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JAPANESE CULTURE

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FIDELITY JAPAN TRUST PLC

Half-Yearly Report for the six months ended 30 June 2021



FidelityTM
INTERNATIONAL

Objective and Overview

The Company aims to achieve long term capital growth by investing predominantly in equities and related securities of Japanese companies.

Fidelity Japan Trust PLC uses local know-how to capitalise Japan's untapped potential.

Around 90% of Japanese small and mid-sized companies get little or no analyst coverage. As under-researched companies are more likely to be undervalued, this presents an opportunity.

The Company looks to benefit from the more dynamic sectors of Japan's economy, focusing on fast growing but attractively valued stocks. With an acute understanding of this unique region and economy, combined with Fidelity's hands-on local research, Nicholas Price, the Portfolio Manager, and the team of analysts, home in on stocks often not picked out by others.



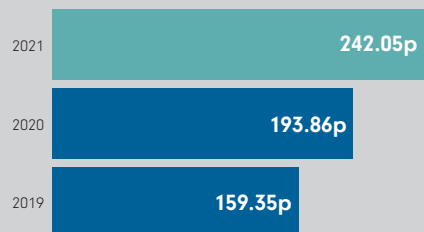
Contents



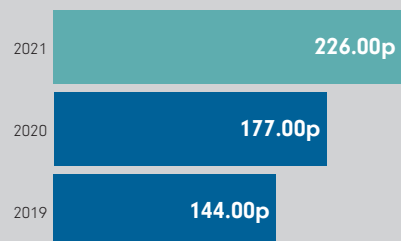
Portfolio Manager's Review

Read more on pages 04 to 08

Net Asset Value per Ordinary Share as at 30 June



Ordinary Share Price as at 30 June



Directors' Reports

At a Glance	02
Summary of Results	03
Portfolio Manager's Review	04
Twenty Largest Holdings	09
Interim Management Report	11
Directors' Responsibility Statement	13

Financial Statements

Income Statement	14
Statement of Changes in Equity	16
Balance Sheet	18
Notes to the Financial Statements	19

Information for Shareholders

Shareholder Information	26
Directory	28
Data Protection	29
Glossary of Terms	30

At a Glance

Six months ended 30 June 2021

**Net Asset Value per
Ordinary Share
total return²**

+2.3%

(30 June 2020: +2.3%)

**Ordinary Share Price
total return²**

+2.5%

(30 June 2020: +0.0%)

**Reference Index
(in sterling terms)¹**

+0.2%

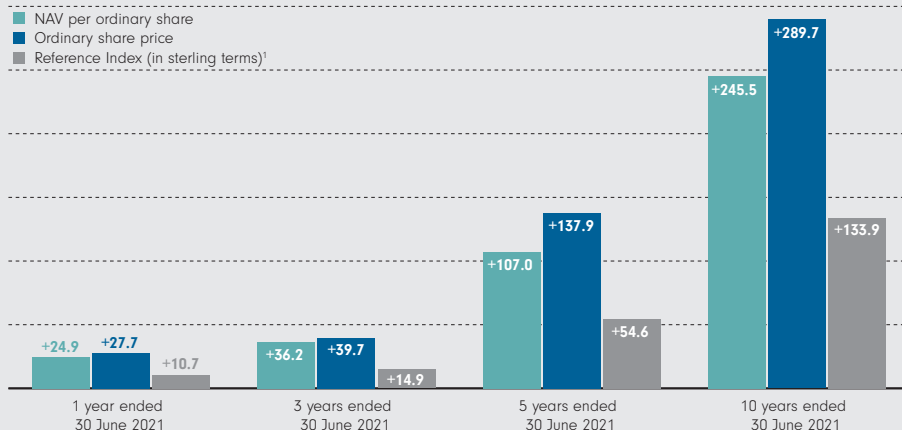
(30 June 2020: -0.8%)

1 The Reference Index changed on 22 May 2018 from the Russell Nomura Mid/Small Index (in sterling terms) to the TOPIX Total Return Index (in sterling terms).

2 Alternative Performance Measures (see Glossary of Terms on page 30).

Standardised Performance Total Return (%)

■ NAV per ordinary share
■ Ordinary share price
■ Reference Index (in sterling terms)¹



Sources: Fidelity and Datastream.

Past performance is not a guide to future returns.

Summary of Results

	30 June 2021	31 December 2020
Assets		
Total portfolio exposure ¹	£391.7m	£381.3m
Shareholders' funds	£314.4m	£308.8m
Total portfolio exposure in excess of shareholders' funds (Gearing - see page 10) ²	24.6%	23.5%
Net asset value ("NAV") per ordinary share ²	242.05p	236.53p
Share Price and Discount data		
Ordinary share price at the period end	226.00p	220.50p
Discount at the period end ²	6.6%	6.8%
	30 June 2021	30 June 2020
Results - see pages 14 and 15		
Revenue return per ordinary share ²	0.96p	0.95p
Capital return per ordinary share ²	4.46p	2.87p
Total return per ordinary share ²	5.42p	3.82p

1 The total exposure of the investment portfolio, including exposure to the investments underlying the long contracts for difference. See page 10.

2 Alternative Performance Measures.

As at 30 June 2021

Shareholders' Funds

£314.4m

Market Capitalisation

£293.5m

Capital Structure

Ordinary Shares of 25 pence held outside of Treasury

129,876,894

Summary of the key aspects of the Investment Policy

The Portfolio Manager will typically focus on those companies primarily listed on Japanese stock exchanges whose growth prospects are not fully recognised by the market ("growth at a reasonable price"). The Portfolio Manager is not restricted in terms of size or industry of the underlying entities in which he invests.

The Company can hold cash or invest in cash equivalents, including money market instruments, and is also able to use derivatives for efficient portfolio management, gearing and investment purposes.

The Portfolio Manager must work within the guidelines set out in the Investment Policy.

The Company operates a variable management fee arrangement which is calculated by referencing performance relative to the Reference Index (in sterling terms).

