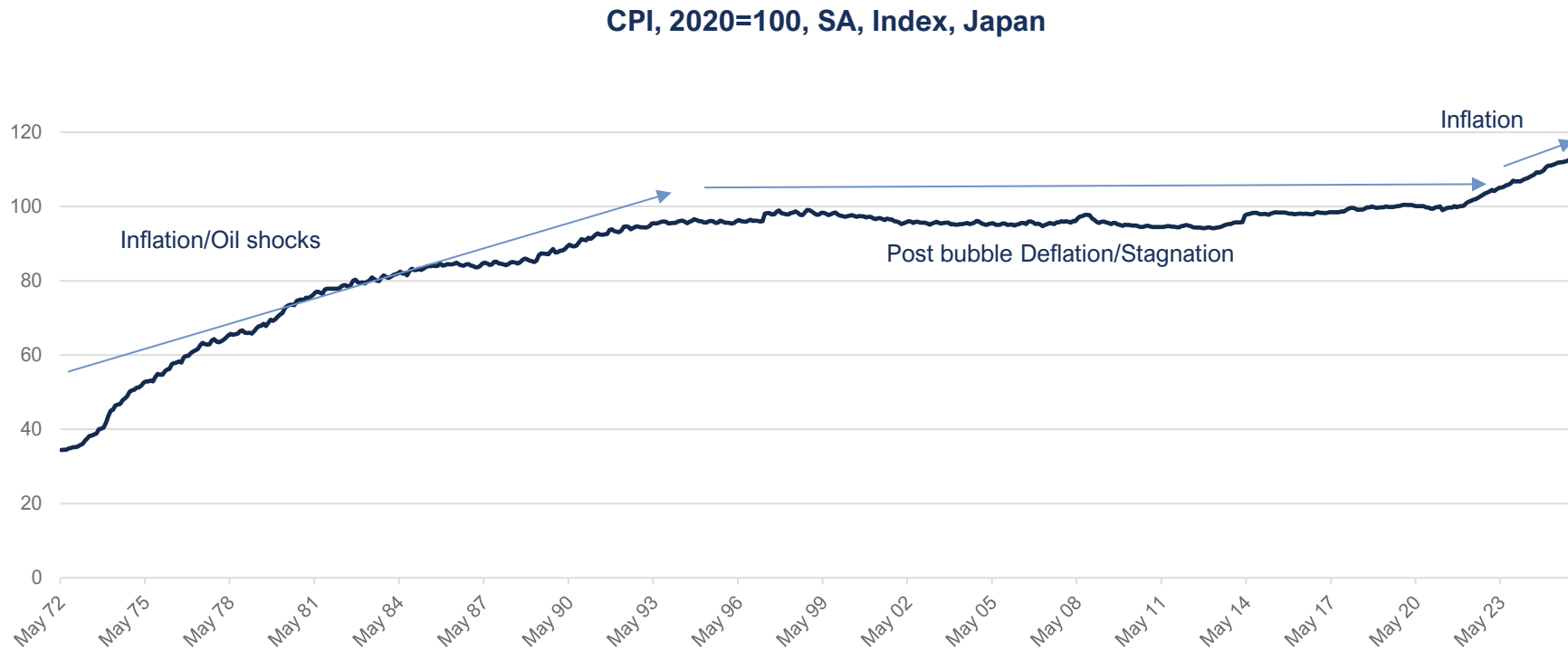
# 2026~| “The Japanese Miracle 2.0?”

## What we see ahead

- The post WW2 global trading system (Pax Americana) is breaking down. Japan and the US are already building industrial policies that prioritise investment in industrial capacity, manufacturing, energy, defense and key infrastructure.
- Japan draws closer to the US for energy security and the US becomes a favoured investment destination for Japanese capital. US reindustrialisation needs are matched with Japan’s manufacturing capabilities. Expect the US investment boom to be sustained and broaden from AI, boosting demand for Japanese goods.
- Japan’s economic roadmap targets a higher level of public and private investment across 17 strategic sectors as it seeks to secure control over key value chains. A simultaneous push by the corporate sector to meaningfully raise capital investments will spill over to higher wages and growth across the economy, more than offsetting any demographic headwinds.
- Now a policy priority, Japan’s manufacturing base is being reshored, just as the capabilities of AI enabled robotics and automation (physical AI) emerges to revolutionise production.
- This should usher in an extended period of productivity gains. Exports surge as world demand for Japanese robotics & automation technologies accelerates, spilling over into higher wages and consumption.
- A virtuous cycle emerges setting off a prolonged investment-led economic boom, rivalling the Izanagi boom of the 1960’s, a period that became known as the “Japanese miracle”.



