

Aberdeen Japan Investment Trust PLC

Japan specialists identifying exceptional companies



Investment objective

The Company's objective is 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.

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“Against what has been an extraordinary period due to the global COVID-19 pandemic, both your Company’s share price and net asset value have outperformed the benchmark by a healthy margin.”

Karen Brade, Chairman



“The Company’s performance was driven by portfolio holdings composed of market leaders with significant barriers to entry, led by experienced management teams, who are equipped to circumnavigate the challenging COVID-19 environment.”

**Kwok Chern-Yeh,
Aberdeen Standard Investments (Japan) Limited**

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Highlights and Financial Calendar

Performance Highlights

Net asset value total return^A

Six months to 30 September 2020

+26.3%

Six months to 30 September 2019: 13.1%

Index total return

Six months to 30 September 2020

+14.8%

Six months to 30 September 2019: +9.3%

Share price total return^A

Six months to 30 September 2020

+18.0%

Six months to 30 September 2019: +16.4%

Ongoing charges ratio^A

Six months to 30 September 2020

1.03%

Year to 31 March 2020: 1.04%

Discount to net asset value^A

As at 30 September 2020

16.8%

As at 31 March 2020: 10.9%

Dividend per share

Six months to 30 September 2020

6.00p

Six months to 30 September 2019: 6.00p

^A Considered to be an Alternative Performance Measure. Further details can be found on pages 26 and 27.

“The Company’s net asset value total return for the six month period to 30 September 2020 was 26.3%, posting a strong and welcome gain compared with the Topix benchmark’s 14.8% total return.”

Karen Brade, Chairman

Financial Calendar

Payment dates of dividends	December 2020 July 2021
Financial year end	31 March 2021
Expected announcement of results for year ended 31 March 2021	June 2021
Annual General Meeting (London)	July 2021

Financial Highlights

	As at 30 September 2020	As at 31 March 2020	Change %
Total assets (£'000) ^A	117,298	97,904	+19.8%
Total equity shareholders' funds (£'000)	104,838	85,206	+23.0%
Net asset value per Ordinary share	769.6p	617.1p	+24.7%
Share price (mid-market)	640.0p	550.0p	+16.4%
Discount to net asset value per Ordinary share ^B	16.8%	10.9%	
Net gearing ^B	11.4%	13.6%	
Ongoing charges ^B	1.03%	1.04%	

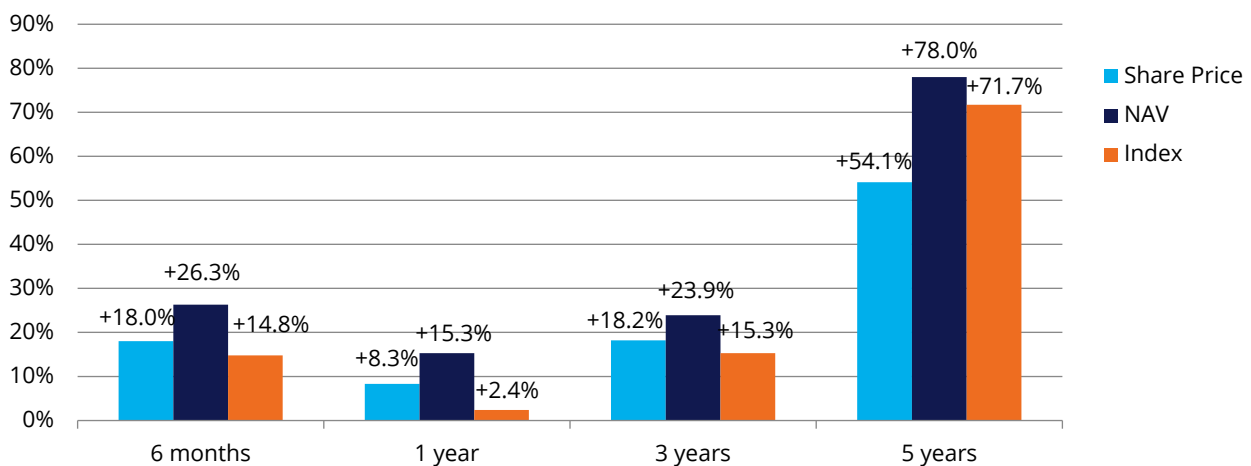
^A Excludes foreign currency bank loans of £12,460,000 (31 March 2020 – £12,698,000).

^B Considered to be an Alternative Performance Measure. Further details can be found on pages 26 and 27.

Highlights and Financial Calendar Continued

	Six months to 30 September 2020	Six months ended 30 September 2019	% change
Revenue return per Ordinary share	2.65p	3.77p	-29.7
Interim dividend	6.00p	6.00p	-

Performance (total return)



Total return represents capital return plus dividends reinvested.

Share price total return and NAV total return are considered to be Alternative Performance Measures. Further details can be found on page 26.

Index represents the Tokyo Stock Price Index, commonly known as TOPIX, a capitalisation weighted index of all companies listed on the First Section of the Tokyo Stock Exchange, in sterling terms.

Interim Board Report - Chairman's Statement



"I have every confidence that your Tokyo-based Manager's consistent approach of seeking out the best companies, whether small, mid or large capitalisation stocks, through stringent screening and regular meetings with senior management will ensure the long-term growth prospects of the underlying investments in your Company's portfolio."

Karen Brade, Chairman

Interim Board Report - Chairman's Statement Continued

Performance

Against what has been an extraordinary period due to the global COVID-19 pandemic, both your Company's share price and net asset value have outperformed the benchmark by a healthy margin. The Company's net asset value total return for the six month period to 30 September 2020 was 26.3%, posting a strong and welcome gain compared with the Topix benchmark's 14.8% total return.

Broadly, your Company's holdings fared well across most sectors, reaffirming the Manager's strategy of selecting well-run businesses with management adapting well to the fluidity of market conditions stemming from both international and domestic factors. The volatility has also presented some interesting investment opportunities for the Company. Over the period under review, your Manager has worked to unlock shareholder value in the portfolio companies, including driving improvements in governance and capital efficiency, as well as seeking evidence of post-pandemic recovery plans, in advance of AGM votes. These efforts are bearing fruit and underpin your Manager's approach to long-term, active investment. Further details can be found in the Manager's Report.

The Company's longer term performance has also been strong with NAV returns of 23.9% and 78.0% over 3 and 5 years respectively, compared to benchmark returns of 15.3% and 71.7%.

The ordinary share price's total return for the period was 18.0% as the discount to NAV per ordinary share widened from 10.9% to 16.8% as at 30 September 2020. Market volatility has continued to feature following the COVID-19 outbreak and discounts of most investment trusts have increased substantially at times. We are working closely with the Manager and advisers to address the widening discount. As at 23 November 2020, the discount was 9.0%.

