ABERDEEN JAPAN INVESTMENT TRUST PLC
ANNUAL FINANCIAL REPORT ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL HIGHLIGHTS

Figures to 31 March 2020	1 year return	Return since 8 October 2013 (change of mandate)
Net asset value{A}	3.3%	+74.5%
Index	-2.5%	+64.4%
Share price {A}	+6.8%	+71.2%

	Year to 31 March 2020	Year to 31 March 2019
Ongoing charges ratio{A}	1.04%	1.10%
Dividend per share	15.00p	5.40p

	As at 31 March 2020	As at 31 March 2019
Discount to net asset value{A}	10.9%	13.6%

{A} Alternative Performance Measure (see below)

STRATEGIC REPORT

CHAIRMAN'S STATEMENT

Performance

For the year under review, on a total return basis, your Company's net asset value (NAV) rose by 3.3% in sterling terms, compared to the Topix benchmark which declined by 2.5%. The share price rose by 6.8% as the discount to NAV per share reduced from 13.6% to 10.9%.

These results reflect the Company's exposure to Japanese stocks with good management teams and strong business franchises. Many of them are characterised by sustainable cashflows, strong balance sheets and good access to liquidity. Since the change to a Japan-only mandate in 2013, the Company's results have exceeded the index. The Board believes that the Company will remain resilient during the global COVID-19 pandemic and, over time, deliver excess returns.

Overview

The first nine months of our financial year saw gradual improvement in performance until the final quarter when COVID-19 arrived. The subsequent economic impact on asset valuations has been rapid and severe.

The Japanese stock market has not been immune from the global sell-off, but has been a little more stable. The epidemic in Japan has been less severe than in many other major economies. This should allow the domestic economy to re-establish itself relatively quickly. Japanese companies reliant on global supply chains have experience from past crises enabling their management teams to devise strategies to counter disruptions to their operations. The underlying conservatism of Japanese corporations and their desire to preserve cash has been validated. As businesses elsewhere face financial strain, many Japanese companies are in a relatively strong position.

Against this backdrop, your Manager's focus on the fundamentals of the portfolio's holdings has put your Company in good stead, and positions it well as a going concern for the long term. Meanwhile, the sell-off presents opportunities. Details of your Company's performance and changes to the portfolio for the year under review are discussed in the Investment Manager's Review.

Your Tokyo-based Investment Manager undertakes rigorous due diligence before investing and regular engagement with the management of the portfolio companies thereafter. This is particularly beneficial as Japanese equities remain among the most under-researched compared to other developed markets. Your Manager seeks to ensure that the objectives of these companies are aligned with those of minority shareholders, including this Company. This should improve ratings and returns in the longer term.

Ongoing cost ratio (OCR)

As reported in last year's annual report, there has been an adjustment to the basis on which the management fee is calculated. Effective from 1 June 2019, the fee of 0.75% per annum was charged on the lesser of the Company's NAV or market capitalisation, rather than purely on the NAV.

I am pleased to report that the Company's OCR reduced during the financial year from 1.10% to 1.04%. Since the change in investment mandate in 2013, there have been six consecutive years of reductions in the OCR, which has decreased from 1.41% in 2013/14 to 1.04% in 2019/20. The Board remains committed to controlling expenses and seeking reductions in the OCR whenever possible.

Dividend

A new dividend policy was endorsed by shareholders at the 2019 AGM last July, whereby an enhanced dividend would be paid to shareholders comprising three elements: the Company's revenue return per share for the year; 3.0p from revenue reserves; and an amount from capital reserves. A minimum distribution of 15.0p for the year to 31 March 2020 was expected to result from the new policy. Dividend distributions are now made on a semi-annual basis.

The Company's revenue return per share for the financial year was 8.08p (2019 – 6.83p). An interim dividend of 6.0p has already been declared and paid. The Board proposes a final dividend of 9.0p, making a total dividend of 15.0p (2019 – 5.4p) for the year ended 31 March 2020. This comprises 8.0p revenue return, 3.0p from revenue reserves and 4.0p from capital reserves. The Board believes that a total dividend of 15.0p for the year provides for a prudent retention of capital for future investment.

Regarding dividend income from the portfolio, a number of companies held by the Trust have delayed disclosing dividend forecasts for the year, and your Manager is forecasting a potential 15% drop in yen terms year on year. While balance sheets in the portfolio are strong, companies may choose to retain cash as they face pressure from ongoing economic disruption.

The Board recognises the importance of income to our shareholders and believes that a regular, sustainable dividend will help the Company to broaden the shareholder base and help to maintain the discount at reasonable levels.

Gearing

The Company continued to make use of its ability to gear during the financial year. The Company renewed its loan facility with ING Bank in January 2020 which comprised two parts: a Yen 1.3 billion one year fixed term loan, which was fully drawn down; and a Yen 1.0 billion one year floating rate loan facility, of which Yen 400 million was drawn down at the year end.

The Board continues to monitor the level of gearing and considers a gearing level of around 10% to be appropriate although, with market fluctuations, this may range between 5% and 15%. Net gearing at 31 March 2020 was 13.6% (2019 – 11.6%).

Discounts and Share Buybacks

During the period, particularly in March, discount volatility continued to feature within the investment trust sector, including the Company's peer group. The Board monitors the discount level of the Company's shares in relation to the NAV and has in place a mechanism to buy back shares at certain levels. During the financial year 672,659 shares were bought back into treasury at a cost of £3.90 million.

Shareholders will be aware of the discount mechanism provided within the Company's articles of association. If the average discount at which the shares have been trading in relation to the NAV in the ninety day period prior to the Company's financial year end exceeds 10%, a continuation vote is required to be proposed to shareholders. Over the ninety day period to 31 March 2020, the average discount was 10.4% and so exceeded the 10% limit. This was the first time since the inception of the discount control mechanism that the Company has been required to propose a continuation resolution. The mechanism was largely triggered by the unprecedented situation in the markets that caused most investment trusts, including your Company, to trade at wide discounts. The discount at the end of the financial year was 10.9%.

The Board convened a general meeting on 21 May 2020 to give shareholders the opportunity to vote on the continuation of the Company. I am pleased to report that the continuation of the Company was supported.

Since the end of the financial year, volatility in markets has continued and as at 12 June 2020, the discount stood at 15.8%. Approximately 109,000 shares have been bought back into treasury since the end of March 2020.

Board Composition

There were no changes to the Board composition during the financial year. The Board members have diverse backgrounds, skills and experience. The Board's policy on tenure is that the length of service of a Director is secondary to the contribution that he or she makes. Tenure will be determined on a case-by-case basis, consistent with the AIC Code of Corporate Governance. The Board has a succession plan and evaluates each Director's performance annually to ensure up-to-date skills and capacity.

Environmental, Social & Corporate Governance ('ESG')

The Company is a 'tier 1' signatory of the UK Stewardship Code that aims to enhance the quality of engagement by investors with investee companies. This should improve socially-responsible performance, and the long-term investment return.

The Manager has continued to integrate ESG issues into the investment process, regularly reporting the results to the Board. The Manager works with companies to improve corporate standards, transparency and accountability and will seek to favour companies which pursue best practise in these areas. During the period, two companies were sold on governance-related grounds. The Manager has observed that Japanese companies are often world class in these ESG-related areas, but may fail to make relevant disclosures.

COVID-19

The Board notes that there are a number of contingent risks stemming from the COVID-19 pandemic that may impact the operation of the Company. These include investment risks surrounding the companies in the portfolio such as employee absence, reduced demand, reduced turnover and supply chain breakdowns. The Manager will continue to review carefully the composition of the Company's portfolio and to be pro-active in taking investment decisions where necessary. Operationally, COVID-19 is also affecting the suppliers of services to the Company including the Manager and other key third parties. To date these services have continued to be supplied seamlessly and the Board will continue to monitor arrangements on receipt of regular updates from the Manager. The Board would like to thank the team at Aberdeen Standard Investments and, in particular, Chern and his colleagues in Tokyo during what has been a very challenging time.

The Aberdeen Standard Investments group, and its parent, Standard Life Aberdeen plc, are in a position of strength, with sufficient capital and cash to ensure the various businesses continue to deliver amid the adversity poised by the COVID-19 pandemic. Their teams in Europe, Asia and the Americas have adapted well to work-from-home routines necessitated by the various lockdown measures imposed. As a linear recovery from the current condition remains unlikely, management has factored in scenarios for exiting full lockdowns in certain regions as well as operating in less-restrictive environments elsewhere. Hence, the group remains agile and well-prepared to take on future challenges.

Your Company plans to stay in regular touch with our shareholders. Your Manager will provide insight and other useful information through your Company's website (www.aberdeenjapan.co.uk), as well as reports on what it is doing to circumnavigate these uncharted waters. We are also keeping your Company's website updated with both long-form reports and podcasts, and we hope these will be a useful resource for you.

Annual General Meeting ("AGM")

The Board has been considering arrangements for the Company's upcoming AGM. The intention is to hold the AGM at 10.00 am on 24 July 2020 at the Manager's London office.

In light of current restrictions on public gatherings and maintaining social distancing, and the possibility that these measures will be in place in July, arrangements will be made to ensure that the minimum number of shareholders required to form a quorum will attend the meeting. The Board considers these arrangements to be in the best interests of shareholders in the current circumstances.

The Board requests that shareholders do not attend the AGM in person and instead exercise their votes in advance. Any questions which shareholders may have should be submitted to the company secretary at aberdeen.japan@aberdeen-asset.com.

Outlook

While fiscal and monetary stimuli initiated by many governments should help to support economies, the critical questions are: How soon will previous levels of economic activity return? and What will be the post-COVID structure of the global economy?

Many Japanese companies, including those in your Company's portfolio, have strong balance sheets and cash positions and experienced management teams equipped to survive. They are very well placed to maximise opportunities in the future.

Your Manager believes that these factors will keep your Company on its upward trajectory.