Portfolio Manager's Review

Market Review

After a strong first quarter, Japanese stocks struggled to make headway in the April–June period and trailed their global peers. US inflation concerns and gains in US Treasury yields initially weighed on technology and other growth stocks. With the Tokyo Olympics fast approaching, the Japanese government's decision to extend the state of emergency and the slow start to the domestic COVID-19 vaccine rollout generated further headwinds. Shares rebounded from mid-May, supported by expectations for economic normalisation and a pullback in excessive inflationary fears. However, rising concerns over the spread of the Delta variant of COVID-19 weighed on reopening and economically sensitive names. At this time, the weakening of the yen to mid ¥150 levels against the pound also impacted sterling-based returns.

At a sector level, shipping, mining, metals and automobiles were among the standout performers over the six months to 30 June 2021, led by global cyclical stocks that benefited from a recovery in global trade and economic activity. Financials also outperformed, though most of the gains came early in the year, when US long-term interest rates were rising sharply. Conversely, pharmaceuticals and utilities suffered the steepest declines. In terms of style, mid-to-large-cap value stocks experienced strong return reversals, whereas high-valuation growth names were conspicuous laggards.

The fiscal 2020 reporting season concluded in May. Aggregate sales declined by around 7% and net profits increased by more than 20%, led by the manufacturing sector. SoftBank Group, Toyota Motor and Sony made a material contribution to the overall increase in earnings. Consensus forecasts point towards a further 20-30% increase in profits in the 12 months to March 2022. Shareholder returns

declined by around 15% over the year, as the spread of COVID-19 led companies to keep cash on hand given the economic uncertainty caused by the pandemic and associated restrictions. However, dividend payments fell by just 5% and companies are expected to increase both dividends and buybacks as the improvement in earnings broadens out.

Following a strong recovery in the second half of 2020, the Japanese economy experienced negative growth in the first three months of 2021, with real GDP coming in at -3.9% annualised. Consumption and capital expenditure both declined due to COVID-19 restrictions. Meanwhile, exports gained for a third straight quarter. Subsequent data showed that industrial production had recovered to pre-COVID-19 levels, driven by a rebound in global trade and investment, but pulled back in May on near-term supply constraints. Meanwhile, the services sectors continued to struggle due to renewed state-of-emergency measures in Japan. The Bank of Japan maintained its highly accommodative monetary policy and extended its emergency funding support for businesses through to March 2022 (the Japanese government had already extended the provision of loans and credit guarantees for small and medium enterprises to the end of 2021). The central bank also outlined plans to introduce a new climate-related funding programme.

Although the vaccination rollout in Japan is progressing well and mortality rates are low, there remains a general sense of opposition to the Tokyo Olympics at a time when the spread of COVID-19, including the Delta variant of the virus, is accelerating in the capital. Reports of infections among Olympic athletes and staff/contractors are fuelling concerns among the public, and playing out the Olympics in empty venues creates the impression that Japan is

struggling to control the pandemic. A survey published by the Asahi newspaper just four days ahead of the opening ceremony showed that more than two thirds of respondents doubt that Olympic organisers will be able to control infections and 55% are opposed to the Games actually going ahead.

Against this backdrop, the ruling Liberal Democratic Party (“LDP”) fared poorly in the recent Tokyo Metropolitan Assembly election. This reflects a general dissatisfaction with the government’s COVID-19 policies and the decision to move ahead with the games amid the pandemic. This in turn has led to concerns within the LDP over the Lower House election that will be held in the autumn. To regain public support and mitigate the economic impact caused by renewed restrictions, Prime Minister Suga is expected to announce a supplementary budget, including measures to support consumption, ahead of the general election.

Portfolio Review

In the six months to 30 June 2021, the Company’s net asset value (“NAV”) increased by 2.3% in sterling terms, outperforming the Reference Index, which returned 0.2%. The share price return was 2.5% in the same period. The average peer group NAV performance was a return of 0.2% and that of the share price was -4.0%. As a result of the Company’s share price performance, the discount narrowed marginally to 6.6% from 6.8% at the start of the period. This compared favourably with the average of the peer group, which was 7.2%.

The Company continued to outperform its Reference Index in the first six months of 2021 despite a strong style rotation in favour of laggard value stocks. An underweight exposure to traditional value sectors (most notably banks and automobiles) constrained relative returns,

and positions in mid/small-cap online services and software-as-a-service (“SaaS”) stocks succumbed to profit taking. Encouragingly, the strong debut of one of the Company’s unlisted securities, Coconala, provided an alternative source of alpha.

In the internet space, Coconala, a unique online consumer-to-consumer freelancing platform that enables users to trade knowledge, skills and experience, was the standout contributor to performance. I first invested in the company as an unlisted security in 2019, recognising it as a beneficiary of the many structural changes occurring in Japan’s labour market, and attracted by its high and sustainable growth rates, as well as the high operating leverage of its business. Coconala had a strong debut on the Tokyo Stock Exchange in March 2021 and the value of the fund’s holding increased more than threefold. The success of this investment highlights the benefits of our on-the-ground research and our continued efforts to unearth the most attractive opportunities across corporate Japan.

In the pharmaceutical sector, a new holding in drug company Eisai advanced strongly towards the end of the review period. The US Food and Drug Administration granted accelerated approval for a new Alzheimer’s treatment that it developed with Biogen. The approval of this potential blockbuster drug – the first of its kind – is significant for Eisai given the impending patent expiry of its cancer treatment Lenvima. Not holding laggard large-cap names in the sector also supported relative returns.

Meanwhile, Mitsui High-tec, which dominates nearly 70% of the global motor core market, an essential component of power-train motors in electric vehicles and hybrid vehicles, added value. The company’s strength lies in its ultra-precision machining and die technology, which

Portfolio Manager's Review continued

is used to create high-quality motor cores and machine tools. Mitsui High-tec is a dominant supplier to Japanese car makers and is expanding its motor core production capacity, a clear sign of confidence is its order backlog. Yet, with a market capitalisation of only around £1.5 billion and little street coverage, it is uniquely positioned with further upside potential.