Overview

Japan suffered less from the initial wave of the Coronavirus pandemic than most other major developed economies, with an early declaration of a state of emergency and relatively fewer fatalities. Two multi-trillion yen packages of financial support for companies and households helped mitigate the economic effects, as did continued lending by the Bank of Japan. Japanese firms' strong cash positions cushioned many from the worst impacts. However, corporate concerns persisted regarding worsening trade tensions between the US and China, Japan's top two trading partners, and Japan, in common with other economies, faces recession in the current year.

Shinzo Abe, Japan's longest-serving Prime Minister, resigned because of ill-health in September. His successor, Yoshihide Suga, who had been Abe's Chief Cabinet Secretary (effectively second in command) throughout his premiership, will maintain the principles of 'Abenomics' – fiscal and monetary stimulus, accompanied by structural reform – as well as increasing focus on digitalisation.

Dividend

Under the newly enhanced dividend policy approved last year, a final dividend of 9.0p per ordinary share in respect of the year ended 31 March 2020 was paid to shareholders in July 2020, making a total dividend for the year of 15.0p. Using the Company's closing share price of 640p for 30 September 2020 this indicates a historic yield of 2.3%.

Whilst the revenue return per ordinary share over the six month period to 30 September 2020 fell to 2.65p (2019 – 3.77p), the Manager has forecast an overall drop in dividend income for the full year in the low single digits. This is following a detailed review of the portfolio and discussions with portfolio company management teams.

The Board has declared an unchanged interim dividend of 6.0p for the year ending 31 March 2021 (2020 – 6.0p) which will be paid to shareholders on 31 December 2020. The record date is 4 December 2020.

The Board recognises the importance of income to our shareholders, particularly in this low interest environment. Good performance combined with a regular, sustainable semi-annual dividend should allow the Company to broaden the shareholder base and help to maintain the share price discount to NAV at reasonable levels. The Board continues to make use of the benefits of the investment trust structure to allow the Company to support the enhanced dividend policy.

Gearing

The Company made use of its capacity to gear through the Yen 1.3 billion fixed term and Yen 1.0 billion floating rate facilities with ING Bank. The Board considers a gearing level of around 10% to be appropriate, although, with stock market fluctuations, this may range between 5% -15%. Net gearing as at 30 September 2020 was 11.4% (31 March 2020: 13.6%).

The Board believes that the potential to gear the portfolio at the right time is one of the strong advantages of the closed ended company structure, with the sensible use of modest financial gearing seeking to enhance returns to shareholders. Further gearing options will be considered prior to the maturity of the current loan facility on 22 January 2021.

Discounts and Share Buybacks

The Board monitors the discount level of the Company's shares in relation to the NAV. There is a mechanism in place to buy back shares at appropriate levels when to do so will add value for shareholders. During the six month period, 241,746 shares were bought back into treasury at a cost of £1.5 million. Since the period end a further 126,411 shares have been repurchased.

The Board

It was with great sadness and regret earlier this year that I had to report that Kevin Pakenham, the Company's Senior Independent Director, passed away on 19 July 2020. Kevin had served as a Director of the Company since 2007. During this time, the Board and the shareholders benefited hugely from Kevin's significant knowledge and experience and his special wit and humour. He will be greatly missed.

Following a search involving an external recruitment agency, the Board is pleased to report the appointment of Sam Dean as an independent non-executive Director with effect from 1 December 2020. Sam has a long career in investment banking, working in Equity Capital Markets and corporate finance on behalf of corporate and government clients globally.

Outlook

The world remains in a state of uncertainty with a second wave of COVID-19 infections. Many governments have re-imposed social-distancing measures to contain the virus. Meanwhile, the ongoing infusion of massive stimulus to economies worldwide should continue to support asset prices. The full recovery in fundamentals which was thought to be increasingly distant due to the continuing impact of the global pandemic may now seem just a little closer following the latest news on potential vaccines.

In spite of all of the challenges witnessed, healthy balance sheets and ample free cash flow place your Company's holdings on firm ground. These fundamentals, coupled with their managements' experience in successfully navigating previous crises, should allow these companies to recover at a faster pace than that of the broader market. Moreover, many of them have built dominant positions in their own fields and will continue to thrive regardless of the external pressures faced. I have every confidence that your Tokyo-based Manager's consistent approach of seeking out the best companies, whether small, mid or large capitalisation stocks, through stringent screening and regular meetings with senior management will ensure the long-term growth prospects of the underlying investments in your Company's portfolio. The Manager's ESG focus, which is core to its investment process, should also help to ensure effective engagement at all levels as we encourage better and more sustainable practices and thus hopefully better share price ratings in recognition of their efforts.

Karen Brade,
Chairman
24 November 2020

Interim Board Report - Other Matters

Principal Risks and Uncertainties

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 Company's risks are regularly monitored at Board meetings and the Board believes that the Company is resilient to most short term operational risks which are effectively mitigated by the internal controls of the Manager and Depositary. Analysis and mitigation of other longer term and more strategic risks are managed by the Board.

The principal risks and uncertainties facing the Company have been identified as follows:

- Market, Economic and Political risk
- Investment strategy risk
- Investment Management risk
- Operational risk
- Regulatory risk
- Share price and discount risk
- Leverage
- COVID-19 Pandemic

Further details of these risks are provided on pages 14 to 16 of the 2020 Annual Report and Accounts which is available on the Company's website www.aberdeenjapan.co.uk.

In addition to these risks, there are also a large number of international political and economic uncertainties which could have an impact on the performance of global markets. The outbreak of the COVID-19 virus has resulted in business disruption and stockmarket volatility across the world. The extent of the effect of the virus, including its long term impact, remains uncertain. The Manager has undertaken a detailed review of the investee companies in the Company's portfolio to assess the impact of COVID-19 on their operations such as employee absence, reduced demand, reduced turnover and supply chain breakdowns and will review carefully the composition of the Company's portfolio and will be pro-active where necessary. The Manager has implemented extensive business continuity procedures and contingency arrangements to ensure that they are able to continue to service their clients, including investment trusts.

The outcome and potential impact of Brexit remains an economic risk for the Company. 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 uncertainty surrounding Brexit could impact investor sentiment and could lead to increased or reduced demand for the Company's shares, which would be reflected in a narrowing or widening of the discount at which the Company's shares trade relative to their net asset value. 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.

The Board will continue to monitor developments as they occur.

In all other respects, the Company's principal risks and uncertainties have not changed materially since the publication of the 2020 Annual Report and Accounts.