Karen Brade
Chairman
16 June 2020

INVESTMENT MANAGER'S REVIEW

Overview

Japan equities declined in the year under review. In the first three quarters of the financial year,the market was beset by many uncertainties, from the stop-start of trade negotiations between the US and its trading partners, to a global slowdown from lower trade volumes, and concerns of an economic downturn from a domestic consumption tax hike, then optimism about improved economic conditions from initial trade agreements. These events were overtaken in the final quarter by the outbreak of COVID-19 and its escalation to what became a global pandemic, leading to heightened risk aversion in global markets, and exacerbating a sharp decline in oil prices.

The number of people afflicted by COVID-19 across the world continued to climb, leading the World Health Organisation to raise its threat assessment to the highest level. Governments around the world imposed nationwide lockdowns to contain its spread. These social-distancing measures have severely hindered logistics supply chains as well as most business activities across the world. In Japan, the government lifted a state of emergency at the end of May, after a six-week period when the country was effectively in a "soft" lockdown. Meanwhile, the International Olympic Committee postponed the 2020 Tokyo Olympics to next summer, under growing pressure from the worldwide sports community.

The ensuing economic slowdown has forced global central banks, including the US Federal Reserve and European Central Bank, to resume policy easing to boost liquidity. Similarly, the Bank of Japan stepped up its purchase of government bonds, exchange-traded funds and corporate bonds to stabilise financial markets. Furthermore, lawmakers rolled out over US$1 trillion in stimulus to help households and small businesses, already hit hard by the sales tax hike last October, through this difficult period

Portfolio review

The portfolio's net asset value per share rose by 3.3%, compared to the benchmark index's total return which declined by 2.5%. The equity holdings rose 4.8%. Your Company's outperformance, in spite of the challenging environment, can be attributed to your Manager's stock selection, particularly in Basic Materials, Health Care and Telecommunications.

In Healthcare, Chugai Pharmaceutical gained amid continued strong sales of its comprehensive pipeline and visibility of future earnings. In March, its in-house drug Actemra was being trialled by parent Roche as a potential treatment for critical cases of COVID-19. Similarly, the holding in leading drugstore operator Welcia proved beneficial as it continued to post robust same-store sales numbers during the period.

Elsewhere, mobile network operator KDDI maintained its robust results on the back of higher revenues and lower levels of customers switching to other telecoms. It has been able to deliver on both earnings growth and shareholder return in a mature market.

Investors also continued to favour Nippon Paint for its strong market position across several Asian markets. The company will likely be a beneficiary of lower oil prices.

Holdings which detracted from performance included TKP Corp**.** While the company remains a market leader in hotel banquet and conference-management services, its share price fell on fears of a fall in demand for conference rooms and hotels amid the lockdown. Investors were also concerned over the health of its balance sheet, particularly in the current environment where liquidity is tight.

Financial services company Tokyo Century Corp also weighed on performance as investors became increasingly concerned about its newly-acquired aircraft-leasing subsidiary. We believe that its credit risk is manageable, and its recent mid-term plan and partnership with telecoms NTT is encouraging.

In portfolio activity, we exited Aeon Financial Service, a key detractor over the period, as our confidence in the credit card company waned amid questions over its management execution, governance of overseas subsidiaries and deterioration in credit quality.

We also sold Net One Systems on concerns that the Japanese IT-services company, along with several other firms, had artificially boosted sales through a series of questionable transactions. We believe that Net One remains well-positioned to benefit from the rising adoption of cloud-computing in Japan. However, this event raised questions about the company's controls, which we believe is a reflection of the way that the business is run. These issues are not easy to uncover and come at a time when we have been increasingly concerned about internal controls of Japanese companies. Management is under pressure to reach targets, companies are facing labour shortage issues, and firms are increasingly forced to globalise their businesses even as internal processes have yet to catch up. While this development with Net One is disappointing, it again underscores the importance of continual engagement with companies, alongside capital discipline, as core tenets of a sustainable investment process.

Furthermore, we divested automotive components manufacturer Denso, tobacco products maker Japan Tobacco, snack manufacturer Calbee, Honda Motor, construction machinery maker Komatsu, retailer San-A and real estate company Daibiru in favour of better opportunities elsewhere.

Market volatility during the period presented opportunities for us to introduce a variety of attractively-valued companies.

One of the key holdings we initiated was Sony Corp. We have gained more confidence in its management and underlying business fundamentals and remain optimistic about its image-sensor business, where it has a dominant market share. Demand for such components has surged as smartphone makers roll out more sophisticated products with multiple cameras and lenses. Recently, Sony noted that this business segment had not been severely affected by disruptions caused by the pandemic. Additionally, we believe the company's plans to release the next generation Playstation 5 gaming console this year will further boost sentiment.

We also took a position in internet company Recruit Holdings, which is among the largest domestically and has a dominant human resources platform, alongside several lifestyle-related domains. Its investment in HR technology overseas, particularly in job-search engine Indeed, allows it to penetrate the untapped hiring needs of the vast majority of small and medium-sized enterprises worldwide. We believe this platform, as well as the potential to expand into job placements and staffing, will be key sources of future growth. It already has one of the world's largest temporary-staffing businesses.

Other holdings that were introduced during the period included:

- Milbon, a manufacturer of professional-use hair cosmetics, which has a proven track record for brand building and product launches, with traction in expansion in both the domestic market, and several overseas ones;

- BML, a leading clinical-testing company, whose business is cash-generative and has a growing customer base, enabling stable profit growth through economies of scale;

- Hoya, a leading manufacturer of medical and high-tech optics products whose portfolio ranges from optical lenses to semiconductor mask blanks, is a leader in terms of technology, R&D and processing, and poised to benefit from structural growth opportunities for extreme ultraviolet lithography (EUV) mask blanks used for leading-edge semiconductors;

- Azbil, a measurement and control equipment maker, which has a dominant share in the domestic building automation market, thanks to its track record plus loyal customer base, and that is expected to benefit from growth of the higher-margin maintenance business as building equipment ages;

- Okinawa Cellular Telephone, the leading mobile and communication service provider in a region that continues to register population growth, and whose extensive local sales network and coverage enables it to defend its local market share;

- Zuken, the global leader in high-end electronic design automation software for printed circuits and circuit boards, which is expected to benefit from electrification of the automotive industry and the rise of smart connected devices;
- Daifuku, a leading provider of material handling systems used primarily in semiconductor storage and transportation systems, as well as e-commerce operations, which should benefit from longer-term demand for these projects, which themselves are increasingly complex and require much customisation.

Corporate Engagement

As part of our process of investing in businesses for the long term, we regularly engage with companies on matters related to environmental impact, social concerns and corporate governance. Our discussions with corporates may include issues related to board structure, capital management, diversity or disclosure.

These discussions may not bear fruit in the short term, but we believe these matters are essential to the longer-term management of business risk, and may help to enhance the value of businesses. In addition, we actively use the voting rights of your Company's holdings to emphasise our beliefs.

Among the issues in our corporate engagement were the adoption of global best practices in quality management and product assurance, and the enhancing of disclosure related to such matters. We have often found that Japanese corporates' activities in these areas are world class, but that they have shied away from relevant disclosures.

With the benefit of the government's encouragement for better governance of companies, we have often highlighted the inadequacy of board diversity, and pushed for more efficient capital strategies. Governance of parent-child listings in Japan is also under scrutiny and it is an area where we have had regular dialogue with many of our holdings.

The companies where we have had discussions on these issues in the last year include Hoya, KDDI, Shiseido, Heiwa Real Estate, Nitori Holdings and Nippon Paint.

Outlook

For many of Japan's companies, COVID-19 is expected to have a significant impact, at least in the near term. While earlier assessments of the impact were focussed on a disruption of the global supply chain for a handful of industries, the spread of the pandemic has now affected the operations of every industry across the globe. The implications will be far-reaching. Whilst fiscal and monetary stimulus will help to support global economies, the more important factor will be how quickly infections have been contained and economic activity can be restored.

It is worth reiterating that the fundamentals of the underlying stocks within your Company's portfolio remain robust: they retain strong balance sheets and they have endured multiple disruptions in the past. Many are global market leaders in their respective industries, or have businesses that address longer-term structural issues in the country, such as the growing labour shortage due to an ageing population. Their swift and adept responses from the onset of the pandemic have led us to believe that they can weather this storm better than their peers, and have instilled in us greater confidence in their longer term prospects.

Aberdeen Standard Investments (Japan) Limited,
Investment Manager
16 June 2020

OVERVIEW OF STRATEGY

Business Model

This report provides shareholders with details of the Company's business model and strategy as well as the principal risks and challenges it faces.

The Company is an investment trust which seeks to deliver a competitive return to its shareholders through the investment of its funds in accordance with the investment policy as approved by shareholders.

The Board appoints and oversees an investment manager, decides the appropriate financial policies to manage the assets and liabilities of the Company, ensures compliance with legal and regulatory requirements and reports objectively to shareholders on performance.

The Directors do not envisage any change in this model in the foreseeable future.

Investment Objective and Purpose
To achieve long-term capital growth principally through investment in listed Japanese companies which are believed by the Investment Manager to have above average prospects for growth.

The Board's strategy is represented by its investment policy, financial policies, and risk management policies.

Investment Policy
The Company primarily invests in the shares of companies which are listed in Japan. The portfolio is constructed through the identification of individual companies of any market capitalisation size and in any business sector, which offer long-term growth potential.

The portfolio is selected from the 3,500 listed stocks in Japan and is actively managed to contain between 30 and 70 stocks which, in the Manager's opinion, represent the best basis for producing higher returns than those of the market as a whole in the long term. There will therefore inevitably be periods in which the Company's portfolio both outperforms and also underperforms the market as represented by the Company's benchmark.

The Board does not impose any restrictions on these shorter term performance variations from the benchmark, nor any limits on the concentration of stock or sector weightings within the portfolio, except that no individual shareholding shall exceed 10% of the Company's portfolio at the time of purchase, although market movements may subsequently increase this percentage.

The full text of the Company's investment policy is provided on page 81 of the published 2019 Annual Report.