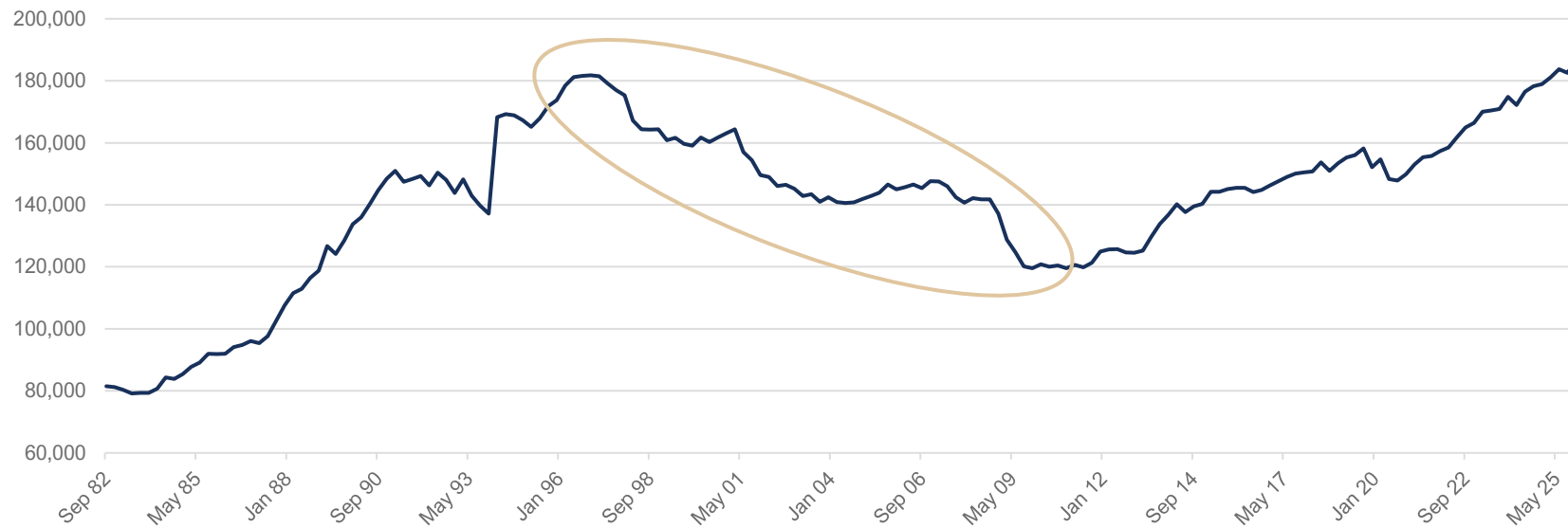
# Inflation returns to Japan





# Japan Gross Fixed Capital Formation

Nominal GDP, GFCF, SA, Bil JPY - Japan





# Demand for Machinery already booms

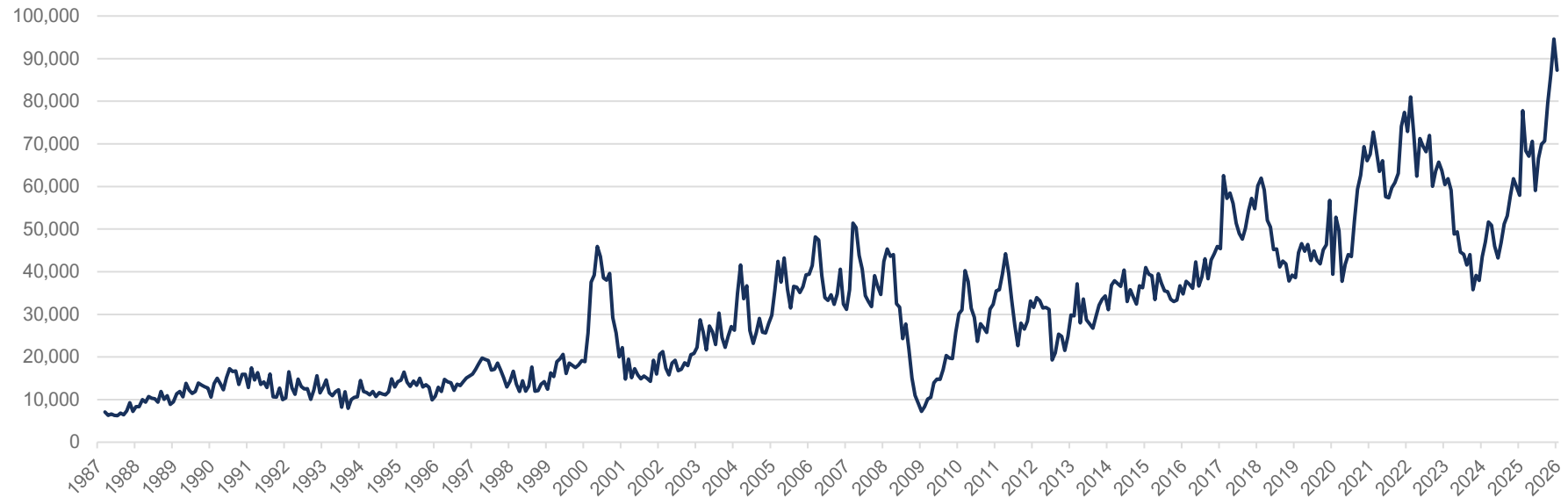
Machinery Orders, SA, Mil JPY – Japan





# And Demand for Robots

**Machinery Orders, Industrial Robots, Mil JPY – Japan**





What we look for



# What we look for



## What we look for

- Strong “best of breed” businesses with strong profitability and dominant or growing market positions in structurally growing sectors with strong management teams that can execute on long term strategic goals.
- Look for stock mispricings based on consensus materially undervaluing or not recognizing the true growth potential of a business.



# FANUC | the Global Robot King



**FANUC**

- The world's pre-eminent maker of industrial robots.
- With increasing AI functionality, the age of physical AI is upon us.
- AI-enabled autonomous robots, with vision and sensing capabilities promises a revolution in adoption of robotics.
- This offers an addressable market for robots that is orders of magnitude larger than what we see currently.
- Across manufacturing, industrial, logistics, medical and other applications, this promises a revolution.



# TOYOTA | the Global Auto king



- A decade ago, the global auto industry began investing heavily in EV's, spurred by policies, EV's were widely viewed as the future.
- Conspicuously, Toyota, the largest auto manufacturer in the world, did not. They said the world was not ready for EV's.
- Instead they followed a different road, termed a “multi-pathway” strategy, led by hybrids that offered a pragmatic road.
- Dismissed as a dinosaur, a decade later, the outcome is clear – Toyota was right. The auto industry is struggling with slow EV sales and writing down the value of EV investments.
- Toyota in contrast, is enjoying record sales and vehicle volumes.