Related Party Transactions

Any related party transactions during the period are disclosed in the Notes to the Financial Statements. There have been no related party transactions that have had a material effect on the financial position of the Company during the period.

Going Concern

In accordance with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, the Directors have undertaken a rigorous review and consider that there are no material uncertainties and that the adoption of the going concern basis of accounting is appropriate. This review included the additional risks relating to the ongoing Covid-19 pandemic and, where appropriate, action taken by the Manager and Company's service providers in relation to those risks.

The Company's assets consist of equity shares in companies listed on the Tokyo Stock Exchange and in most circumstances are realisable within a short timescale.

The Company has a fixed term loan facility of JPY 1.3 billion 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. Initial discussions with banks have commenced with a view to renewing the facility.

The Board have a reasonable expectation that the Company has adequate financial resources to continue its operational existence for the foreseeable future and the ability to meet all its liabilities and ongoing expenses from its assets. Given that the Company's portfolio comprises primarily "Level One" assets (listed on a recognisable exchange and realisable within a short timescale), and the Company's relatively low level of gearing, the Directors believe that adopting a going concern basis of accounting remains appropriate.

Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

Directors' Responsibility Statement

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of Financial Statements has been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting);
- the Half Yearly Financial Report includes a fair review of the information required by rule 4.2.7R of the Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the Half Yearly Financial Report includes a fair review of the information required by 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so).

The Half Yearly Financial Report for the six months ended 30 September 2020 comprises the Interim Board Report, which consists of the Chairman's Statement, Investment Manager's Review and Other Matters (including the Directors' Responsibility Statement), and the condensed set of Financial Statements.

Karen Brade,
Chairman
24 November 2020

Investment Manager's Review

Kwok Chern-Yeh,
Aberdeen Standard
Investments (Japan)
Limited



Overview

Japanese equities rose by 14.8%, in sterling terms, in the half year under review, bouncing back from a sharp fall earlier in the year. The market recovery was driven by effective government efforts to control the outbreak of COVID-19, in conjunction with generous fiscal and monetary policies.

Compared with most other developed nations, Japan was spared the worst of the coronavirus outbreak. This was surprising given the country's ageing population, dense cities and overcrowded public transportation system. Yet the situation on the ground was less severe than in some other countries, helped primarily by a socially-responsible populace who were quite accustomed to wearing masks even before the pandemic hit. This allowed the government to cautiously re-open the economy only a month after a state of emergency was declared. While Japanese companies reported material declines in their June quarter earnings due to reduced global economic activity, the results were better than expected due to prudent cost controls. Furthermore, Japanese balance sheets were in better shape before the pandemic than those of global peers.

Two supplementary budgets and the continuation and expansion of the central bank's lending programme helped cushion the economy from the sudden halt in international travel and trade. Although second-quarter gross domestic product contracted by an unprecedented 7.8%, Japan still outpaced its peers, including the US, Europe, and the rest of the OECD.

What could have derailed the market's rise was Abe's unexpected resignation due to ill health. Investors were concerned that this could herald the end of his signature policies, dubbed 'Abenomics', that had fostered seven and a half years of stable growth. Those fears were allayed by Abe's being succeeded by his right-hand man and former Chief Cabinet Secretary, Yoshihide Suga, who reaffirmed his commitment to policy continuity.

Portfolio review

Over the period, the net asset value total return was 26.3% in sterling terms, comfortably surpassing the benchmark's 14.8% rise. The Company's share price rose by 18.0% on a total return basis. This performance was driven by portfolio holdings composed of market leaders with significant barriers to entry, led by experienced management teams, who are equipped to circumnavigate the challenging COVID-19 environment. Their quality is easily quantified through key measures, such as their profitability, returns on equity or dividend yield. Our stock picks stand out for their sustainable cash flows and access to liquidity, together with their solid balance sheets that support dividend pay-outs, even during these challenging times.

Having said that, the impact of the pandemic should not be understated. While COVID-19 has been an advantage for the more obvious businesses, it triggered a fundamental shift towards digitalization (which the new Prime Minister wants to accelerate). This has benefited some industries more than others, notably those that cater to the new virtual environment for working or shopping. These trends are mirrored across the world, as stay-at-home strictures compel the global workforce to telecommute, creating a swathe of possible new winners and losers.

Among the top performers was Z Holdings, a beneficiary of this new trend. Its e-commerce business has posted robust transaction volumes as consumers under lockdown were compelled to meet their everyday needs electronically. Another key contributor was Nippon Paint, albeit in a more traditional business segment. It has done well as the lower oil price, a direct consequence of the pandemic, translated into cheaper input costs. COVID-19 stimulus in China, where the company is the market leader in decorative paints, should also boost demand for its products. Also contributing to the Company's outperformance was Japan Exchange Group, the operator of the Tokyo Stock Exchange. Its shares rose on the back of positive sentiment stemming from an increase in trading volumes.

On the flipside, companies that haven't done as well over this period were the more traditional bricks and mortar ones, from owners of shopping malls and hotels, to restaurants and bars. Most forms of transportation have also been adversely affected. Among the portfolio's holdings, general insurer Tokio Marine was a key detractor from performance. Its shares were dampened by concerns over its exposure to small domestic businesses hurt by the pandemic. We met with management, who reassured us that this exposure was contained, and that the company expects an improvement in underwriting when the pandemic recedes and is

considering streamlining its operations to prime itself for the eventual upturn. It remains a high quality company and stands out against its domestic rivals because of its successful expansion abroad.

Overall, the Company's holdings are led by capable management teams who were decisive and nimble in the face of the crisis, whether it was taking the initiative to cut costs, conserve capital or quickly adapting their businesses to the 'new normal'. Chief among these are air-conditioner maker Daikin and Hoya, a manufacturer of optical products for use in healthcare and information technology. Both were quick to cut costs, while Daikin pivoted to selling products tied to concerns of air quality in enclosed spaces. Another company that has done well during the period is boutique brokerage Nihon M&A Center, as demand for its services remained firm, aided by its ability to capitalise on technological solutions to reach its clients. For Nippon Paint, its share price was buoyed by its plans to grow the business despite the uncertainty, announcing that it is buying Singapore-based Wuthelam Group's Indonesian operations, together with its other joint ventures across Asia.

In portfolio activity, we sold several companies in favour of more attractive opportunities elsewhere. These included Mani, Musashi Seimitsu, Pilot Corp, Sakai Moving Service and TKP. Conversely, the sell-off in March allowed us to introduce a number of new companies to the portfolio. They include drug maker Astellas Pharma, semiconductor testing equipment maker Advantest and speech-recognition solutions provider Advanced Media.