Benchmark Index
Topix (in Sterling terms)

Investment Approach
The Investment Manager's investment philosophy is that markets are not always efficient. The Investment Manager's approach is therefore that superior investment returns are attainable by investing in companies with good fundamentals and above average growth prospects that in the Investment Manager's opinion drive share prices over the long-term. The Investment Manager follows a bottom-up investment process based on a disciplined evaluation of companies through active engagement, at least twice a year, with management on performance including environmental, social and governance issues by its fund managers who are based in Japan and supported by the Manager's Asian investment team in Singapore. The Manager estimates a company's worth in two stages; quality, defined by reference to management, business focus, the balance sheet and corporate governance; and then price calculated by reference to key financial ratios, the market, the peer group and business prospects. The selection of the portfolio of shares is the major source of the performance of the portfolio, and no stock is bought without the fund managers having first met management. Stock selection is key in constructing a diversified portfolio of companies with macroeconomic, political factors and benchmark weightings being secondary.

Given the long-term fundamental investment philosophy, the Manager expects to hold most companies in which the Company invests for extended periods of time and this accounts for the relatively low level of activity within the portfolio.

Financial Policies
The Board's main financial policies cover the management of shareholder capital, risk management of the Company's asset and liabilities, including currency risk, the use of gearing and the reporting to shareholders of the Company's performance and financial position.

Management of Shareholder Capital
The Board's policy for the management of shareholder capital is primarily to ensure its long term growth. This growth will reflect both the Manager's investment performance and from time to time the issue of shares when sufficient demand exists to do this without diluting the value of existing shareholder capital.

The Board's dividend policy is to make distributions on a semi-annual basis and should consist of the Company's earnings for the year, 3.0p released from the revenue reserves and an amount from the capital reserves.

The Board will authorise the buyback of shares in order to avoid excessive variability in the discount and if, despite this, the average discount exceeds 10% during the 90 day period preceding its financial year end, the Board will offer shareholders the opportunity to vote on the continuation of the Company at a general meeting.

Risk Management
The policy for risk management is primarily focused on the investment risk in the portfolio using the Manager's risk management systems and risk parameters, overseen by the Board.

Derivatives
The Company may use derivatives from time to time for the purpose of mitigating risk in its investments. The performance of the Company is subject to fluctuations in the Yen/£ exchange rate. The Company's exposure to Yen fluctuations is partially offset by the natural hedge provided by any borrowing in Yen as well as by investments in Japanese companies which have significant sources of income from exports of goods or from non-Japanese operations.

The wider corporate risks, including those arising from the increasingly regulated and competitive marketplace, are managed directly by the Board. The principal risks are more fully described under the paragraph 'Principal Risks and Uncertainties'.

Use of Gearing
Gearing is the amount of borrowing used to increase the Company's portfolio of investments in order to enhance returns when and to the extent it is considered appropriate to do so or to finance share buybacks when necessary. The level of borrowing under the Company's investment policy is subject to a maximum of 25% of net assets but will normally be set at a stable and lower level than the maximum. The Board has currently established a gearing level of around 10% of net assets although, with stock market fluctuations, this may range between 5% and 15%.

Principal Risks and Uncertainties
There are a number of risks which, if realised, could have a material adverse effect on the Company and its business model, financial position, performance and prospects.

The Board has in place a robust process to identify, assess and monitor the principal risks and uncertainties facing the Company and to identify and evaluate newly emerging risks. The Company's risks are regularly assessed by the Audit Committee and managed by the Board through the adoption of a risk matrix which identifies the key risks for the Company, including emerging risks, and covers strategy, investment management, operations, shareholders, regulatory and financial obligations and third party service providers. The principal risks and uncertainties facing the Company, which have been identified by the Board, are described in the table below, together with the mitigating actions.

Description	Mitigating Action
Market, Economic and Political Risk The Company's assets consist mainly of listed securities and the principal risks are therefore market-related. This includes concerns about stockmarket volatility caused by geopolitical instability, political change, economic growth, interest rates, currency, and other price risks, as well as national or global crises that are harder to predict and may cause major market shocks.	An explanation of these risks and the management of them is included in Note 16 to the Financial Statements. The Board considers the composition and diversification of the portfolio by industry, size and growth rates, as well as purchases and sales, at each meeting, and in monthly papers. Individual holdings are discussed with the Manager, as well as views by sector and industry.
Investment Strategy Risk The Company and its investment objective may become unattractive to investors, leading to reduced returns for shareholders, decreased demand for the Company's shares and possible widening of the discount to NAV.	The Board regularly reviews and monitors: the Company's investment objective, policy and strategy; the portfolio and its performance; longer term trends in investor demand; and the performance of the Manager in operating the investment policy against the long-term objectives of the Company. If appropriate, the Board can propose changes in the investment objective to shareholders.
Investment Management Risk Investment risk arises from the Company's	The Board relies on the Investment Manager's

Description	Mitigating Action
exposure to variations of share prices within its portfolio in response to individual company and to wider Japanese or international factors. Investment in a focussed portfolio of shares can lead to greater short-term changes in the portfolio's value than in a larger portfolio of stocks and these variations will be amplified by the use of gearing. Inappropriate investment decisions may result in the Company's underperformance against the benchmark index and Peer Group and a widening of the Company's discount.	skills and judgment to make investment decisions based on research and analysis of stocks and sectors. The Board regularly monitors the investment performance of the portfolio and reviews holdings, purchases and sales on a monthly basis, as well as with the Manager at Board meetings. The Board regularly reviews performance data and attribution analysis and other relevant factors and, were any underperformance seen as likely to be sustained, would be able to take remedial measures.
Operational Risk The Company relies on a number of third-party service providers, principally the Manager, Registrar, Custodian and Depositary.	The Manager has extensive business continuity procedures and contingency arrangements to ensure that they are able to continue to service their clients. Third parties are subject to risk-based internal audit by the Manager, and the Board reviews the Manager's report on Internal Controls and those by other third- party service providers.
Regulatory Risk The Company operates under a complex regulatory environment. Serious breaches of regulations, such as Section 1158 of the Corporation Tax Act 2010, the UKLA Listing Rules, Companies Act 2006 and the Alternative Investment Fund Managers Directive could lead to a number of detrimental outcomes and reputational damage.	The Board is active in ensuring that it fully complies with all applicable laws and regulation and is assisted by the Manager and other advisers in doing this. The Board believes that, while the consequences of non-compliance can be severe, the control arrangements it has put in place reduce the likelihood of this happening.
Share Price and Discount risk The principal risks described above can affect the movement of the Company's share price and in some cases have the potential to increase the discount in the market value of the Company compared with the NAV.	The price of the Company's shares and its discount to NAV are not wholly within the Company's control, as both are subject to market volatility. However, the Board can influence this through the ability to authorise the buyback of existing shares, when deemed to be in the best interests of shareholders. The share price, NAV and discount are monitored daily by the Manager and regularly reviewed by the Board.
Leverage The Company may borrow money for investment purposes. If investments fall in value, gearing has the effect of magnifying the extent of this fall.	The maximum level of borrowing permitted by the Company's investment policy is 25% of net assets. All borrowing requires prior approval of the Board. In order to manage the level of gearing, the Board has established a gearing level of around 10% of net assets although, with stock market fluctuations, this may range between 5% and 15%. The Board regularly reviews the Company's gearing levels and its compliance with bank covenants.

Description	Mitigating Action
COVID-19 Pandemic The Board is cognisant of the risks arising from the outbreak and spread of the Coronavirus around the world, including stockmarket instability and longer term economic effects, and the impact on the operations of the third-party suppliers, including the Manager.	The Manager has undertaken an assessment of the Company's portfolio and is in close communication with the underlying investee companies in order to navigate and guide the Company through the current challenges. The Manager assesses and reviews the investment risks arising from COVID-19 on companies in the portfolio, including but not limited to: employee absence, reduced demand, supply chain breakdown, balance sheet strength, ability to pay dividends, and takes the necessary investment decisions. The Manager has in operation business continuity procedures and these are proving effective. The services from third parties, including the Manager, have continued to be supplied effectively and the Board will continue to monitor arrangements through regular updates from the Manager.

The potential impact of Brexit remains an economic risk for the Company, principally in relation to its impact on currency volatility and the Manager's operations. Aberdeen Standard Investments has a significant Brexit program in place aimed at ensuring that they can continue to satisfy their clients' investment needs post Brexit.

In all other respects, the Company's principal risks and uncertainties have not changed materially since the year end.

Promoting the Success of the Company

The Board is required to report on how it has discharged its duties and responsibilities under section 172 of the Companies Act 2006 (the "s172 Statement"). Under section 172, the Directors have a duty to promote the success of the Company for the benefit of its members as a whole, taking into account the likely long term consequences of decisions, the need to foster relationships with the Company's stakeholders and the impact of the Company's operations on the environment.

The Company consists of four Directors and has no employees or customers in the traditional sense. As the Company has no employees, the culture of the Company is embodied in the Board of Directors. The Board seeks to promote a culture of strong governance and to challenge, in a constructive and respectful way, the Company's advisers and other stakeholders.

The Board's principal concern has been, and continues to be, the interests of the Company's shareholders and potential investors. The Manager undertakes an annual programme of meetings with the largest shareholders and investors and reports back to the Board on issues raised at these meetings. The Investment Manager, who is based in the Manager's Tokyo office, will attend such meetings. The Board encourage all shareholders to attend and participate in the Company's AGM in normal circumstances and shareholders can contact the Directors via the Company Secretary. Shareholders and investors can obtain up-to-date information on the Company through its website and the Manager's information services and have direct access to the Company through the Manager's customer services team or the Company Secretary.

As an investment trust, a number of the Company's functions are outsourced to third parties. The key outsourced function is the provision of investment management services to the Manager and other stakeholders support the Company by providing secretarial, administration, depositary, custodial, banking and audit services.

The Board undertakes a robust evaluation of the Manager, including investment performance and responsible ownership, to ensure that the Company's objective of providing sustainable income and capital growth for its investors is met. The Board typically visits the Manager's offices in Tokyo on an annual basis. This enables the Board to conduct due diligence of the fund management and research teams. The portfolio activities undertaken by the Manager on behalf of the Company can be found in the Manager's Review and details of the Board's relationship with the Manager and other third party providers, including oversight, is provided in the Statement of Corporate Governance.