Conversely, a number of positions in mid/small-cap online services and SaaS companies that were strong performers last year succumbed to profit taking as inflation concerns in the US triggered selling in IT-related names and the market rotated in favour of laggard value stocks. SaaS company Hennge, a provider of one-stop solutions for secure access to cloud-based services, was among the most significant detractors to performance. Although business conditions remain favourable, driven by rising cloud adoption and SaaS uptake, recent rates of revenue growth have come in below expectations despite increased promotional activity. This led to a reassessment of its mid-term earnings growth prospects and the position was reduced. Shares in JustSystems, a leading provider of educational and business software, fell sharply at the start of the year due to negative seasonality and style headwinds as the market rotated in favour of large-cap value stocks. Nevertheless, JustSystems remains a key beneficiary of the strong demand for distance-learning software in Japan and continues to be an overweight position. Another notable detractor was Medical Data Vision, a company that collects and processes anonymised patient data for clients across the health care sector. It was a strong performer last year, but faced selling pressure in the opening months of 2021. This was largely due to its overly conservative earnings guidance for fiscal 2021, as well as the broader market rotation into value stocks.

Input from the analyst covering the stock showed that a decline in user numbers at its core business exceeded our expectations, thereby limiting further upside potential, and the position was sold.

Sustainability and Engagement

In the first six months of 2021, the investment team in Tokyo, led by our Head of Engagement, conducted 80 engagement meetings (in addition to our fundamental research meetings), covering more than 30 names held by the Company. Themes that formed part of these Environmental, Social and Governance ("ESG") engagements include board composition and executive remuneration, climate change and environmental matters, and gender diversity. Factory automation ("FA") supplier MISUMI Group is a good example of a company with which we have consistently engaged to help it improve its ESG rating. It ranks low on third-party ESG scores despite its business of delivering efficiency solutions. Through our discussions with the company, management understands that the rating gap comes from poor disclosure. Over time, we believe executives at Japanese companies such as MISUMI Group will treat the disclosure of sustainability issues as importantly as they do financial data. We believe that finding companies that will disclose sooner and better, and engaging with them, will create additional alpha opportunities for the Company.

Unlisted Positions

The Company remains active in the unlisted domain. Compared with five-to-ten years ago, we are seeing a lot more entrepreneurial activity in Japan and a lot of new growth companies are coming through, which is creating opportunities in the pre-initial public offering ("IPO") market. At the end of the review period, three unlisted names were held, including Photosynth, a new position in

a cloud-based security management and ID integration company that is helping to promote digital transformation in Japan. I continue to evaluate new opportunities, while maintaining a disciplined approach towards valuation.

Portfolio Positioning

I reduced the exposure to technology-related companies in the electric appliances sector, taking profits in strong performers as we progress through the cycle and where relative valuations had become extended. Positions in FA-related names Yaskawa Electric and Fanuc were sold, while holdings in component makers TDK and Murata Manufacturing were reduced. The funds from these trades were recycled into new names across the services, chemicals, and pharmaceuticals sectors. I increased positions in reopening names, including Tokyo Disney Resort operator Oriental Land and HR technology company Recruit Holdings, both of which stand to benefit from economic normalisation. Drug company Eisai was added based on the expected approval of a new Alzheimer's treatment, while existing positions in chemicals firms NOF and Kansai Paint were increased.

The level of gearing increased marginally over the review period, to 24.6% from 23.5%. The recent laggard performance of the Japanese market has created opportunities to add or increase positions in high conviction holdings, as well as services-related reopening names. The reasonably high level of gearing reflects the degree of growth opportunities I see in the market.

Outlook

The virus situation in Japan is improving, albeit with differences in approach to tackling the problem on a regional basis. It is encouraging that the vaccine rollout has accelerated sharply in recent months. While the country is clearly

moving in the right direction, the proliferation of new COVID-19 variants and the potential for renewed restrictions are near-term risk factors that we continue to monitor.

Manufacturing companies in Japan remain highly geared to a cyclical recovery in global trade and production, and COVID-19-sensitive services sectors are poised for a sharp rebound as the domestic economy normalises in the second half of the year. An upswing in global growth alongside rising inflation expectations and a weaker yen is a favourable combination for corporate profits in Japan. Against this backdrop, the market is entering a transitional phase, during which earnings growth and individual company fundamentals take over from multiple expansion and growth-at-any-cost as we saw last year.

As I start to see better earnings announcements in fiscal 2021, there will be an opportunity to pick up companies that are changing into or returning as growth names. A number of themes present themselves. Certainly, clean energy and environmental efficiency are areas where Japan has some very competitive companies that can supply solutions to meet the regulatory and productivity needs of customers globally. COVID-19 has also accelerated trends in e-commerce and digital transformation. As profits recover, companies will prioritise those areas. I am also looking to cast the net further and find companies with recovery potential in areas such as leisure and travel as the vaccination rollout in Japan accelerates.

Japan continues to offer a wealth of under-researched mid/small-cap growth companies, where I typically find better business models and higher returns on equity, and management is more incentivised in terms of shareholder returns. Active managers like me, based

Portfolio Manager's Review continued

here in Japan, have the opportunity not only to invest in established global leaders, but also to unearth less well-known companies (including pre-IPO), where lower levels of analyst coverage can often create some great mispriced opportunities. In an uncertain environment, our in-depth research and on-the-ground knowledge is invaluable when looking at the micro level and speaking to company management to fully understand the current dynamics.

Nicholas Price

Portfolio Manager

30 July 2021

Twenty Largest Holdings

as at 30 June 2021

The Portfolio Exposures shown below measure exposure to market price movements as a result of owning shares and derivative instruments. The Fair Value is the actual value of the portfolio and is the value shown on the Balance Sheet. Where a contract for difference ("CFD") is held, the Fair Value reflects the profit or loss on the contract since it was opened and is based on how much the share price of the underlying share has moved.