We also initiated a position in Zenkoku Hoshō, the largest third-party mortgage guarantor in Japan. The company is expected to benefit from local banks' outsourcing of such guarantees, as these financial institutions contend with low yields, a muted economic outlook and an over-competitive operating environment. Zenkoku Hoshō's recent tie-up with Bank of Yokohama, one of Japan's largest regional banks, is in line with these trends. Another interesting new addition was EduLab, which provides systems, test design, support, analysis and learning materials for Japan's largest provider of independent English-as-a-foreign-language qualifications in Japan, amongst other testing services. The company has technological expertise in computer-based testing with optical character recognition, as well as education testing-related expertise that can be leveraged to capture other opportunities. Importantly, the government is shifting towards online learning and testing and EduLab is now poised to benefit from the shift to higher-margin computer-based testing, as well as further monetisation of its online portal for test applicants.

Outlook

While we have been pleasantly surprised by the rebound in Japanese equities considering the global backdrop, the world is facing a second wave of infections. Governments are back to where they were six months ago, re-imposing lockdowns in an attempt to rein in the spike in COVID-19 infections before the winter sets in. Recent announcements in respect of potentially effective vaccines in the pipeline have however lifted investor sentiment and stock markets across the globe. As at 23 November 2020, the Topix index has risen 6.2% since the period end.

In geopolitics, US/China tensions are likely to persist, even under a Democratic US Administration. Japan will remain a crucial political and security ally of the US, although China remains a crucial trade and investment partner for the Japanese corporate sector.

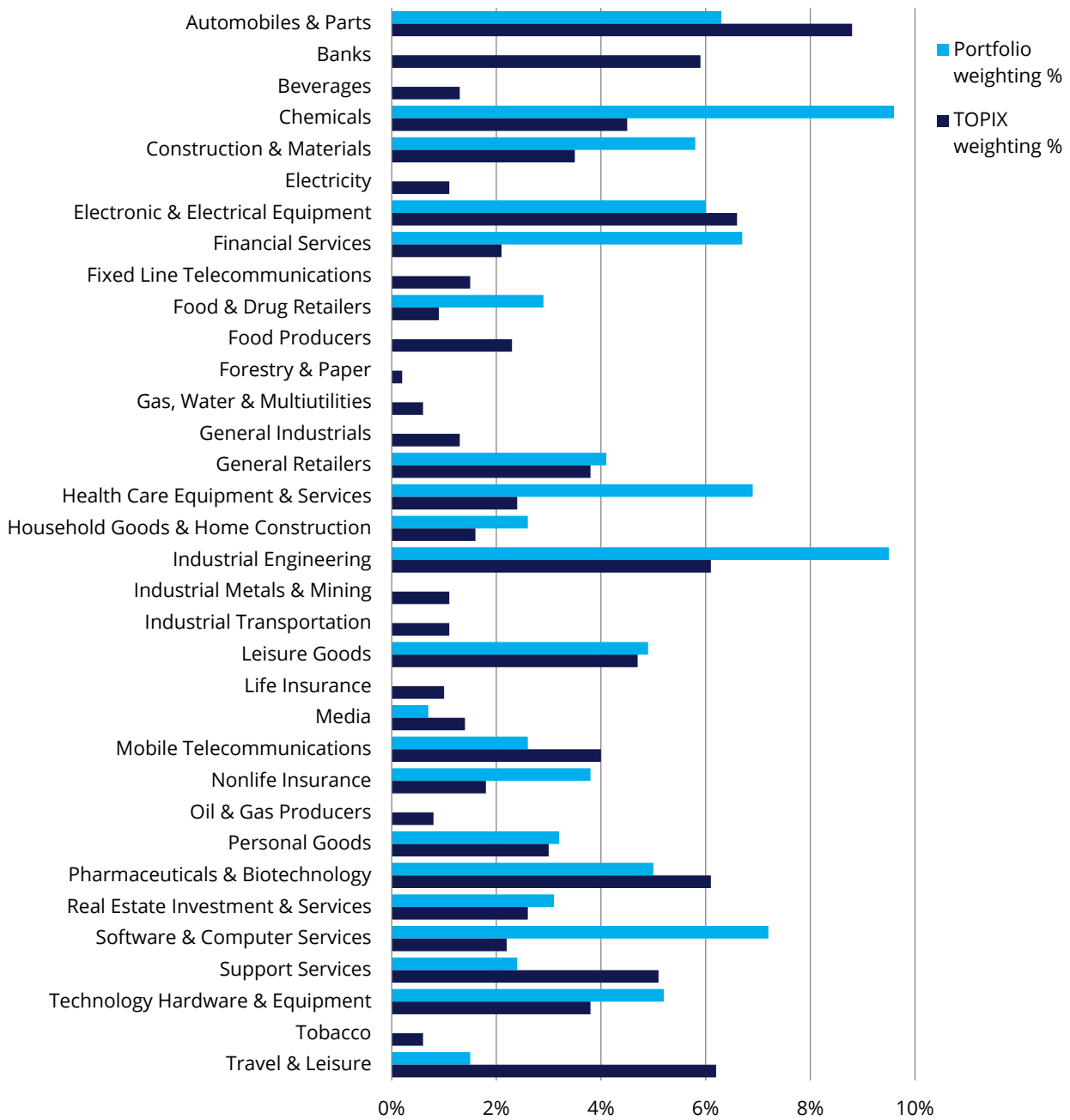
What is certain is that your Company's holdings continue to possess favourable long-term prospects that have not been so badly affected by the pandemic; indeed for many the pandemic has proven to be a very positive catalyst. These holdings reflect the investment approach that we take, in seeking out and investing in good-quality businesses that have the financial strength to withstand protracted and systemic shocks. They are run by progressive management, backed by solid fundamentals, and are open to engaging with investors like ourselves, while respecting minorities' interests. This bodes well for the Company in the uncertain days ahead, knowing that the quality of these underlying holdings is what will make the difference in difficult times.

As a team of locally-based investment managers, we seek to constantly engage with our investee companies to encourage better governance and ESG policies. This should, and often does, deliver better results in terms of share price, as investors recognise the efforts that these companies are making, resulting in share price re-rating where fully disclosed and understood. We are committed to this active engagement and our detailed bottom-up research process should continue to improve returns for shareholders.