During the year, the Board focused on the performance of the Manager in achieving the Company's investment objective within an appropriate risk framework. In addition to ensuring that the Company's investment objective was being pursued, key decisions and actions undertaken by the Directors during the financial year included:

- the renewal of the Trust's loan facility which matured in January 2020.
- the amendment to the basis on which the management fee is calculated, whereby the fee of 0.75% per annum is charged on the lesser of the Company's net asset value or market capitalisation rather than on purely the net asset value. This provided cost savings to the Company and helped to reduce the Ongoing Charges Ratio.
- the amendment to the Company's dividend policy, whereby the dividend distributions to shareholders are paid semi-annually and consist of the Company's earnings for the year, an additional 3.0p released from the revenue reserves, and an amount from the capital reserves. The Board believes that a regular, sustainable dividend may help the Company to broaden the shareholder base and maintain the discount at reasonable levels in normal market conditions.
- The convening of a general meeting of the Company to hold a continuation vote required under the articles of association whereby the vote was successfully passed.

The Board is supportive of the Manager's philosophy that Environmental, Social and Governance (ESG) factors are fundamental components to evaluate when investing. ESG considerations are embedded in the investment process undertaken by the Manager and the Manager dedicates a significant amount of time and resource on focusing on the ESG characteristics of the companies in which they invest. Further details of how the Manager seeks to address ESG matters across the portfolio are disclosed in the Statement of Corporate Governance.

In summary, the Directors are cognisant of their duties under section 172 and decisions made by the Board take into account the interests of all the Company's key stakeholders and reflect the Board's belief that the long-term sustainable success of the Company is linked directly to its key stakeholders.

Key Performance Indicators (KPIs)
Performance is compared against the Company's benchmark index and its Peer Group. In view of the Manager's style of investing, there can be, in the short-term, considerable divergence from both comparators. The Board uses a three year rolling performance for the following KPIs:- total NAV return against the benchmark index and share price total return compared with the Peer Group. The KPI for the discount comparison to its Peer Group is over one year. The Company's Ongoing Charges Ratio is compared with the Peer Group, taking into account its size, to ensure that total running costs remain competitive.

KPI	**Achievement of KPI**
- NAV (total return) relative to the Company's benchmark index (3 years)	Yes
- Share price (total return) vs Peer Group (3 years)	Yes
- Discount or premium of the share price to NAV vs Peer Group on an annual average (1 year).	No
- Ongoing Charges Ratio (1 year)	Yes

An analysis of the KPIs is provided below. Over the three year period to 31 March 2020, the Company's NAV and share price return outperformed its KPI.

The discount KPI underperformed. The Trust's OCR reduced over the year to 31 March 2020 to 1.04% (2019 - 1.10%) and is competitive within its Peer Group, relative to its size of total assets.

Duration
The Company does not have a fixed life. However, under the articles of association, if, in the 90 days preceding the Company's financial year-end (31 March), the Ordinary shares have been trading, on average, at a discount in excess of 10% to the underlying NAV over the same period, notice will be given of an ordinary resolution to be proposed at the following AGM to approve the continuation of the Company. In the 90 days to 31 March 2020, the Ordinary shares traded at an average discount of 10.4% to the underlying NAV and therefore exceeded the 10% limit defined in the articles.

Accordingly, the Board convened a general meeting of the Company on 21 May 2020 whereby a resolution for the continuation of the Company was proposed. This resolution was approved by shareholders.

Board Diversity
The Board recognises the importance of having a diverse group of Directors with the appropriate mix of competencies and expertise to allow the Board to fulfil its obligations. At 31 March 2020 there were two male Directors and two female Directors, all of whom bring a variety of knowledge, experience and skills and contribute distinctively to the Board's performance. Further detail is provided on page 40 of the published 2019 Annual Report.

Employee, Environmental, Social & Human Rights Issues
The Company has no employees as it has delegated operational management to the Manager. There are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined on page 41 of the published 2019 Annual Report.

Global Greenhouse Gas Emissions
The Company has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Modern Slavery Act
Due to the nature of the Company's business, being a company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

Viability Statement
The Company's business model is designed to deliver long term capital growth to its shareholders through investment in large and liquid stocks in the global equity markets. Its plans are therefore based on having no fixed or limited life provided the global equity markets continue to operate normally.

The Board has assessed the Company's prospects over a three year period in accordance with the UK Corporate Governance Code. The Board considers that this period reflects a balance between looking out over a long-term horizon and the inherent uncertainties of looking out further than three years. In assessing the viability of the Company over the review period the Directors have focused upon the following factors:

- The ongoing relevance of the Company's investment objective in the current environment. A resolution for the continuation of the Company was passed at the general meeting held on 21 May 2020, showing ongoing support for the Company's investment mandate;
- The principal risks detailed in the strategic report above and the steps taken to mitigate these risks. In particular, the Board has considered the operational ability of the Company to continue in the current environment, which has been impacted by the global COVID-19 pandemic, and the ability of the key third-party suppliers to continue to provide essential services to the Company. Third party services have continued to be provided effectively;
- The liquidity of the Company's underlying portfolio. Recent stress testing has confirmed that shares can be easily liquidated, despite the more uncertain and volatile economic environment;
- The level of revenue surplus generated by the Company and its ability to achieve the dividend policy;
- The level of gearing is closely monitored by the Board. Covenants are actively monitored and there is adequate headroom in place; and
- The Company has a fixed term loan facility of JPY 1.3 billion in place until January 2021 and a revolving loan facility of JPY 1.0 billion in place until January 2021. The Company has the ability to renew or repay its gearing through proceeds from equity sales. Initial discussions with banks have commenced with a view to renewing the facility.

Accordingly, taking into account the Company's current position and its prospects, and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of three years from the date of this Report.

In making this assessment, the Board has considered that matters such as significant economic or stockmarket volatility (including the possibility of a greater than anticipated economic impact of the spread of the coronavirus), a substantial reduction in the liquidity of the portfolio, or changes in investor sentiment could have an impact on its assessment of the Company's prospects and viability in the future. As an investment trust with a Japanese mandate, the Company's portfolio is unlikely to be adversely impacted as a direct result of Brexit although some currency volatility could arise.

The Strategic Report was approved by the Board of Directors and signed on its behalf for Aberdeen Japan Investment Trust PLC by:

Karen Brade,
Chairman
16 June 2020

RESULTS

Financial Highlights

	31 March 2020	31 March 2019	% change
Total assets (as defined on page 84 of the published 2019 Annual Report)	£97,904,000	£99,810,000	-1.9
Total equity shareholders' funds (net assets)	£85,206,000	£88,025,000	-3.2
Market capitalisation	£75,943,000	£76,022,000	-0.1
Share price (mid market)	550.00p	525.00p	+4.8
Net asset value per share	617.09p	607.89p	+1.5
Discount to net asset value{A}	10.9%	13.6%	
Net gearing{A}	13.6%	11.6%	
Operating costs			
Ongoing charges ratio{A}	1.04%	1.10%	
Earnings			
Total return per share	19.03p	(70.63p)	
Revenue return per share	8.08p	6.83p	
Dividends per Ordinary Share{B}	15.00p	5.40p	
Revenue reserves (prior to payment of proposed final dividend)	£2,361,000	£2,839,000	

{A} Considered to be an Alternative Performance Measure. See below for more information.

{B} The figure for dividends reflects the years in which they were earned

KEY PERFORMANCE INDICATORS

	1 year return	3 year return	5 year return	Return since 8 October 2013 (change of mandate)
Net asset value{A}	+3.3%	+4.4%	+18.0%	+74.5%
Index	-2.5%	+3.6%	+35.5%	+64.4%
Share price{A}	+6.8%	+4.3%	+13.4%	+71.2%
Peer Group share price	-10.5%	+2.9%	+33.2%	+71.1%
Average discount - Company	-11.6%	-11.4%	-10.5%	-10.1%
Average discount - Peer Group	-7.4%	-5.3%	-7.0%	-7.0%

Source: Standard Life Aberdeen, Lipper & Morningstar.

{A} Considered to be an Alternative Performance Measure. See below for further details.

Based on share price and NAV per Morningstar (ie as available in the market, not including the annual report NAV).

Peer group is the average of Baillie Gifford Japan, JP Morgan Japanese CC Japan Income & Growth, Fidelity Japan Trust and Schroder Japan Growth.

Index represents the MSCI AC Asia Pacific (including Japan) Index (in Sterling terms) up to 7 October 2013 and the TOPIX (in Sterling terms) from 8 October 2013.

DIVIDENDS

	Rate	Ex-dividend date	Record date	Payment date
Proposed final dividend 2020	9.00p	2 July 2020	3 July 2020	31 July 2020
Interim dividend 2020	6.00p	28 November 2019	29 November 2019	20 December 2019
Total dividends 2020	**15.00p**			
Final dividend 2019	5.40p	13 June 2019	14 June 2019	12 July 2019

INVESTMENT PORTFOLIO

Ten Largest Investments as at 31 March 2020

Chugai Pharmaceutical Company

Roche's subsidiary in Japan, Chugai has a strong pipeline of drugs and is able to leverage its parent's portfolio and research.

Shin-Etsu Chemical Company

Despite the challenging environment, the Japanese maker of specialised chemicals remains a leader in its industry, due to its technological edge and a greater focus on profits than most Japanese rivals.

Tokio Marine Holdings Inc.

The most progressive of the three large property and casualty insurers in Japan, it is generating stable cash flows in an oligopolistic domestic market to fund overseas expansion.

KDDI Corporation

Offering mobile, fixed-line and cable TV services, the telecom group has been able to secure a stable customer base and raise revenues through cross-selling.

Toyota Motor Corporation

Among the leading global automakers, Toyota's scale and conservative management have allowed it to maintain profitability whilst investing in R&D. Its strong lead in hybrid technology will be increasingly important in an industry that is quickly evolving.

Daikin Industries

The air-conditioning equipment manufacturer has a solid global presence, particularly in China, where it leverages its environmentally-friendly range.

Keyence Corporation

The leading maker of sensors has a cash generative business and is backed by a strong balance sheet and technological expertise.

Amada Holdings Company

Amada is a sheet-metal machinery maker, with a dominant domestic market share, that is making inroads in other parts of the world. It has a strong balance sheet and its management has been progressive in returning excess capital to shareholders.