Name and Sector	Fair Value	Portfolio Exposure	
	£'000	£'000	% ¹
Exposures – shares unless otherwise stated			
NOF (shares and long CFD) Chemicals	13,211	23,316	7.4
MISUMI Group Wholesale Trade	18,923	18,923	6.0
Keyence (shares and long CFD) Electric Appliances	10,379	18,892	6.0
Eisai (shares and long CFD) Pharmaceutical	7,106	16,583	5.3
Recruit Holdings (shares and long CFD) Services	6,639	14,737	4.7
Oriental Land (shares and long CFD) Services	11,228	13,547	4.3
Ryohin Keikaku (shares and long CFD) Retail Trade	7,061	12,055	3.8
Coconala Information & Communication	11,970	11,970	3.8
Raksul Information & Communication	10,714	10,714	3.4
Yamaha Other Products	9,158	9,158	2.9
Koito Manufacturing (shares and long CFD) Electric Appliances	3,976	9,155	2.9
Sansan Information & Communication	9,139	9,139	2.9
JustSystems Information & Communication	8,681	8,681	2.8

Twenty Largest Holdings continued

Name and Sector	Fair Value	Portfolio Exposure	
	£'000	£'000	% ¹
Exposures – shares unless otherwise stated			
Kansai Paint Chemicals	8,439	8,439	2.7
Mitsui High-tec Electric Appliances	7,874	7,874	2.5
Kotobuki Spirits Foods	7,751	7,751	2.5
UT Group Services	6,981	6,981	2.2
Open House (shares and long CFD) Real Estate	2,432	6,128	2.0
Olympus (shares and long CFD) Precision Instruments	440	5,787	1.8
Fujitsu (long CFD) Electric Appliances	218	5,740	1.8
Twenty largest exposures	162,320	225,570	71.7
Other exposures	145,890	166,162	52.9
Total Portfolio (including long CFDs)²	308,210	391,732	124.6

Fair Value and Portfolio Exposure of Investments as at 30 June 2021

	Fair Value	Portfolio Exposure	
	£'000	£'000	% ¹
Investments	308,825	308,825	98.2
Derivative instrument assets – long CFDs	1,023	36,924	11.8
Derivative instrument liabilities – long CFDs	(1,638)	45,983	14.6
	308,210	391,732	124.6
Shareholders' Funds		314,371	
Gearing²			24.6%

1 Portfolio Exposure is expressed as a percentage of Shareholders' Funds.

2 Gearing is the amount by which the Portfolio Exposure exceeds Shareholders' Funds expressed as a percentage of Shareholders' Funds.

Interim Management Report

Board Changes

Philip Kay stepped down from the Board as a non-executive Director on 31 December 2020. As his successor, David Barron joined the Board on 20 October 2020 which allowed for a brief handover period before Mr Kay retired.

David Robins stepped down from the Board as Chairman and non-executive Director at the conclusion of the Annual General Meeting on 18 May 2021. At the same time, he was succeeded as Chairman by David Graham who then stepped down as Chairman of the Audit Committee. Mr Barron succeeded Mr Graham as Chairman of the Audit Committee.

The Chairman, on behalf of the Board, the Manager and all of the Company's stakeholders, would like to thank Mr Robins for his tremendous dedication and contribution to the Fidelity Japan Trust over the ten years that he was on the Board.

Discount Management, Share Repurchases and Treasury Shares

The Board has an active discount management policy, the primary purpose of which is to reduce discount volatility. It seeks to maintain the discount in single digits in normal market conditions. Buying shares at a discount also results in an enhancement to the NAV per share.

In order to assist in managing the discount, the Board has shareholder approval to hold ordinary shares repurchased by the Company in Treasury, rather than cancelling them. Shares in Treasury are then available to be re-issued at NAV per share or at a premium to NAV per share.

In the six months to 30 June 2021, the Company repurchased 678,032 ordinary shares into Treasury, keeping the discount stable. Since

the end of the reporting period, no further ordinary shares have been repurchased.

Principal Risks and Uncertainties

The Board, with the assistance of the Alternative Investment Fund Manager (FIL Investments Services Limited/the "Manager"), has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key existing and emerging risks and uncertainties faced by the Company.

The Board considers that the principal risks and uncertainties faced by the Company comprise market risk; performance risk; pandemic risk; economic, geopolitical and natural disaster risks; discount control risk; cybercrime risk; Environmental, Social and Governance (ESG) risk; key person risk; gearing risk; currency risk; tax and regulatory risks; and third party service providers operational risks. Information on each of these risks is given in the Strategic Report section of the Annual Report for the year ended 31 December 2020. A copy of the Annual Report can be found on the Company's pages of the Manager's website at www.fidelity.co.uk/japan.

These principal risks and uncertainties have not materially changed during the six months to 30 June 2021 and are equally applicable to the remaining six months of the Company's financial year. Risks from emerging new variants of COVID-19 continue, including the availability of suitable vaccines to tackle the new variants.

Investors should be prepared for market fluctuations and remember that holding shares in the Company should be considered to be a long term investment. These risks are somewhat mitigated by the investment trust structure of the Company which means that no forced

Interim Management Report continued

sales need to take place to deal with any redemptions. Therefore, investments can be held over a longer time horizon.

The Manager reviews its business continuity plans and operational resilience strategies on an ongoing basis and continues to take all reasonable steps in meeting its regulatory obligations and to assess operational risks, the ability to continue operating and the steps it needs to take to serve and support its clients, including the Board. The Manager continues to look after the safety of employees, and allows employees to work from home and had until recently, split team working for those staff whose work was deemed necessary to be carried out in an office. Return to the office is on a reduced occupancy and follows social distancing guidelines. The Manager will continue to follow Government recommendations and guidance for COVID-19 restrictions and self-isolation rules.

Investment team key activities, including those of portfolio managers, analysts and trading/support functions, have continued to perform well despite the operational challenges posed by working from home or when split team arrangements have been in place.

The Company's third party service providers have implemented similar measures to ensure business disruption can be kept to a minimum.

Transactions with the Manager and Related Parties

The Manager has delegated the Company's portfolio management and the role of Company Secretary to FIL Investments International. Transactions with the Manager and related party transactions with the Directors are disclosed in Note 12 to the Financial Statements on page 25.