Aberdeen Standard Investments (Japan) Limited
Investment Manager
 24 November 2020

Sector Analysis

As at 30 September 2020



Ten Largest Investments

As at 30 September 2020

4.0%	<p>Shin-Etsu Chemical Company</p> <p>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.</p>	3.9%	<p>Toyota Motor Corporation</p> <p>The carmaker has continued to gain market share, while cost efficiencies from its global platform structure protect its margins. It is also focused on hybrid technology, given rising structural trends such as vehicle electrification.</p>
3.8%	<p>Daikin Industries</p> <p>The air-conditioning equipment manufacturer has a solid global presence, particularly in China, where it leverages its environmentally-friendly range.</p>	3.8%	<p>Tokio Marine Holdings Inc</p> <p>Tokio Marine is the most progressive of the three largest local property and casualty insurers. Of note is its positive view on shareholder returns, which we expect will grow gradually as it makes further inroads abroad that add value to its business.</p>
3.6%	<p>Keyence Corporation</p> <p>The leading maker of sensors has a cash generative business and is backed by a strong balance sheet and technological expertise.</p>	3.4%	<p>Sony Corporation</p> <p>The electronics giant has dominant market share in the image sensor business, and we are gaining more confidence in its management and trajectory of its underlying business fundamentals.</p>
2.9%	<p>Nippon Paint Holdings Company</p> <p>The paint maker has a clear long-term focus and good overseas exposure, supported by its robust franchise in the highly profitable decorative paints segment across Asia.</p>	2.8%	<p>Nabtesco Corporation</p> <p>Nabtesco produces parts for robotics and other industrial equipment. Thanks to its technological edge in niche areas, the company has leading market share across its products.</p>
2.8%	<p>Chugai Pharmaceutical Company</p> <p>Roche's subsidiary in Japan, Chugai has a strong pipeline of drugs and is able to leverage its parent's portfolio and research.</p>	2.6%	<p>Amada Holdings Company</p> <p>The machinery maker has a dominant domestic market share and a strong balance sheet. Its management has been progressive at returning excess capital to shareholders.</p>

Investment Portfolio

As at 30 September 2020

Company	Sector	Valuation £'000	Total assets %
Shin-Etsu Chemical Company	Chemicals	4,750	4.0
Toyota Motor Corporation	Automobiles & Parts	4,607	3.9
Daikin Industries	Construction & Materials	4,469	3.8
Tokio Marine Holdings	Nonlife Insurance	4,423	3.8
Keyence Corporation	Electronic & Electrical Equipment	4,236	3.6
Sony Corporation	Leisure Goods	3,976	3.4
Nippon Paint Holdings Company	Chemicals	3,388	2.9
Nabtesco Corporation	Industrial Engineering	3,305	2.8
Chugai Pharmaceutical Company	Pharmaceuticals & Biotechnology	3,249	2.8
Amada Holdings Company	Industrial Engineering	3,066	2.6
Top ten investments		39,469	33.6
Makita Corporation	Household Goods & Home Construction	3,033	2.6
Misumi Group	Industrial Engineering	2,975	2.5
Japan Exchange Group	Financial Services	2,901	2.5
Z Holdings Corporation (formerly Yahoo Japan)	Software & Computer Services	2,767	2.4
Stanley Electric Company	Automobiles & Parts	2,736	2.3
KDDI Corporation	Mobile Telecommunications	2,433	2.1
Elecom Company	Technology Hardware & Equipment	2,387	2.0
Asahi Intecc Company	Health Care Equipment & Services	2,344	2.0
Sho-Bond Holdings Company	Construction & Materials	2,287	1.9
Welcia Holdings Company	Food & Drug Retailers	2,262	1.9
Top twenty investments		65,594	55.8
Heiwa Real Estate	Real Estate Investment & Services	2,180	1.9
Azbil Corporation	Electronic & Electrical Equipment	2,037	1.7
Kansai Paint Company	Chemicals	1,987	1.7
USS Company	General Retailers	1,851	1.6
Hoya Corporation	Health Care Equipment & Services	1,790	1.5
Resorttrust	Travel & Leisure	1,760	1.5
Otsuka Corporation	Software & Computer Services	1,759	1.5
Recruit Holdings Company	Support Services	1,735	1.5
Yamaha Corporation	Leisure Goods	1,722	1.5
NEC Networks	Technology Hardware & Equipment	1,708	1.5
Top thirty investments		84,123	71.7

As at 30 September 2020

Company	Sector	Valuation £'000	Total assets %
Nitori Holdings	General Retailers	1,618	1.4
Zenkoku Hosho Company	Financial Services	1,524	1.3
Tokyo Century Corporation	Financial Services	1,519	1.3
As One Corporation	Health Care Equipment & Services	1,504	1.3
Shiseido Company	Personal Goods	1,446	1.2
Tokyu Fudosan Holdings	Real Estate Investment & Services	1,402	1.2
Fuji Soft	Software & Computer Services	1,309	1.1
BML	Health Care Equipment & Services	1,292	1.1
Sanken Electric	Technology Hardware & Equipment	1,282	1.1
Pigeon Corporation	Personal Goods	1,186	1.0
Top forty investments		98,205	83.7
SCSK Corporation	Software & Computer Services	1,156	1.0
AIN Holdings Inc.	Food & Drug Retailers	1,153	1.0
Milbon Company	Personal Goods	1,106	0.9
Nihon M&A Centre	Financial Services	1,091	0.9
Sansan	Support Services	1,073	0.9
Nippon Sanso Holdings	Chemicals	990	0.9
Astellas Pharma	Pharmaceuticals & Biotechnology	871	0.8
Daiichi Sankyo	Pharmaceuticals & Biotechnology	864	0.7
Valuecommerce Company	Media	863	0.7
Shionogi & Company	Pharmaceuticals & Biotechnology	854	0.7
Top fifty investments		108,226	92.2
Fukui Computer Holdings	Software & Computer Services	842	0.7
Scroll Corporation	Financial Services	795	0.7
Zuken	Electronic & Electrical Equipment	726	0.6
Advantest Corporation	Technology Hardware & Equipment	722	0.6
Edulab	General Retailers	703	0.6
Daifuku	Industrial Engineering	690	0.6
Menicon Company	Health Care Equipment & Services	592	0.5
Seven & I Holdings Company	General Retailers	569	0.5
Daiwa Industrial	Industrial Engineering	565	0.5
Advanced Media	Software & Computer Services	560	0.5
Top sixty investments		114,990	98.0
Systemex Corporation	Health Care Equipment & Services	558	0.5
Okinawa Cellular Telephone	Mobile Telecommunications	528	0.5
Fanuc Corporation	Industrial Engineering	500	0.4
Total investments		116,576	99.4
Net current assets^A		722	0.6
Total assets		117,298	100.0

^A Excludes bank loans of £12,460,000

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

Investment Case Studies

Recruit Holdings

Background: Recruit Holdings, one of the largest domestic internet companies in Japan, was not content with having established a dominant platform for the local human resources (HR) industry and several lifestyle-related marketing media domains. It had also made forays abroad. In particular, it had invested in a job-search engine that caters to the underpenetrated small- and medium-sized enterprises segment globally. We believe that this platform, as well as the company's potential to expand into job placements and staffing, should underpin its business for many years to come. Allied to this, the company also has one of the world's largest temporary-staffing businesses that covers both the local, as well as overseas markets.