Welcia Holdings Company

The drugstore operator, a subsidiary of retail group Aeon, has continually posted above-industry average growth for customer spending and traffic through its tailored stores, the use of promotions, and a dedicated focus on in-store pharmacies, a structural trend stemming from Japan's ageing society.

Japan Exchange Group Inc.

The company operates both the Tokyo and Osaka stock exchanges, which are essentially monopolistic businesses with high operating leverage. It has also been proactive in returning excess cash to shareholders.

INVESTMENT PORTFOLIO

Other Investments as at 31 March 2020

	Valuation 2020	Total assets	Valuation 2019

Company	Sector	£'000	%	£'000
Chugai Pharmaceutical Company	Pharmaceuticals & Biotechnology	4,619	4.7	3,942
Shin-Etsu Chemical Company	Chemicals	3,973	4.0	3,597
Tokio Marine Holdings Inc.	Nonlife Insurance	3,869	4.0	2,044
KDDI Corporation	Mobile Telecommunications	3,841	3.9	2,644
Toyota Motor Corporation	Automobiles & Parts	3,393	3.5	1,075
Daikin Industries	Construction & Materials	3,304	3.4	3,368
Keyence Corporation	Electronic & Electrical Equipment	3,273	3.3	4,925
Amada Company	Industrial Engineering	2,721	2.8	2,429
Welcia Holdings Company	Food & Drug Retailers	2,704	2.8	1,404
Japan Exchange Group Inc.	Financial Services	2,526	2.6	3,000
Top ten investments		**34,223**	**35.0**	
Nippon Paint Holdings Company	Chemicals	2,515	2.5	2,678
Misumi Group Inc.	Industrial Engineering	2,441	2.5	2,038
Elecom Company	Technology Hardware & Equipment	2,371	2.4	1,891
Asahi Intecc Company	Health Care Equipment & Services	2,310	2.4	3,347
NEC Networks	Technology Hardware & Equipment	2,264	2.3	-
Heiwa Real Estate	Real Estate Investment & Services	2,143	2.2	-
Makita Corporation	Household Goods & Home Construction	2,105	2.2	2,533
Sho-Bond Holdings Company	Construction & Materials	2,072	2.1	971
Shiseido Company	Personal Goods	2,023	2.0	2,820
Sony Corporation	Leisure Goods	1,957	2.0	-
Top twenty investments		**56,424**	**57.6**	
Otsuka Corporation	Software & Computer Services	1,869	1.9	2,228
Yamaha Corporation	Leisure Goods	1,758	1.8	3,521
Kansai Paint Company	Chemicals	1,747	1.8	2,018
Tokyu Fudosan Holdings	Real Estate Investment & Services	1,730	1.8	-
Nabtesco Corporation	Industrial Engineering	1,714	1.7	2,121
AIN Holdings Inc.	Food & Drug Retailers	1,567	1.6	1,383
Nitori Holdings	General Retailers	1,520	1.6	1,535
Pigeon Corporation	Personal Goods	1,441	1.5	2,627
Hoya Corporation	Health Care Equipment & Services	1,416	1.4	-
Stanley Electric Company	Automobiles & Parts	1,371	1.4	1,999
Top thirty investments		**72,557**	**74.1**	
Z Holdings Corporation (formerly Yahoo Japan)	Software & Computer Services	1,336	1.4	1,460
Sakai Moving Service Company	Industrial Transportation	1,194	1.2	969
Azbil Corporation	Electronic & Electrical Equipment	1,152	1.2	-
SCSK Corporation	Software & Computer Services	1,130	1.2	2,470
Tokyo Century Corporation	Financial Services	1,129	1.1	-
USS Company	General Retailers	1,100	1.1	1,680
As One Corporation	Health Care Equipment &	1,094	1.1	304

	Services			
Milbon Corporation	Personal Goods	1,089	1.1	-
BML	Health Care Equipment & Services	1,061	1.1	-
Recruit Holdings Corporation	Support Services	1,060	1.1	-
Top forty investments		**83,902**	**85.7**	
Sanken Electric	Technology Hardware & Equipment	1,050	1.1	941
Fuji Soft	Software & Computer Services	990	1.0	-
Pilot Corporation	Household Goods & Home Construction	975	1.0	1,584
Seven & I Holdings Company	General Retailers	959	1.0	2,287
Shionogi & Company	Pharmaceuticals & Biotechnology	952	1.0	2,966
Daiwa Industrial	Industrial Engineering	876	0.9	-
Resorttrust Inc.	Travel & Leisure	850	0.9	913
Nihon M&A Center Inc	Financial Services	571	0.6	-
Musashi Seimitsu Industry Corporation	Automobiles & Parts	546	0.5	-
Zuken	Electronic & Electrical Equipment	526	0.5	-
Top fifty investments		**92,197**	**94.2**	
Sansan	Support Services	511	0.5	-
Daifuku	Industrial Engineering	507	0.5	-
Sysmex Corporation	Health Care Equipment & Services	502	0.5	3,774
Mani Inc.	Health Care Equipment & Services	452	0.5	1,648
Fukui Computer Holdings	Software & Computer Services	430	0.5	-
Renesas Electronics Corporation	Technology Hardware & Equipment	425	0.4	756
Advanced Media	Software & Computer Services	420	0.4	-
Okinawa Cellular Telephone	Mobile Telecommunications	403	0.4	-
Fanuc Corporation	Industrial Engineering	371	0.4	1,491
TKP Corporation	Support Services	29	-	-
Total value of investments		**96,247**	**98.3**	
Net current assets{A}		**1,657**	**1.7**	
Total assets		**97,904**	**100.0**	

{A} Excludes bank loans of £12,698,000.

Unless otherwise stated, foreign stock is held and all investments are equity holdings.

In the 2019 valuation column "-" denotes stock not held at last year end.

GOING CONCERN

The Company's assets consist of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale. The Board has reviewed the results of stress testing prepared by the Manager in relation to the ability of the assets to be realised in the current market environment.

The Company does not have a fixed life. However, under the articles of association, if, in the 90 days preceding the Company's financial year-end (31 March), the Ordinary shares have been trading, on average, at a discount in excess of 10% to the underlying NAV over the same period, notice will be given of an ordinary resolution to be proposed at the following AGM to approve the continuation of the Company. In the 90 days to 31 March 2020, the Ordinary shares traded at an average discount of 10.4% to the underlying NAV and therefore exceeded the 10% limit defined in the articles.

Accordingly, the Board convened a general meeting of the Company on 21 May 2020 whereby a resolution for the continuation of the Company was approved by shareholders. The earliest date that the Company may be subject to a further continuation vote would be at a general meeting of the Company which would be likely to be held in mid-2021 following the next review of the discount control mechanism within the articles.

The Company has a fixed term loan facility of JPY 1.3 billion in place until January 2021 and a revolving loan facility of JPY 1.0 billion in place until January 2021. The Board has set limits for borrowing and regularly reviews the Company's gearing levels and its compliance with bank covenants. A replacement option would be sought in advance of the expiry of the facility in January 2021, or, should the Board decide not to renew this facility, any outstanding borrowing would be repaid through the proceeds of equity sales as required. The Board has considered the impact of COVID-19 and believe that this will have a limited financial impact on the Company's operational resources and existence. The results of stress testing prepared by the Manager, which models a sharp decline in market levels and income, demonstrated that the Company had the ability to raise sufficient funds so as to remain within its debt covenants and pay expenses.

Taking the above factors into consideration, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the annual financial report
We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

For and on behalf of Aberdeen Japan Investment Trust PLC
Karen Brade,
Chairman
16 June 2020

FINANCIAL STATEMENTS

The following is the unaudited preliminary statement for the year to 31 March 2020 which was approved by the Board on 16 June 2020. The Board of Aberdeen Japan Investment Trust PLC is recommending to the Annual General Meeting of the Company to be held on 24 July 2020 the payment of a final dividend of 9.0p (2019 – 5.40p) per ordinary share making a total of 15.0p (2019 – 5.40p) paid and proposed for the year ended 31 March 2020.

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 March 2020			**Year ended 31 March 2019**		
		Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
	Notes	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Gains/(losses) on investments	10	-	2,872	2,872	-	(9,972)	(9,972)
Income	3	1,981	-	1,981	1,839	-	1,839
Exchange losses	14	-	(844)	(844)	-	(857)	(857)
Investment management fee	4	(254)	(381)	(635)	(282)	(424)	(706)
Administrative expenses	5	(334)	(20)	(354)	(331)	(11)	(342)
Net return before finance costs and taxation		1,393	1,627	3,020	1,226	(11,264)	(10,038)
Finance costs	6	(44)	(67)	(111)	(44)	(65)	(109)
Net return before taxation		1,349	1,560	2,909	1,182	(11,329)	(10,147)
Taxation	7	(198)	-	(198)	(184)	-	(184)
Net return after taxation		**1,151**	**1,560**	**2,711**	**998**	**(11,329)**	**(10,331)**
Return per Ordinary share (pence)	9	**8.08**	**10.95**	**19.03**	**6.83**	**(77.46)**	**(70.63)**

The total column of this statement represents the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations.