Going Concern Statement

The Directors have considered the Company's investment objective, risk management policies, liquidity risk, credit risk, capital management policies and procedures, the nature of its portfolio and its expenditure and cash flow projections. They have considered the liquidity of the Company's portfolio of investments (being mainly securities which are readily realisable) and the projected income and expenditure. The Directors are satisfied that the Company is financially sound and has sufficient resources to meet all of its liabilities and ongoing expenses and can continue in operational existence for a period of at least twelve months from the date of this Half-Yearly Report. Accordingly, they continue to adopt the going concern basis in preparing these Financial Statements.

This conclusion also takes into account the Board's assessment of the ongoing risks from COVID-19 and evolving variants as set out on the previous page and above.

Continuation votes are held every three years and the next continuation vote will be put to shareholders at the Annual General Meeting in 2022.

By Order of the Board
FIL Investments International
30 July 2021

Directors' Responsibility Statement

The Disclosure and Transparency Rules (DTR) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- the condensed set of Financial Statements contained within the Half-Yearly Report has been prepared in accordance with the Financial Reporting Council's Standard FRS 104: Interim Financial Reporting; and
- the Portfolio Manager's Half-Yearly Review on pages 4 to 8 and the Interim Management Report on pages 11 and 12 include a fair review of the information required by DTR 4.2.7R and 4.2.8R.

In line with previous years, the Half-Yearly Report has not been audited or reviewed by the Company's Independent Auditor.

The Half-Yearly Report was approved by the Board on 30 July 2021 and the above responsibility statement was signed on its behalf by David Graham, Chairman.

Income Statement

for the six months ended 30 June 2021

		Six months ended 30 June 2021 unaudited		
	Notes	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		-	3,095	3,095
Gains on derivative instruments		-	4,419	4,419
Income	4	1,960	-	1,960
Investment management fees	5	(216)	(1,174)	(1,390)
Other expenses		(317)	-	(317)
Foreign exchange losses		-	(458)	(458)
Net return on ordinary activities before finance costs and taxation		1,427	5,882	7,309
Finance costs	6	(17)	(68)	(85)
Net return on ordinary activities before taxation		1,410	5,814	7,224
Taxation on return on ordinary activities	7	(160)	-	(160)
Net return on ordinary activities after taxation for the period		1,250	5,814	7,064
Return per ordinary share	8	0.96p	4.46p	5.42p

The Company does not have any other comprehensive income. Accordingly the net return on ordinary activities after taxation for the period is also the total comprehensive income for the period and no separate Statement of Comprehensive Income has been presented.

The total column of this statement represents the Income Statement of the Company. The revenue and capital columns are supplementary and presented for information purposes as recommended by the Statement of Recommended Practice issued by the AIC.

No operations were acquired or discontinued in the period and all items in the above statement derive from continuing operations.

Six months ended 30 June 2020 unaudited			Year ended 31 December 2020 audited		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	(373)	(373)	-	38,535	38,535
-	4,988	4,988	-	22,360	22,360
1,867	-	1,867	3,287	-	3,287
(160)	(608)	(768)	(358)	(1,677)	(2,035)
(289)	-	(289)	(597)	(8)	(605)
-	(169)	(169)	-	(475)	(475)
1,418	3,838	5,256	2,332	58,735	61,067
(10)	(38)	(48)	(26)	(104)	(130)
1,408	3,800	5,208	2,306	58,631	60,937
(144)	-	(144)	(252)	-	(252)
1,264	3,800	5,064	2,054	58,631	60,685
0.95p	2.87p	3.82p	1.56p	44.53p	46.09p

Statement of Changes in Equity

for the six months ended 30 June 2021

	Note	Share capital £'000
Six months ended 30 June 2021 (unaudited)		
Total shareholders' funds at 31 December 2020		34,041
Repurchase of ordinary shares	10	-
Net return on ordinary activities after taxation for the period		-
Total shareholders' funds at 30 June 2021		34,041
Six months ended 30 June 2020 (unaudited)		
Total shareholders' funds at 31 December 2019		34,041
Repurchase of ordinary shares	10	-
Net return on ordinary activities after taxation for the period		-
Total shareholders' funds at 30 June 2020		34,041
Year ended 31 December 2020 (audited)		
Total shareholders' funds at 31 December 2019		34,041
Repurchase of ordinary shares	10	-
Net return on ordinary activities after taxation for the year		-
Total shareholders' funds at 31 December 2020		34,041

Share premium account £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
20,722	2,767	48,445	215,151	(12,320)	308,806
-	-	(1,499)	-	-	(1,499)
-	-	-	5,814	1,250	7,064
20,722	2,767	46,946	220,965	(11,070)	314,371
20,722	2,767	52,815	156,520	(14,374)	252,491
-	-	(2,627)	-	-	(2,627)
-	-	-	3,800	1,264	5,064
20,722	2,767	50,188	160,320	(13,110)	254,928
20,722	2,767	52,815	156,520	(14,374)	252,491
-	-	(4,370)	-	-	(4,370)
-	-	-	58,631	2,054	60,685
20,722	2,767	48,445	215,151	(12,320)	308,806

Balance Sheet

as at 30 June 2021

Company Number 2885584

	Notes	30.06.21 unaudited £'000	31.12.20 audited £'000	30.06.20 unaudited £'000
Fixed assets				
Investments	9	308,825	303,002	239,608
Current assets				
Derivative instruments	9	1,023	1,932	12,562
Debtors		1,533	668	1,253
Cash collateral held with brokers		-	21	-
Cash at bank		6,535	4,336	4,175
		9,091	6,957	17,990
Current liabilities				
Derivative instruments	9	(1,638)	(91)	(1,063)
Other creditors		(1,907)	(1,062)	(1,607)
		(3,545)	(1,153)	(2,670)
Net current assets				
		5,546	5,804	15,320
Net assets				
		314,371	308,806	254,928
Capital and reserves				
Share capital	10	34,041	34,041	34,041
Share premium account		20,722	20,722	20,722
Capital redemption reserve		2,767	2,767	2,767
Other reserve		46,946	48,445	50,188
Capital reserve		220,965	215,151	160,320
Revenue reserve		(11,070)	(12,320)	(13,110)
Total shareholders' funds		314,371	308,806	254,928
Net asset value per ordinary share				
	11	242.05p	236.53p	193.86p

Notes to the Financial Statements

1 Principal Activity

Fidelity Japan Trust PLC is an Investment Company incorporated in England and Wales with a premium listing on the London Stock Exchange. The Company's registration number is 2885584, and its registered office is Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey, KT20 6RP. The Company has been approved by HM Revenue & Customs as an Investment Trust under Section 1158 of the Corporation Tax Act 2010 and intends to conduct its affairs so as to continue to be approved.