Unique to the company's culture, both management and employees alike have clear targets that linked their remuneration to the company's performance. Notably, recent stock-based rewards made up about two-thirds of management's total compensation. This, unlike most of its peers, aligned management's incentives with minority shareholders' interests.

Claw-back policy: While Recruit's remuneration structure stands out from the rest of Japan's, it did not specify a claw-back policy. Such a clause in its reward structure would enhance the accountability among its executives. We communicated the importance of introducing such a policy. Subsequently, Recruit revealed this change in its latest annual general meeting. We believe our active engagement effectively mitigated this risk for minority shareholders.

Data privacy: We often discuss a broad range of matters with Recruit, ranging from sustainability to social issues, such as data privacy, talent retention and employee diversity. To improve the protection of data privacy, the company established a centralised legal department, especially given the significant amount of data on individuals that is collected by its marketing-media business.

Okinawa Cellular

Background: Okinawa Cellular, a listed subsidiary of KDDI, is the leading mobile and communication service provider in a region where the population is still growing and its extensive local sales network allows it to defend its market share. The company generates good cash flow, thanks to the oligopolistic nature of the competitive backdrop, as well as a loyal subscriber base. As it has already established good network coverage, its capital expenditure is low. This has enabled the company to accumulate a hefty cash hoard.

A lagging ROE: This excess cash presented a problem: the company's return on equity (ROE) trailed that of its parent's, in spite of their nearly identical profit-margin profiles. While we acknowledged its need to set aside cash for an upcoming 5G network roll out, we communicated with both Okinawa Cellular and KDDI's managements to improve the governance of their parent-child listing, as well as to establish a more disciplined approach to capital allocation. We felt that Okinawa Cellular should at least align its ROE with that of its parent's, either by investing in more lucrative projects, or returning the cash to shareholders.

Share buyback: After our conversation, Okinawa Cellular initiated its first share buyback. We believe investors would be encouraged by its willingness to take a more disciplined approach in capital management. This contrasted starkly with a majority of its domestic peers, where listed subsidiaries and their parents faced increasing scrutiny because of such governance concerns.

Despite the share buyback and a slightly slimmer balance sheet, however, the company's ROE continued to lag its parent's. We will remain diligent in our dialogue with the company in the belief that more can be achieved, even as this improvement should enhance its value over the longer term.

Condensed Statement of Comprehensive Income (unaudited)

	Six months ended 30 September 2020			Six months ended 30 September 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	-	21,608	21,608	-	11,776	11,776
Income (note 2)	807	-	807	976	-	976
Investment management fee (note 11)	(128)	(193)	(321)	(128)	(193)	(321)
Administrative expenses	(214)	(5)	(219)	(185)	(8)	(193)
Exchange gains/(losses)	-	228	228	-	(884)	(884)
Net return before finance costs and taxation	465	21,638	22,103	663	10,691	11,354
Finance costs	(21)	(31)	(52)	(23)	(34)	(57)
Net return before taxation	444	21,607	22,051	640	10,657	11,297
Taxation (note 4)	(81)	-	(81)	(97)	-	(97)
Net return after taxation	363	21,607	21,970	543	10,657	11,200
Return per Ordinary share (pence) (note 6)	2.65	157.72	160.37	3.77	73.93	77.70

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

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses have been reflected in the Condensed Statement of Comprehensive Income.

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

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

Condensed Statement of Financial Position (unaudited)

	Note	As at 30 September 2020 £'000	As at 31 March 2020 (audited) £'000
Fixed assets			
Investments held at fair value through profit or loss		116,576	96,247
Current assets			
Debtors		607	982
Cash at bank and in hand		469	1,000
		1,076	1,982
Creditors: amounts falling due within one year			
Foreign currency bank loans	7	(12,460)	(12,698)
Other creditors		(354)	(325)
		(12,814)	(13,023)
Net current liabilities		(11,738)	(11,041)
Net assets		104,838	85,206
Share capital and reserves			
Called-up share capital		1,582	1,582
Share premium		6,656	6,656
Capital redemption reserve		2,273	2,273
Capital reserve		92,287	72,334
Revenue reserve		2,040	2,361
Equity shareholders' funds		104,838	85,206
Net asset value per Ordinary share (pence)	9	769.64	617.09

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

Condensed Statement of Changes in Equity (unaudited)

Six months ended 30 September 2020

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2020	1,582	6,656	2,273	72,334	2,361	85,206
Purchase of Ordinary shares to be held in treasury	-	-	-	(1,105)	-	(1,105)
Return after taxation	-	-	-	21,607	363	21,970
Dividend paid (note 5)	-	-	-	(549)	(684)	(1,233)
Balance at 30 September 2020	1,582	6,656	2,273	92,287	2,040	104,838

Six months ended 30 September 2019

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2019	1,582	6,656	2,273	74,675	2,839	88,025
Purchase of Ordinary shares to be held in treasury	-	-	-	(1,210)	-	(1,210)
Return after taxation	-	-	-	10,657	543	11,200
Dividend paid (note 5)	-	-	-	-	(782)	(782)
Balance at 30 September 2019	1,582	6,656	2,273	84,122	2,600	97,233

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

Condensed Statement of Cash Flows (unaudited)

	Six months ended 30 September 2020 £'000	Six months ended 30 September 2019 £'000
Operating activities		
Net return before taxation	22,051	11,297
Adjustments for:		
Gains on investments	(21,608)	(11,776)
Increase in other creditors	151	81
Finance costs	52	57
Expenses taken to capital reserve	5	7
Foreign exchange (gains)/losses	(228)	884
Overseas withholding tax	(81)	(97)
Decrease in accrued dividend income	139	34
Decrease/(increase) in other debtors	11	(2)
Net cash inflow from operating activities	492	485
Investing activities		
Purchases of investments	(19,969)	(25,355)
Sales of investments	21,354	25,752
Expenses allocated to capital	(5)	(8)
Net cash inflow from investing activities	1,380	389
Financing activities		
Bank and loan interest paid	(54)	(55)
Equity dividend paid	(1,233)	(782)
Purchase of own shares to treasury	(1,105)	(1,210)
Net cash outflow from financing activities	(2,392)	(2,047)
Decrease in cash	(520)	(1,173)
Analysis of changes in cash during the period		
Opening balance	1,000	1,516
Effect of exchange rate fluctuations on cash held	(11)	94
Decrease in cash as above	(520)	(1,173)
Closing balance	469	437

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

Notes to the Financial Statements

1. **Accounting policies – Basis of accounting.** The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 'Interim Financial Reporting' and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

The Half-Yearly financial statements have been prepared using the same accounting policies applied as the preceding annual financial statements, which were prepared in accordance with Financial Reporting Standard 102.