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Fixed assets			
Investments held at fair value through profit or loss	10	96,247	97,709
Current assets			
Debtors	11	982	1,359
Cash at bank and in hand		1,000	1,516
		1,982	2,875
Creditors: amounts falling due within one year			
Foreign currency bank loans	12	(12,698)	(11,785)
Other creditors	12	(325)	(774)
		(13,023)	(12,559)
Net current liabilities		(11,041)	(9,684)
Total assets less current liabilities		85,206	88,025
Net assets		**85,206**	**88,025**
Share capital and reserves			
Called-up share capital	13	1,582	1,582
Share premium		6,656	6,656
Capital redemption reserve		2,273	2,273
Capital reserve	14	72,334	74,675
Revenue reserve		2,361	2,839
Equity shareholders' funds		**85,206**	**88,025**
Net asset value per Ordinary share (pence)	15	**617.09**	**607.89**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

	Share	Share	Capital redemption	Capital	Revenue

	Notes	capital £'000	premium £'000	reserve £'000	reserve £'000	reserve £'000	Total £'000
Balance at 31 March 2019		1,582	6,656	2,273	74,675	2,839	88,025
Return after taxation		-	-	-	1,560	1,151	2,711
Dividend paid	8	-	-	-	-	(1,629)	(1,629)
Purchase of Ordinary shares to be held in treasury	13	-	-	-	(3,901)	-	(3,901)
Balance at 31 March 2020		**1,582**	**6,656**	**2,273**	**72,334**	**2,361**	**85,206**

For the year ended 31 March 2019

		Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2018		1,582	6,656	2,273	87,357	2,604	100,472
Return after taxation		-	-	-	(11,329)	998	(10,331)
Dividend paid	8	-	-	-	-	(763)	(763)
Purchase of Ordinary shares to be held in treasury	13	-	-	-	(1,353)	-	(1,353)
Balance at 31 March 2019		**1,582**	**6,656**	**2,273**	**74,675**	**2,839**	**88,025**

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASHFLOWS

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Operating activities		
Net return before taxation	2,909	(10,147)
Adjustment for:		
(Gains)/losses on investments	(2,872)	9,972
Increase/(decrease) in other creditors	41	(12)
Finance costs	111	109
Expenses taken to capital reserve	20	11
Foreign exchange losses	844	337
Overseas withholding tax	(198)	(184)
(Increase)/decrease in accrued dividend income	(57)	50
(Increase)/decrease in other debtors	(9)	3
Net cash inflow from operating activities	**789**	**139**
Investing activities		

Purchases of investments	(48,208)	(29,080)
Sales of investments	52,495	31,755
Expenses allocated to capital	(20)	(11)
Net cash inflow from investing activities	**4,267**	**2,664**
Financing activities		
Bank and loan interest paid	(111)	(109)
Equity dividend paid	(1,629)	(763)
Purchase of own shares to treasury	(3,901)	(1,353)
Net cash outflow from financing activities	(5,641)	(2,225)
(Decrease)/increase in cash	**(585)**	**578**
Analysis of changes in cash during the year		
Opening balance	1,516	881
Effects of exchange rate fluctuations on cash held	69	57
(Decrease)/increase in cash as above	(585)	578
Closing balance	**1,000**	**1,516**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. Principal activity. The Company is a closed-end investment company, registered in England and Wales No 3582911, with its Ordinary shares being listed on the London Stock Exchange.

2. Accounting policies

(a) Basis of accounting and going concern. The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in October 2019. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The Company's assets consist mainly of equity shares in companies listed on a recognised stock exchange and in most circumstances, including in the current market environment, are considered to be realisable within a short timescale. The Board has reviewed the results of stress testing prepared by the Manager in relation to the ability of the assets to be realised in the current market environment.

The Company does not have a fixed life. However, under the articles of association, if, in the 90 days preceding the Company's financial year-end (31 March), the Ordinary shares have been trading, on average, at a discount in excess of 10% to the underlying NAV over the same period, notice will be given of an ordinary resolution to be proposed at the following AGM to approve the continuation of the Company. In the 90 days to 31 March 2020, the Ordinary shares traded at an average discount of 10.4% to the underlying NAV and therefore exceeded the 10% limit defined in the articles. Accordingly, the Board convened a general meeting of the Company on 21 May 2020 whereby a resolution for the continuation of the Company was approved by shareholders. The earliest date that the Company may be subject to a further continuation vote would be at a general meeting of the Company which would be likely to be held in mid-2021 following the next review of the discount control mechanism within the articles.

The Company has a fixed term loan facility of JPY 1.3 billion in place until January 2021 and a revolving loan facility of JPY 1.0 billion in place until January 2021. The Board has set limits for borrowing and regularly reviews the Company's gearing levels and its compliance with bank covenants. A replacement option would be sought in advance of the expiry of the facility in January 2021, or, should the Board decide not to renew this facility, any outstanding borrowing would be repaid through the proceeds of equity sales as required.

The Board has considered the impact of COVID-19 and believe that this will have a limited financial impact on the Company's operational resources and existence. The results of stress testing prepared by the Manager, which models a sharp decline in market levels and income, demonstrated that the Company had the ability to raise sufficient funds so as to remain within its debt covenants and pay expenses.

Taking the above factors into consideration, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

The Company's financial statements are presented in Sterling, which is also the functional currency as it is the basis upon which shareholders operate and expenses are generally paid. All values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The accounting policies applied are unchanged from the prior year and have been applied consistently.

(b) **Valuation of investments.** The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the Company designates the investments 'at fair value through profit or loss'. Fair value is taken to be the investment's cost at the trade date (excluding expenses incidental to the acquisition which are written off in the Statement of Comprehensive Income, and allocated to 'capital' at the time of acquisition). Subsequent to initial recognition, investments continue to be designated at fair value through profit or loss, which is deemed to be bid prices, where the bid price is available, or otherwise at fair value based on published price quotations.

(c) **Income.** Dividends, including taxes deducted at source, are included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are reviewed on a case-by-case basis and may be credited to capital, if circumstances dictate. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserves. Interest receivable on bank balances is dealt with on an accruals bas**is.**

Where applicable the dividend income is disclosed net of irrecoverable taxes deducted at source.

(d) **Expenses.** All expenses are accounted for on an accruals basis. Expenses are allocated to revenue in the Statement of Comprehensive Income except as follows:

- expenses are allocated and borne by capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect, the investment management fee is allocated 40% to revenue and 60% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth; and
- transactions costs are charged to capital.

(e) **Taxation.** The tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (see note 7 for a more detailed explanation). The Company has no liability for current tax.

Deferred taxation. Deferred taxation is provided on all timing differences, that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the Statement of Financial Position date, measured on an undiscounted basis and based on tax rates expected to apply in the period that the timing differences reverse. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods. Due to the Company's status as an investment trust company, and the intention to continue to meet the conditions required to obtain approval for the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(f) Nature and purpose of reserves

Called-up share capital. The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve. This reserve is not distributable.

Share premium account. The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 10p. This reserve is not distributable.

Capital redemption reserve. The capital redemption reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital. This reserve is not distributable.

Capital reserve. Gains or losses on disposal of investments and changes in fair values of investments are transferred to the capital reserve. The capital element of the management fee and relevant finance costs are charged to this reserve. Any associated tax relief is also credited to this reserve. The costs of share buybacks to be held in treasury are also deducted from this reserve. The capital reserve, to the extent that the gains are deemed realised, is distributable including by way of dividend.

Revenue reserve. This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

(g) Foreign currencies. Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction.

Foreign currency asset and liability balances are translated to Sterling at the middle rate of exchange at the year end. Differences arising from translation are treated as capital gain or loss to capital or revenue within the Statement of Comprehensive Income depending upon the nature of the gain or loss.

(h) Dividends payable. Final dividends are recognised in the financial statements in the period in which they are paid.

(i) Borrowings. All secured borrowings are initially recognised at cost, being the fair value of the consideration received, less issue costs where applicable, after initial recognition, all interest bearing borrowings are subsequently measured at amortised cost. The finance costs of such borrowings are accounted for on an accruals basis using the effective interest rate method and are charged 40% to revenue and 60% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth.

(j) Significant estimates and judgements. The Directors do not believe that any accounting judgements or estimates have been applied to these financial statements that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year. The Directors believe that there is one key judgement. The Company's investments and borrowings are made in Japanese yen, however the Board considers the Company's functional currency to be Sterling. In arriving at this conclusion, the Board considered that the shares of the Company are listed on the London Stock Exchange, it is regulated in the United Kingdom, principally having its shareholder base in the United Kingdom and also, pays dividends and expenses in Sterling.

3. Income

	2020	2019
	£'000	£'000
Income from investments		

Overseas dividends	1,980	1,838
Other income		
Deposit interest	1	1
Total income	**1,981**	**1,839**

4. Management fee

	2020			2019		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Management fee	**254**	**381**	**635**	**282**	**424**	**706**

For further details see note 20 "Related party transactions and transactions with the Manager".

5. Administrative expenses

	2020			2019		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Promotional fees	51	-	51	56	-	56
Directors' fees	93	-	93	93	-	93
Depositary fees	15	-	15	15	-	15
Transaction costs on investment purchases	-	20	20	-	11	11
Auditor's remuneration (excluding irrecoverable VAT):						
- fees payable to the Company's auditor for the audit of the annual accounts	23	-	23	23	-	23
Other	152	-	152	144	-	144
	334	**20**	**354**	**331**	**11**	**342**

6. Finance costs

	2020			2019		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Bank loans	**44**	**67**	**111**	**44**	**65**	**109**

7. Taxation

	2020			2019		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
(a) Analysis of charge for the year						

Irrecoverable overseas taxation	198	-	198	184	-	184
Total tax charge	**198**	**-**	**198**	**184**	**-**	**184**

(b) **Factors affecting current tax charge for the year.** The tax assessed for the year is lower (2019 - higher) than the standard rate of corporation tax in the UK. The differences can be explained below::

		2020			**2019**	
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Net return before taxation	**1,349**	**1,560**	**2,909**	**1,182**	**(11,329)**	**(10,147)**
Net return multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	256	296	552	225	(2,153)	(1,928)
Effects of:						
(Gains)/losses on investments not taxable	-	(546)	(546)	-	1,897	1,897
Currency losses not taxable	-	160	160	-	163	163
Irrecoverable overseas withholding tax	198	-	198	184	-	184
Deferred tax not recognised in respect of tax losses	118	86	204	124	93	217
Expenses not deductible for tax purposes	2	4	6	-	-	-
Non-taxable overseas dividends	(376)	-	(376)	(349)	-	(349)
Total tax charge for the year	**198**	**-**	**198**	**184**	**-**	**184**

(c) **Provision for deferred taxation.** At 31 March 2020 the Company had surplus management expenses and loan relationship debits with a tax value of £2,502,000 (2019 – £2,057,000) based on enacted tax rates, in respect of which a deferred tax asset has not been recognised. No deferred tax asset has been recognised because the Company is not expected to generate taxable income in the future in excess of the deductible expenses of those future periods. Therefore, it is unlikely that the Company will generate future taxable revenue that would enable the existing tax losses to be utilised.