2 Publication of Non-statutory Accounts

The Financial Statements in this Half-Yearly Report have not been audited by the Company's Independent Auditor and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 (the "Act"). The financial information for the year ended 31 December 2020 is extracted from the latest published Financial Statements of the Company. Those Financial Statements were delivered to the Registrar of Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Act.

3 Accounting Policies

(i) Basis of Preparation

The Company prepares its Financial Statements on a going concern basis and in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") and FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council. The Financial Statements are also prepared in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued by the Association of Investment Companies ("AIC"), in October 2019. FRS 104: Interim Financial Reporting has also been applied in preparing this condensed set of Financial Statements. The accounting policies followed are consistent with those disclosed in the Company's Annual Report and Financial Statements for the year ended 31 December 2020.

(ii) Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements. This conclusion also takes into account the Board's assessment of the continuing risks arising from COVID-19 and evolving variants.

Notes to the Financial Statements continued

4 Income

	Six months ended 30.06.21 unaudited £'000	Six months ended 30.06.20 unaudited £'000	Year ended 31.12.20 audited £'000
Investment income			
Overseas dividends	1,610	1,437	2,523
Derivative income			
Dividends received on long CFDs	350	430	764
Total income	1,960	1,867	3,287

No special dividends have been recognised in capital during the period (six months ended 30 June 2020 and year ended 31 December 2020: £nil).

5 Investment Management Fees

	Revenue £'000	Capital £'000	Total £'000
Six months ended 30 June 2021 (unaudited)			
Investment management fees - base	216	865	1,081
Investment management fees - variable*	-	309	309
	216	1,174	1,390
Six months ended 30 June 2020 (unaudited)			
Investment management fees - base	160	640	800
Investment management fees - variable*	-	(32)	(32)
	160	608	768
Year ended 31 December 2020 (audited)			
Investment management fees - base	358	1,429	1,787
Investment management fees - variable*	-	248	248
	358	1,677	2,035

* For the calculation of the variable management fee element, the Company's NAV return was compared to the Reference Index return for the period from 1 July 2018 to the relevant reporting dates. The NAV has outperformed the Reference Index and therefore there is a charge to the Company for the current period.

5 Investment Management Fees continued

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated portfolio management to FIL Investments International ("FIL"). Both companies are Fidelity group companies.

FIL charges base investment management fees at an annual rate of 0.70% of net assets. In addition, there is a +/- 0.20% variation fee based on performance relative to the Reference Index. Fees are payable monthly in arrears and are calculated on a daily basis.

Investment management fees have been allocated 80% to capital reserve in accordance with the Company's accounting policies.

6 Finance Costs

	Revenue £'000	Capital £'000	Total £'000
Six months ended 30 June 2021 (unaudited)			
Interest paid on long CFDs	16	62	78
Interest paid on collateral and bank overdrafts	1	6	7
	17	68	85
Six months ended 30 June 2020 (unaudited)			
Interest paid on long CFDs	9	34	43
Interest paid on collateral and bank overdrafts	1	4	5
	10	38	48
Year ended 31 December 2020 (audited)			
Interest paid on long CFDs	20	79	99
Interest paid on collateral and bank overdrafts	6	25	31
	26	104	130

Finance costs have been allocated 80% to capital reserve in accordance with the Company's accounting policies.

7 Taxation on Return on Ordinary Activities

	Six months ended 30.06.21 unaudited £'000	Six months ended 30.06.20 unaudited £'000	Year ended 31.12.20 audited £'000
Overseas taxation	160	144	252

Notes to the Financial Statements continued

8 Return per Ordinary Share

	Six months ended 30.06.21 unaudited	Six months ended 30.06.20 unaudited	Year ended 31.12.20 audited
Revenue return per ordinary share	0.96p	0.95p	1.56p
Capital return per ordinary share	4.46p	2.87p	44.53p
Total return per ordinary share	5.42p	3.82p	46.09p

The return per ordinary share is based on the net return on ordinary activities after taxation for the period divided by the weighted average number of ordinary shares held outside of Treasury during the period, as shown below:

	£'000	£'000	£'000
Net revenue return on ordinary activities after taxation for the period	1,250	1,264	2,054
Net capital return on ordinary activities after taxation for the period	5,814	3,800	58,631
Net total return on ordinary activities after taxation for the period	7,064	5,064	60,685
	Number	Number	Number
Weighted average number of ordinary shares held outside of Treasury during the period	130,322,142	132,533,464	131,658,973

9 Fair Value Hierarchy

The Company is required to disclose the fair value hierarchy that classifies its financial instruments measured at fair value at one of three levels, according to the relative reliability of the inputs used to estimate the fair values.

Classification	Input
Level 1	Valued using quoted prices in active markets for identical assets
Level 2	Valued by reference to inputs other than quoted prices included in level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly
Level 3	Valued by reference to valuation techniques using inputs that are not based on observable market data

9 Fair Value Hierarchy continued

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. The table below sets out the Company's fair value hierarchy:

30 June 2021 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments	301,804	–	7,021	308,825
Derivative instrument assets	–	1,023	–	1,023
	301,804	1,023	7,021	309,848
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(1,638)	–	(1,638)

31 December 2020 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments	297,505	–	5,497	303,002
Derivative instrument assets	–	1,932	–	1,932
	297,505	1,932	5,497	304,934
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(91)	–	(91)

30 June 2020 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments	233,946	–	5,662	239,608
Derivative instrument assets	–	12,562	–	12,562
	233,946	12,562	5,662	252,170
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(1,063)	–	(1,063)