2. **Income**

	Six months ended 30 September 2020 £'000	Six months ended 30 September 2019 £'000
Income from investments		
Overseas dividends	807	976
Total income	807	976

3. **Transaction costs.** During the period expenses were incurred in acquiring or disposing of investments classified 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 Condensed Statement of Comprehensive Income, whilst expenses incurred in disposing of investments have been expensed through capital and are included within gains on investments in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 30 September 2020 £'000	Six months ended 30 September 2019 £'000
Purchases	5	8
Sales	5	7
	10	15

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.

4. **Taxation.** The taxation charge for the period represents withholding tax suffered on overseas dividend income.
5. **Dividends**

	Six months ended 30 September 2020 £'000	Six months ended 30 September 2019 £'000
2019 final dividend – 5.40p	–	782
2020 final dividend (paid from revenue – 5.00p)	684	–
2020 final dividend (paid from capital – 4.00p)	549	–
	1,233	782

An interim dividend of 6.00p for the year to 31 March 2021 (2020 – 6.00p) will be paid on 31 December 2020 to shareholders on the register on 4 December 2020. The ex-dividend date will be 3 December 2020.

6. Return per Ordinary share

	Six months ended 30 September 2020 £'000	Six months ended 30 September 2019 £'000
Based on the following figures:		
Revenue return	363	543
Capital return	21,607	10,657
Total return	21,970	11,200
Weighted average number of Ordinary shares in issue	13,699,382	14,414,748
Total net return per share (p)	160.37	77.70

7. Foreign currency bank loan

		As at 30 September 2020 £'000	As at 31 March 2020 £'000
Falling due within one year		12,460	12,698
Revolving credit facility Japanese Yen loan	Amount £'000	2,932	2,987
	JPY'000	400,000	400,000
	Interest rate (%)	0.7000	0.7000
Short term Japanese Yen loan	Amount £'000	9,528	9,711
	JPY'000	1,300,000	1,300,000
	Interest rate (%)	0.7150	0.7150

The revolving credit facility loan is drawn down from the JPY1,000,000,000 one year revolving credit facility with ING Bank entered into in January 2020 and which expires in January 2021.

The short term loan is drawn from the JPY1,300,000,000 one year credit facility with ING Bank entered into in January 2020 and which expires in January 2021.

Notes to the Financial Statements continued

8. Analysis of changes in net debt

	At 31 March 2020 £'000	Currency differences £'000	Cash flows £'000	At 30 September 2020 £'000
Cash and short term deposits	1,000	(11)	(520)	469
Debt due within one year	(12,698)	238	-	(12,460)
	(11,698)	227	(520)	(11,991)

	At 31 March 2019 £'000	Currency differences £'000	Cash flows £'000	At 30 September 2019 £'000
Cash and short term deposits	1,516	94	(1,173)	437
Debt due within one year	(11,785)	21	-	(11,764)
	(10,269)	115	(1,173)	(11,327)

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.

9. Net asset value per Ordinary share

	As at 30 September 2020	As at 31 March 2020
Attributable net assets (£'000)	104,838	85,206
Number of Ordinary shares in issue	13,621,695	13,807,780
Net asset value per Ordinary share (p)	769.64	617.09

10. 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 shall have 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 (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

All of the Company's investments are in quoted equities (31 March 2020 – same) which are actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date. The total value of the investments as at 30 September 2020 of £116,576,000 (31 March 2020 – £96,247,000) has therefore been deemed as Level 1.

-
11. **Transactions with the Manager.** The Company has agreements with the Standard Life Aberdeen Group (the “Manager”) for the provision of investment management, secretarial, accounting and administration and promotional activity services.

The management fee is payable monthly in arrears at a rate of 0.75% per annum on the lesser of the Company’s net asset value or market capitalisation. The investment management fee is chargeable 40% to revenue and 60% to capital. During the period £321,000 (30 September 2019 – £321,000) of investment management fees were payable to the Manager, with a balance of £215,000 (30 September 2019 – £106,000) being outstanding at the period end.

The promotional activities fee is based on a current annual amount of £51,000 (30 September 2019 – £51,000 per annum), payable quarterly in arrears. During the period £25,500 (30 September 2019 – £25,500) of fees were payable to the Manager, with a balance of £25,500 (30 September 2019 – £12,750) being outstanding at the period end.

12. **Segmental information.** The Company is engaged in a single segment of business, which is to invest in equity securities and debt instruments. All of the Company’s activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based on the Company as one segment.
13. **Subsequent events.** Following the period end, the Company purchased a further 126,411 Ordinary shares at a cost of £836,000. As at the date of this report there were 13,495,284 Ordinary shares in issue and 2,326,288 Ordinary shares held in treasury.
14. The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 – 436 of the Companies Act 2006. The financial information for the six months ended 30 September 2020 and 30 September 2019 has not been audited by the Company’s independent auditor.

The information for the year ended 31 March 2020 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditor on those accounts contained no qualification or statement under Section 498 of the Companies Act 2006.

15. This Half-Yearly Report was approved by the Board on 24 November 2020.

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. 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 six months ended 30 September 2020 and the year ended 31 March 2020 and total return for the periods.

Value as at:	Dividend rate	NAV	Share price
31 March 2020	N/A	617.09p	550.00p
2 July 2020	9.00p	718.97p	642.50p
30 September 2020	N/A	769.64p	640.00p
Total return for the six months ended 30 September 2020		+26.3%	+18.0%

Value as at:	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 for the year ended 31 March 2020		+3.3%	+6.8%

Discount to net asset value per Ordinary share. The discount is the amount by which the share price of 640.00p (31 March 2020 – 550.00p) is lower than the net asset value per share of 769.64p (31 March 2020 – 617.09p), expressed as a percentage of the net asset value.

Net gearing. Net gearing measures the total borrowings of £12,460,000 (31 March 2020 – £12,698,000) less cash and cash equivalents of £469,000 (31 March 2020 – £1,106,000) divided by shareholders' funds of £104,838,000 (31 March 2020 – £85,206,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to and from brokers at the period end of £nil (31 March 2020 – due from brokers of £106,000) as well as cash at bank and in hand of £469,000 (2019 – £1,000,000).

Ongoing charges. 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, expressed as a percentage of the average net asset values throughout the year. The ratio for 30 September 2020 is based on forecast ongoing charges for the year ending 31 March 2021.