8. Dividends

	2020	**2019**
	£'000	**£'000**
Amounts recognised as distributions to equity holders in the year:		
Final dividend 2019 - 5.40p (2018 - 5.20p)	782	763
Interim dividend 2020 - 6.00p	847	-
	1,629	**763**

In order to comply with the requirements of Sections 1158-1159 of the Corporation Tax Act 2010 the Company is required to make a dividend distribution.

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability. It is proposed that the final dividend will be paid on 31 July 2020 to shareholders on the register at the close of business on 3 July 2020.
The table below sets out the total dividends proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158 -1159 are considered. The revenue available for distribution by way of dividend for the year is £1,151,000 (2019 - £998,000). It is anticipated that the total dividend for the year of 15.00p will be funded 11.00p from the revenue reserve and 4.00p from the capital reserve

	2020	2019
	£'000	£'000
Proposed final dividend for 2020 - 9.00p per Ordinary share (2019 - 5.40p)	1,233	782
Interim dividend 2020 - 6.00p	847	-
	2,080	**782**

The cost of the proposed final dividend for 2020 is based on 13,698,839 Ordinary shares in issue, being the number of Ordinary shares in issue excluding treasury shares at the date of this report.

9. Return per Ordinary share

	2020	2020	2019	2019
	p	£'000	p	£'000
Returns per share are based on the following figures:				
Revenue return	8.08	1,151	6.83	998
Capital return	10.95	1,560	(77.46)	(11,329)
Total return	**19.03**	**2,711**	**(70.63)**	**(10,331)**
Weighted average number of Ordinary shares in issue		**14,240,115**		**14,626,276**

10. Investments held at fair value through profit or loss

	2020	2019
	£'000	£'000
Opening book cost	80,360	79,521
Opening investment holding gains	17,349	30,893
Opening fair value	97,709	110,414
Analysis of transactions made during the year		
Purchases at cost (excluding transaction costs)	47,718	29,691
Sales - proceeds (net of transaction costs)	(52,052)	(32,424)
Gains/(losses) on investments	2,872	(9,972)
Closing fair value	**96,247**	**97,709**

	2020	2019
	£'000	£'000

Closing book cost	84,216	80,360
Closing investment holding gains	12,031	17,349
Closing fair value	**96,247**	**97,709**

The Company received £52,052,000 (2019 - £32,424,000) from investments sold in the period. The book cost of these investments when they were purchased was £43,863,000 (2019 - £28,852,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

As at 31 March 2020, all investments held are in quoted stocks (2019 - same).

Transaction costs. During the year expenses were incurred in acquiring or disposing of investments designated as fair value through profit or loss. Expenses incurred in acquiring investments have been expensed through capital and are included within administration expenses in the Statement of Comprehensive Income, whilst expenses incurred in disposing of investments have been expensed through capital and are included within gains/(losses) on investments in the Statement of Comprehensive Income. The total costs were as follows:

	2020 £'000	2019 £'000
Purchases	20	11
Sales	15	11
	35	22

The above transaction costs are calculated in line with the AIC SORP. The transaction costs in the Company's Key Information Document are calculated on a different basis and in line with the PRIIPs regulations.

11. Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
Amounts due from brokers	227	669
Prepayments and accrued income	755	690
	982	**1,359**

All financial assets are included at amortised cost.

12. Creditors

	2020 £'000	2019 £'000
(a) Foreign currency bank loans		
Falling due within one year	12,698	11,785
	12,698	**11,785**

The Company entered into a one year credit facility with ING Bank on 23 January 2020. At the year end, JPY1,300,000,000 (2019 - JPY1,300,000,000) equivalent to £9,711,000 (2019 -

£9,012,000) had been drawn down at an all-in interest rate of 0.715% (2019 - 0.7865%) which is due to mature on 22 January 2021.

In addition, on 23 January 2020, the Company entered into a one year JPY1,000,000,000 revolving credit facility with ING Bank and has a final maturity on 22 January 2021. At the year end JPY400,000,000, equivalent to £2,987,000 (2019 - £2,773,000), had been drawn down at an all-in interest rate of 0.70% (2019 - 0.70%). At the date of this Report the Company had drawn down JPY400,000,000 at an all-in interest rate of 0.70%.

The terms of both loan facilities with ING Bank contain a covenant that total borrowings should not exceed 35% of the adjusted net asset value of the Company at any time and that the net asset value should not fall below £40,000,000 at any time. The Company has met these covenants throughout the period.

		2020	2019
(b)	**Other creditors falling due within one year**	**£'000**	**£'000**
	Amounts due to brokers	121	611
	Sundry creditors	204	163
		325	**774**

13. Called-up share capital

	2020		2019	
	Number	**£'000**	**Number**	**£'000**
Allotted, called-up and fully paid				
Ordinary shares of 10p each	13,807,780	1,381	14,480,439	1,448
Held in treasury	2,013,792	201	1,341,133	134
	15,821,572	1,582	15,821,572	1,582

	Ordinary shares Number	Treasury shares Number	Total Number
Opening balance	14,480,439	1,341,133	15,821,572
Ordinary shares bought back for holding in treasury	(672,659)	672,659	-
Closing balance	13,807,780	2,013,792	15,821,572

During the year 672,659 Ordinary shares (2019 - 244,838) were bought back and held in treasury at a cost of £3,901,000 (2019 - £1,353,000). Subsequent to the year end a further 108,941 Ordinary shares were bought back for holding in treasury at a cost of £632,000.

14. Capital reserve

	2020	2019
	£'000	**£'000**
At 1 April 2019	74,675	87,357
Losses over cost arising on movement in investment holdings	(5,318)	(13,544)
Gains on realisation of investments at fair value	8,190	3,572

Currency losses	(844)	(857)
Administrative expenses charged to capital	(20)	(11)
Management fee charged to capital	(381)	(424)
Buyback of Ordinary shares for holding in treasury	(3,901)	(1,353)
Finance costs charged to capital	(67)	(65)
At 31 March 2020	**72,334**	**74,675**

The capital reserve includes investment holding gains amounting to £12,031,000 (2019 - gains of £17,349,000) as disclosed in note 10.
Net currency losses arising during the year of £844,000 (2019 - losses of £857,000) are analysed further in the table below.

	2020	2019
	£'000	£'000
Losses on forward foreign exchange contracts	-	(522)
Losses on revaluation of bank loan	(913)	(392)
Gains on cash deposits	69	57
	(844)	(857)

15. Net asset value per share. The net asset value per share and the net asset values attributable to Ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	Net asset value per share		Net asset values attributable	
	2020	2019	2020	2019
	p	p	£'000	£'000
Ordinary shares	**617.09**	**607.89**	**85,206**	**88,025**

The movements during the year of the assets attributable to the Ordinary shares were as follows:

	2020	2019
	£'000	£'000
Net assets attributable at 1 April 2019	88,025	100,472
Capital return for the year	1,560	(11,329)
Revenue after taxation	1,151	998
Dividend paid	(1,629)	(763)
Purchase of Ordinary shares to be held in treasury	(3,901)	(1,353)
Net assets attributable at 31 March 2020	**85,206**	**88,025**

The net asset value per Ordinary share is based on net assets, and on 13,807,780 (2019 - 14,480,439) Ordinary shares, being the number of Ordinary shares in issue, after deducting 2,013,792 (2019 -

1,341,133) shares held in treasury, at the year end.

16. Financial instruments

Risk management. The Company's investment activities expose it to various types of financial risk associated with the financial instruments and markets in which it invests. The Company's financial instruments comprise securities and other investments, cash balances, loans, debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income.

Certain risk management functions have been delegated to Aberdeen Standard Fund Managers Limited ("ASFML" or "Manager") under the terms of the management agreement (further details of which are included under note 20). The Board regularly reviews and agrees policies for managing each type of risk, are summarised below. This approach has been applied throughout the year within the Manager's risk management framework which is described below and has not changed since the previous accounting period.

Risk management framework. The directors of Aberdeen Standard Fund Managers Limited collectively assume responsibility for ASFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

ASFML is a fully integrated member of the Standard Life Aberdeen Group ("the Group"), which provides a variety of services and support to ASFML in the conduct of its business activities, including in the oversight of the risk management framework for the Company. The AIFM has delegated the day to day administration of the investment policy to Aberdeen Asset Management Asia Limited, which is responsible for ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in its pre-investment disclosures to investors (details of which can be found on the Company's website). The AIFM has retained responsibility for monitoring and oversight of investment performance, product risk and regulatory and operational risk for the Company.

The Manager conducts its risk oversight function through the operation of the Group's risk management processes and systems which are embedded within the Group's operations. The Group's Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk and Risk Management. The team is headed up by the Group's Head of Risk, who reports to the CEO of the Group. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system ("SHIELD").

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group's CFO and to the Audit Committee of the Group's Board of Directors. The Internal Audit Department is responsible for providing an independent assessment of the Group's control environment.

The Group's corporate governance structure is supported by several committees to assist the board of directors of the Group, its subsidiaries and the Company to fulfil their roles and responsibilities. The Group's Risk Division is represented on all committees, with the exception of those committees that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described on the committees' terms of reference.

Risk management. The main risks the Company faces from its financial instruments are (i) market risk (comprising interest rate risk, price risk and currency risk), (ii) liquidity risk and (iii) credit risk.

Market risk. The fair value or future cash of a financial instrument held by the Company may fluctuate because of changes in market prices. This market price risk comprises three elements - interest rate risk, price risk and currency risk.

Interest rate risk. Interest rate movements may affect:

- the level of income receivable on cash deposits; and

- interest payable on the Company's variable rate borrowings.

Management of the risk. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

Interest rate sensitivity. Movements in interest rates would not significantly affect net assets attributable to the Company's shareholders and total profit due to there being no investments in fixed interest securities during the year and a relatively low level of bank borrowings.

Price risk. Price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of quoted investments.

Management of the risk. It is the Board's investment policy for the Company's assets to be invested in a selected portfolio of securities in quoted companies as explained above. The Manager has a dedicated investment management process, which ensures that the risk inherent in this investment policy is controlled. Underlying the process is the belief that risk is not that individual stock prices fluctuate in the short term, or that movement in the value of the portfolio deviates from the benchmark but that risk is investment in poorly managed expensive companies which the Manager does not understand. In-depth research and stock selection procedures are in place based on this risk control philosophy. The portfolio is reviewed on a periodic basis by the Manager's Investment Committee and by the Board.