# Fast Retailing | The Toyota of Apparel



- Fast Retailing runs a brand you may have heard of – UNIQLO - but it is not fast fashion.
- One of the most successful brands Japan has, emerging from collapse of the bubble with an absolute focus on delivering what consumers want – namely well designed, functional, high quality clothing at a value price point.
- UNIQLO has gone from a largely Japan-focused brand to the #3 apparel brand globally and growing at double digits.
- Impressive execution has already resulted in market leading positions across Asia and are only just now beginning to increase their market presence in North America and Europe (And here in Australia).



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Platinum Japan Fund

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# Contact us

<b>Head of Distribution</b>	Chris Clayton	cclayton@L1.com.au	+61 (0)3 9286 7021
<b>Researchers</b>	Aman Kashyap	akashyap@L1.com.au	+61 477 341 403
	Allan Evans	aevans@L1.com.au	+61 400 993 597
<b>Advisers</b>	Bryce Leyden	bleyden@L1.com.au	+61 407 876 532
	Clifford Fernandes	cfernandes@L1.com.au	+61 411 667 096
	David Redford-Bell	drb@L1.com.au	+61 417 148 075
	Kim Virakorn	virakorn@Platinum.com.au	+61 460 733 794
<b>Brokers</b>	Alejandro Espina	aespina@L1.com.au	+61 423 111 531
	Isabel Rothe	irothe@L1.com.au	+61 418 540 477
<b>Private Wealth</b>	Hugo Brettingham-Moore	hb-m@L1.com.au	+61 408 371 473
<b>Private Clients</b>	Gene Varano	gvarano@L1.com.au	+61 435 263 128
	Jeffrey Lau	jlau@L1.com.au	+61 403 194 728
<b>Investor Services</b>	Beverley Thomas		
	Kurt Voegt	invest@Platinum.com.au	+61 2 9255 7500
	Erica Tilson		

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insights, visit  
[Platinum.com.au](https://Platinum.com.au)



Scan to connect with us

Please contact us  
with any questions:

Phone +61 2 9255 7500

Web [Platinum.com.au](https://www.platinum.com.au)

Level 8, 7 Macquarie Place,  
Sydney NSW 2000