Notes to the Financial Statements continued

10 Share Capital

	30 June 2021 unaudited		31 December 2020 audited		30 June 2020 unaudited	
	Number of shares	£'000	Number of shares	£'000	Number of shares	£'000
Issued, allotted and fully paid						
Ordinary shares of 25 pence each held outside of Treasury						
Beginning of the period	130,554,926	32,639	133,207,090	33,302	133,207,090	33,302
Ordinary shares repurchased into Treasury	(678,032)	(170)	(2,652,164)	(663)	(1,704,845)	(426)
End of the period	129,876,894	32,469	130,554,926	32,639	131,502,245	32,876
Ordinary shares of 25 pence each held in Treasury*						
Beginning of the period	5,606,769	1,402	2,954,605	739	2,954,605	739
Ordinary shares repurchased into Treasury	678,032	170	2,652,164	663	1,704,845	426
End of the period	6,284,801	1,572	5,606,769	1,402	4,659,450	1,165
Total share capital		34,041		34,041		34,041

* Ordinary shares held in Treasury carry no rights to vote, to receive a dividend or to participate in a winding up of the Company.

The cost of ordinary shares repurchased into Treasury during the period was £1,499,000 (year ended 31 December 2020: £4,370,000 and six months ended 30 June 2020: £2,627,000). This amount was charged to the other reserve.

11 Net Asset Value per Ordinary Share

The calculation of the net asset value per ordinary share is based on the following:

	30.06.21 unaudited	31.12.20 audited	30.06.20 unaudited
Total shareholders' funds	£314,371,000	£308,806,000	£254,928,000
Ordinary shares held outside Treasury at period end	129,876,894	130,554,926	131,502,245
Net asset value per ordinary share	242.05p	236.53p	193.86p

It is the Company's policy that shares held in Treasury will only be reissued at net asset value per ordinary share or at a premium to net asset value per ordinary share and, therefore, shares held in Treasury have no dilutive effect.

12 Transactions with the Manager and Related Parties

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated portfolio management services and the role of company secretary to FIL Investments International ("FIL"), the Investment Manager. Both companies are Fidelity group companies. Details of the fee arrangements are given in Note 5 above.

During the period, fees for portfolio management services of £1,390,000 (six months ended 30 June 2020: £768,000 and year ended 31 December 2020: £2,035,000) and secretarial and administration fees of £25,000 (six months ended 30 June 2020: £25,000 and year ended 31 December 2020: £50,000) were payable to FIL. At the Balance Sheet date, fees for portfolio management services of £227,000 (31 December 2020: £232,000 and 30 June 2020: £169,000) and secretarial and administration fees of £13,000 (31 December 2020: £13,000 and 30 June 2020: £13,000) were accrued and included in other creditors. FIL also provides the Company with marketing services. The total amount payable for these services during the period was £63,000 (six months ended 30 June 2020: £52,000 and year ended 31 December 2020: £97,000). At the Balance Sheet date, fees for marketing services of £11,000 (31 December 2020: £6,000 and 30 June 2020: £11,000) were accrued and included in other creditors.

As at 30 June 2021, the Board consisted of four non-executive Directors (shown in the Directory on page 28), all of whom are considered to be independent by the Board. None of the Directors have a service contract with the Company. The Chairman receives an annual fee of £37,000, the Audit Committee Chairman an annual fee of £30,000 and each other Director an annual fee of £26,000. The following members of the Board hold ordinary shares in the Company: David Barron 19,366 shares, David Graham 78,489 shares, Sarah MacAulay 153,545 shares and Dominic Ziegler 16,000 shares.

Shareholder Information

Investing in Fidelity Japan Trust PLC

Fidelity Japan Trust PLC is a company listed on the London Stock Exchange and you can buy its shares through a platform, stockbroker, share shop or bank. Fidelity also offers a range of options, so that you can invest in a way that is best for you. Details of how to invest and the latest Key Information Document can be found on the Company's pages of the Manager's website at www.fidelity.co.uk/japan.

Contact Information

Shareholders and Fidelity Platform Investors should contact the appropriate administrator using the contact details given below and on the next page. Links to the websites of major platforms can be found at www.fidelityinvestmenttrusts.com.

Shareholders on the main share register

Contact Link Group, Registrar to Fidelity Japan Trust PLC, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Email: enquiries@linkgroup.co.uk

Telephone: **0371 664 0300** (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00 – 17:30, Monday to Friday excluding public holidays in England and Wales).

Details of individual shareholdings and other information can also be obtained from the Registrar's Share Portal at www.signalshares.com. Shareholders are able to manage their shareholding online by registering for the Share Portal, a free and secure online access service. Facilities include:

Account Enquiry – Shareholders can access their personal shareholding, including share transaction history, dividend payment history and obtain an up-to-date shareholding valuation.

Amendment of Standing Data – Shareholders can change their registered postal address and add, change or delete dividend mandate instructions. Shareholders can also download forms such as change of address, stock transfer and dividend mandates as well as buy and sell shares in the Company.

Should you have any queries in respect of the Link Share Portal, contact the helpline on **0371 664 0391** (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00 – 17:30, Monday to Friday excluding public holidays in England and Wales).

Fidelity Platform Investors

Contact Fidelity, using the freephone numbers given below, or by writing to: UK Customer Service, Fidelity, PO Box 391, Tadworth, Surrey KT20 9FU.

Website: www.fidelity.co.uk/its

Private investors: call free on **0800 41 41 10**, 9:00 – 18:00, Monday to Saturday.

Financial advisers: call free on **0800 41 41 81**, 8:00 – 18:00, Monday to Friday.

General Enquiries

General enquiries should be made to the Secretary at the Company’s registered office: FIL Investments International, Investment Trusts, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Telephone: **01757 837846**

Email: **investmenttrusts@fil.com**

Website: **www.fidelityinvestmenttrusts.com**

If you hold Fidelity Japan Trust PLC shares in an account provided by Fidelity International, you will receive a report every six months detailing all of your transactions and the value of your shares.