Price sensitivity. If market prices at the Statement of Financial Position date had been 10% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 March 2020 would have increased/(decreased) by £9,625,000 (2019 increased/(decreased) by £9,771,000) and equity reserves would have increased/(decreased) by the same amount.

Foreign currency risk. The Company primarily invests in the shares of companies which are listed in Japan but can include companies listed on other stock markets which earn significant revenue from trading in Japan or hold net assets predominantly in Japan. The Statement of Financial Position, therefore, can be significantly affected by movements in foreign exchange rates.

Management of the risk. The Company may, from time to time, match specific overseas investment with foreign currency borrowings. The Company's borrowings, as detailed in note 12, are also in foreign currency. In addition, the Company sought to ensure that the Company's Yen net exposure is appropriately Sterling-hedged through the use of rolling forward currency contracts. On 10 July 2018, the Company amended its investment policy and no longer use forward currency contracts. During the year, a net loss of £nil (2019 - loss of £522,000) was realised from the use of such contracts.

The revenue account is subject to currency fluctuation arising on dividends paid in foreign currencies. The Company does not hedge this currency risk.

Foreign currency risk exposure by currency of denomination:

	31 March 2020			31 March 2019		
	Overseas investments{A} £'000	Net monetary assets £'000	Total currency exposure £'000	Overseas investments{A} £'000	Net monetary assets £'000	Total currency exposure £'000
Japanese Yen	96,247	(10,996)	85,251	97,709	(9,662)	88,047

{A} Overseas investment is stated net of forward currency contracts with a net Sterling equivalent amount of nil (2019 - nil)

Foreign currency sensitivity. The following table details the positive impact to a 10% decrease in Sterling against the foreign currency in which the Company has exposure (based on exposure >5% of total exposure including foreign exchange contracts). The sensitivity analysis includes foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. In the event of a 10% increase in Sterling then there would be a negative impact on the Company's returns.

	2020 Revenue £'000	2020 Equity{A} £'000	2019 Revenue £'000	2019 Equity{A} £'000
Japanese Yen	198	8,525	184	8,805

{A} Represents equity exposure to relevant currencies.

Liquidity risk. This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk. Liquidity risk is not considered to be significant as the Company's assets mainly comprise readily realisable securities which can be sold to meet funding requirements if necessary and flexibility is achieved through the use of loan facilities, details of which may be found in note 12.

Liquidity risk exposure. At 31 March 2020, the Company had a short term bank loan of £9,711,000 (2019 - £9,012,000) which is due to mature on 22 January 2021 with interest due on the principal every six months. The Company also had a rolling facility of £2,987,000 (2019 - £2,773,000) which matured on 23 April 2020 with interest payable at maturity.

Credit risk. This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

Management of the risk. Investment transactions are carried out with a large number of brokers of good quality credit standing, and cash is held only with reputable banks with high quality external credit enhancements.

In addition, both stock and cash reconciliations to the Depositary's records are performed on a daily basis to ensure discrepancies are investigated on a timely basis.

None of the Company's financial assets is secured by collateral or other credit enhancements and none are past due or impaired.

Credit risk exposure. The amount of cash at bank and in hand of £1,000,000 (2019 - £1,516,000) and debtors of £982,000 (2019 - £1,359,000) in the Statement of Financial Position represent the maximum exposure to credit risk at 31 March.

Fair values of financial assets and financial liabilities. The fair value of borrowings has been calculated at £12,698,000 as at 31 March 2020 (2019 - £11,785,000) compared to an accounts value in the financial statements of £12,698,000 (2019 - £11,785,000) (note 12), due to the short-term maturity. The fair value of each loan is determined by aggregating the expected future cash flows for that loan discounted at a rate comprising the borrower's margin plus an average of market rates applicable to loans of a similar period of time and currency. The carrying value of all other assets and liabilities is an approximation of fair value.

17. Analysis of changes in net debt

	At 31 March 2019 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 March 2020 £'000
Cash and cash equivalents	1,516	69	(585)	-	1,000
Debt due within one year	(11,785)	(913)	-	-	(12,698)
	(10,269)	**(844)**	**(585)**	**-**	**(11,698)**

	At 31 March 2018 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 March 2019 £'000
Cash and cash equivalents	881	57	578	-	1,516
Debt due within one year	(2,681)	(394)	-	-	(3,075)
Debt due after more than one year	(8,710)	-	-	-	(8,710)
	(10,510)	**(337)**	**578**	**-**	**(10,269)**

A statement reconciling the movement in net funds to the net cash flow has not been presented as there are no differences from the above analysis.

18. Capital management policies and procedures. The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and

- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt. The Company's investment policy states that the maximum gearing level is 25% of net assets, however gearing will normally be set at a stable and lower level than the maximum. The Board has currently established a gearing level of around 10% of net assets although, with stock market fluctuations, this may range between 5% and 15%.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Manager's views on the market and the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period and year end positions are presented in the Statement of Financial Position.

19. Fair value hierarchy. FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following classifications:

Level 1 - unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3 - inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

All of the Company's investments are in quoted equities actively traded on a recognised stock exchange, with their fair value being determined by reference to their quoted bid prices at the reporting date (2019 - same). The total value of the investments (2020 - £96,247,000; 2019 - £97,709,000) have therefore been deemed as Level 1.

20. Related party transactions and transactions with the Manager

Directors' fees and interests. Fees payable during the year to the Directors and their interest in shares of the Company are disclosed within the Directors' Remuneration Report on pages 46 and 47 of the published 2019 Annual Report.

Transactions with the Manager. The Company has agreements with ASFML to provide management, accounting, administrative and secretarial duties. The agreement for provision of management services has been delegated to Aberdeen Investment Management Kabushiki Kaisha.

The management fee was payable at a rate of 0.75% per annum of the value of the Company's net assets until 31 May 2019. With effect from 1 June 2019, the management fee has been charged on the lesser of the Company's net asset value or market capitalisation, payable monthly in arrears. Market capitalisation is defined as the closing share price quoted on the London Stock Exchange multiplied by the number of shares in issue less the number of any shares held in Treasury, as determined on the last business day of the applicable calendar month to which the fee relates. The balance due to ASFML at the year end was £96,000 (2019 - £55,000).

The Company also has an agreement with ASFML for the provision of promotional activities in relation to the Company's participation in the Aberdeen Standard Investment Trust Share Plan and ISA. The total fees paid and payable under the agreement were £51,000 (2019 – £56,000) and the balance due to ASFML at the year end was £13,000 (2019 - £13,000).

21. Subsequent Events. Subsequent to the period end, the Company's NAV has increased following a recovery in stockmarket values from lows caused by the COVID-19 pandemic. At the date of this Report the latest NAV per share was 733.34p as at the close of business on 12 June 2020, an increase of 18.8% compared the NAV per share of 617.09p at the period end.

22. Additional notes to Annual Financial Report:

The final dividend, subject to shareholder approval, will be paid on 31 July 2020 to shareholders on the register at the close of business on 3 July 2020. The ex-dividend date is 2 July 2020.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 March 2020 or 2019 but is derived from those accounts. Statutory accounts for 2019 have been delivered to the registrar of companies, and those for 2020 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006

The statutory accounts for the financial year ended 31 March 2020 have been approved by the Board and audited but will not be filed with the Registrar of Companies until after the Company's Annual General Meeting which will be held at 10.00am on 24 July 2020 at Bow Bells House, One Bread Street, London EC4M 9HH.

The Annual Report will be posted to shareholders in June 2020 and copies will be available from the Manager or from the Company's website (www.aberdeen-japan.co.uk*).

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS 102 and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Total return. Total return is considered to be an alternative performance measure. NAV and share price total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

The tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the years ended 31 March 2020 and 31 March 2019.

2020	**Dividend rate**	**NAV**	**Share price**
31 March 2019	N/A	607.89p	525.00p
13 June 2019	5.40p	623.10p	552.50p
28 November 2019	6.00p	702.31p	632.50p
31 March 2020	N/A	617.09p	550.00p
Total return		**+3.3%**	**+6.8%**

2019	**Dividend rate**	**NAV**	**Share price**
31 March 2018	N/A	682.31p	582.50p
14 June 2018	5.20p	703.94p	620.00p
31 March 2019	N/A	607.89p	525.00p
Total return		**-10.2%**	**-9.1%**

Discount to net asset value per Ordinary share. The discount is the amount by which the share price of 550.00p (2019 - 525.00p) is lower than the net asset value per share of 617.09p (2019 - 607.89p), expressed as a percentage of the net asset value.

Net gearing. Net gearing measures the total borrowings of £12,698,000 (31 March 2019 – £11,785,000) less cash and cash equivalents of £1,106,000 (31 March 2019 - £1,574,000) divided by shareholders' funds of £85,206,000 (31 March 2019 - £88,025,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due from brokers at the year end of £106,000 (2019 - £58,000) as well as cash at bank and in hand of £1,000,000 (2019 - £1,516,000).

Ongoing charges. Ongoing charges is considered to be an alternative performance measure. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year.

	2020	2019
Investment management fees (£'000)	635	706
Administrative expenses (£'000)	354	342
Less: transaction costs on investment purchases (£'000)	(20)	(11)
Ongoing charges (£'000)	**969**	**1,037**
Average net assets (£'000)	**93,581**	**94,269**
Ongoing charges ratio	**1.04%**	**1.10%**

At 31 March 2020 the Company's OCR was 1.04% as above compared to the Peer Group weighted average OCR of 0.81% (average net assets at 31 March 2020 - £336 million)(Source AIC).The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations which includes amongst other things, the cost of borrowings and transaction costs.

Please note that past performance is not necessarily a guide to the future and that the value of investments and the income from them may fall as well as rise and may be affected by exchange rate movements. Investors may not get back the amount they originally invested.

**Neither the Company's website nor the content of any website accessible from hyperlinks on that website (or any other website) is (or is deemed to be) incorporated into, or forms (or is deemed to form) part of this announcement.*

For Aberdeen Japan Investment Trust PLC
Aberdeen Asset Management PLC, Secretary

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