	30 September 2020	31 March 2020
Investment management fees (£'000)	648	635
Administrative expenses (£'000)	394	354
Less: transaction costs on investment purchases (£'000)	-	(20)
Ongoing charges (£'000)	1,042	969
Average net assets (£'000)	101,251	93,581
Ongoing charges ratio	1.03%	1.04%

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations which amongst other things, includes the cost of borrowings and transaction costs.

Investor Information

Direct

Investors can buy and sell shares in Aberdeen Japan Investment Trust PLC (the “Company”) directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Many have online facilities. Alternatively, for retail clients, shares may be bought directly through Aberdeen Standard Investment Trust Share Plan, Individual Savings Account (“ISA”) or Investment Plan for Children.

Aberdeen Standard Investment Trust Share Plan

Aberdeen Standard Investments operates an Investment Trust Share Plan (the “Plan”) through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time.

Aberdeen Standard Investment Trust ISA

Aberdeen Standard Investments operates an Investment Trust ISA (“ISA”) through which an investment made be made of up to £20,000 in the tax year 2020/21.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

You can choose to transfer previous tax year investments to us which can be invested in Aberdeen Japan Investment Trust PLC while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per investment trust of £250.

Aberdeen Standard Investment Plan for Children

Aberdeen Standard Investments operates an Investment Plan for Children (the “Children’s Plan”) which covers a number of investment companies under its management including the Company. Anyone can invest in the Children’s Plan, including parents, grandparents and family friends (subject to eligibility criteria as stated within terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children’s Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time.

Nominee Accounts and Voting Rights

In common with other schemes of this type, all investments in Aberdeen Standard Investment Trust Share Plan, Investment Plan for Children and Investment Trust ISA are held in nominee accounts and investors have full voting and other rights of share ownership.

Dividend Tax Allowance

The annual tax-free personal allowance for dividend income, for UK investors, is £2,000 for the 2020/21 tax year. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder’s responsibility to include all dividend income when calculating any tax liability.

Keeping You Informed

The Company’s share price appears under the heading ‘Investment Companies’ in the Financial Times and information on the Company may be found on its dedicated website, www.aberdeenjapan.co.uk.

This provides access to information on the Company’s share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager.

If investors would like details on the Company or literature and application forms on Aberdeen Standard investment trust products please contact:

Aberdeen Standard Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Telephone: **0808 500 00 40**
E-mail: inv.trusts@aberdeenstandard.com
Website: invtrusts.co.uk

Terms and conditions for the Aberdeen Standard investment trust products can be found under the Literature section of this website.

Registrar (for direct shareholdings)

If you have an administrative query which relates to a direct shareholding, please contact the Company's Registrar, as follows:

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Tel: **0871 664 0300**
(UK calls cost 10p per minute plus network extras. Lines are open 9.00 am - 5.30 pm, Monday – Friday excluding public holidays)

Tel International: **++44 (0) 371 664 0300**
E-mail: enquiries@linkgroup.co.uk
Website: www.linkassetservices.com

Pre-investment Disclosure Document (PIDD)

The Alternative Investment Fund Managers Directive ("AIFMD") requires Aberdeen Standard Fund Managers Limited, as the alternative investment fund manager of Aberdeen Japan Investment Trust PLC (the "Company"), to make available to investors certain information prior to such investors' investment in the Company. The AIFMD is intended to offer increased protection to investors in investment products that do not fall under the existing European Union regime for regulation of investment products known as the UCITS regime.

The Company's PIDD is available for viewing on the Company's website.

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found on the Manager's website at: invtrusts.co.uk/en/fund-centre#literature.

Suitable for Retail/NMPI Status

The Company's shares are intended for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who are wanting to benefit from the growth prospects of Japanese companies by investment in a relatively risk averse investment trust and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that the shares issued by Aberdeen Japan Investment Trust PLC can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments (NMPIs) and intends to continue to do so for the foreseeable future.

The Company's shares are excluded from the FCA's restrictions which apply to NMPIs because they are shares in an investment trust.

Online Dealing providers and platforms

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company, such as self-invested personal pension (SIPP). Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell You Invest; Alliance Trust Savings; Barclays Stockbrokers; Charles Stanley Direct; Halifax Share Dealing; Fidelity Personal Investing; Hargreaves Lansdown; Idealing; Interactive Investor; Selftrade; The Share Centre; Stocktrade.

Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management & Financial Advice Association at: pimfa.co.uk.

Investor Information Continued

Financial Advisers

To find an adviser who recommends on investment trusts, visit:
unbiased.co.uk

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: 0800 111 6768 or
at fca.org.uk/firms/systems-reporting/register/search
Email: register@fca.org.uk

Investor Warning: Be alert to share fraud and boiler room scams

Aberdeen Standard Investments has been contacted by investors informing that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen Standard Investments or for third party firms. The group has also been notified of emails claiming that certain investment companies under its management have issued claims in the courts against individuals. These may be scams which attempt to gain investors' personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from them is required to release the supposed payment for their shares.

These callers/senders do not work for Aberdeen Standard Investments and any third party making such offers/claims has no link with Aberdeen Standard Investments.

Aberdeen Standard Investments does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact the investor services centre using the details on the 'Contact Us' page.

Investor Information continued

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams:

<http://www.fca.org.uk/consumers/scams>

The above information has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

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Corporate Information

Directors

Karen Brade, Chairman
 Claire Boyle
 Sir David Warren
 Sam Dean (appointed on 1 December 2020)

Manager, Secretary and Registered Office

Alternative Investment Fund Manager
 Aberdeen Standard Fund Managers Limited
 Bow Bells House
 1 Bread Street
 London EC4M 9HH

Authorised and regulated by the Financial Conduct Authority

Website:

www.aberdeenstandard.com

Investment Manager

Aberdeen Standard Investments (Japan) Limited

Secretary and Registered Office

Aberdeen Asset Management PLC
 Bow Bells House
 1 Bread Street
 London EC4M 9HH

Company Registration Number

03582911

Foreign Account Tax Compliance Act ("FATCA") Registration Number (GIIN)

IRS Registration Number (GIIN): QHB2WK.99999.SL.826

Legal Entity Identifier ("LEI")

5493007LN438OBLNLM64

Website

www.aberdeenjapan.co.uk

Depository

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Independent Auditor

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Bankers

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Stockbrokers

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Points of Contact

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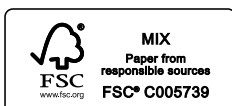
Tel: **0871 664 0300**

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The logo for Aberdeen Standard Investments. It features the word "Aberdeen" in a dark blue font with a light blue wave-like graphic element to its left. "Standard" is in a bold, dark blue font, and "Investments" is in a grey font below it. A small blue triangle points upwards from the top right of the word "Standard".