Financial Calendar 2021/2022	
30 June 2021	Half-Year End
2 August 2021	Announcement of the Half-Yearly Results
August 2021	Publication of the Half-Yearly Report
31 December 2021	Financial Year End
March 2022	Announcement of the Annual Results
April 2022	Publication of the Annual Report
May 2022	Annual General Meeting

Directory

Board of Directors

David Graham (Chairman)
David Barron (Audit Committee Chairman)
Sarah MacAulay (Senior Independent Director)
Dominic Ziegler

Alternative Investment Fund Manager (AIFM/the Manager)

FIL Investment Services (UK) Limited
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey
KT20 6RP

Investment Manager, Secretary and Registered Office

FIL Investments International
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey
KT20 6RP
Email: investmenttrusts@fil.com

Banker and Custodian

JPMorgan Chase Bank (London Branch)
125 London Wall
London
EC2Y 5AJ

Depository

J.P. Morgan Europe Limited
25 Bank Street
London
E14 5JP

Financial Adviser and Stockbroker

Stifel Nicolaus Europe Limited
150 Cheapside
London
EC2V 6ET

Independent Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Lawyer

Charles Russell Speechlys LLP
5 Fleet Street
London
EC4M 7RD

Registrar

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

General Data Protection Regulation (GDPR)

What personal data is collected and how it is used

The Company is an investment trust which is a public limited company and has certain regulatory obligations such as the requirement to send documents to its shareholders, for example, the Annual Report and other documents that relate to meetings of the Company. The Company will therefore collect shareholders' personal data such as names, addresses and identification numbers or investor codes and will use this personal data to fulfil its statutory obligations.

Any personal data collected will be kept securely on computer systems and in some circumstances on paper. Personal information is kept secure in line with Fidelity's Information Security policies and standards. If you are unhappy with how we have used your personal data, you can complain by contacting the UK Data Protection Officer at Fidelity International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Sharing personal data

In order to assist the Company in meeting its statutory requirements, the Company delegates certain duties around the processing of this data to its third party service providers, such as the Company's Registrar and Printers. The Company has appointed Fidelity to undertake marketing activities for the Company and their privacy statement can be found on the Company's website at <https://fidelity.co.uk/privacy-policy/>

The Company's agreements with the third party service providers have been updated to be compliant with GDPR requirements. The Company confirms to its shareholders that their data will not be shared with any third party for any other purpose, such as for marketing purposes. In some circumstances, it may be necessary to transfer shareholders' personal data across national borders to Fidelity Group entities operating in the European Economic Area (EEA). Where this does occur, the European standard of protections will be applied to the personal data that is processed. Where personal data is transferred within the Fidelity Group, but outside of the EEA, that data will subsequently receive the same degree of protection as it would in the EEA.

How long will personal data be kept for?

We will keep the personal data for as long as is necessary for these purposes and no longer than we are legally permitted to do so.

Requesting access, making changes to your personal data and other important information

Shareholders can access the information that the Company holds about them or ask for it to be corrected or deleted by contacting Fidelity's UK Data Protection Officer, Fidelity International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Glossary of Terms

AIF

Alternative Investment Fund (“AIF”). The Company is an [AIF](#).

AIFM

Alternative Investment Fund Manager (“AIFM”). The Board has appointed FIL Investment Services (UK) Limited to act as the Company’s [AIFM](#) (the [Manager](#)).

AIFMD

The Alternative Investment Fund Managers’ Directive (“AIFMD”) is a European Union Directive implemented on 22 July 2014.

Alternative Performance Measures

The Company uses the following [Alternative Performance Measures](#) which are all defined in this Glossary of Terms:

- Discount/Premium
- Gearing;
- Net Asset Value (NAV) per Ordinary Share;
- Ongoing Charges;
- Return (Revenue, Capital and Total Returns); and
- Total Return Performance (Net Asset Value Total Return or Share Price Total Return).

Contract For Difference (CFD)

A [contract for difference](#) is a [derivative](#). It is a contract between the Company and an investment bank at the end of which the parties exchange the difference between the opening price and the closing price of the underlying asset of the specified financial instrument.

It does not involve the Company buying or selling the underlying asset, only agreeing to receive or pay the movement in its share price. A [contract for difference](#) allows the Company to gain access to the movement in the share

price by depositing a small amount of cash known as margin. The Company may reason that the asset price will rise, by buying (“long” position) or fall, by selling (“short” position). If the Company trades long, dividends are received and interest is paid. If the Company trades short, dividends are paid and interest is received. The Company only uses “long” [contracts for difference](#).

Custodian

An entity that holds (as intermediary) the Company’s assets, arranges the settlement of transactions and administers income, proxy voting and corporate actions. The Company’s [Custodian](#) is JPMorgan Chase Bank.

Depository

An entity that oversees the custody, cash arrangements and other AIFM responsibilities of the Company. J.P. Morgan Europe Limited act as the Company’s [Depository](#).

Derivatives

Financial instruments (such as futures, options and [contracts for difference](#)) whose value is derived from the value of an underlying asset.

Discount

If the share price of the Company is lower than the [net asset value](#) per ordinary share, the Company’s shares are said to be trading at a [discount](#). It is shown as a percentage of the [net asset value](#) per ordinary share.

Fair Value

The [fair value](#) is the best estimate of the value of the investments, including [derivatives](#), at a point in time and this is measured as:

- **Listed investments** – valued at bid prices, or last market prices, where available otherwise at published price quotations;
- **Unlisted investments** – valued using an appropriate valuation technique in the

absence of an active market; and

- **Contracts for difference** – valued as the difference between the settlement price of the contract and the value of the underlying shares in the contract (unrealised gains or losses).

Gearing

Gearing is the amount of exposure the Company uses to invest in the market. It can be obtained through the use of bank loans, bank overdrafts or **contracts for difference**, in order to increase the Company's exposure to investments. If assets rise in value, **gearing** magnifies the return to ordinary shareholders. Correspondingly, if assets fall in value, **gearing** magnifies that fall. **Contracts for difference** are used as a way of gaining exposure to the price movements of shares without buying the underlying shares directly.

Gearing Percentage

In a simple example, if a company has £100 million of net assets and a total portfolio of £108 million and £8 million of borrowings (either via bank loans or long **contracts for difference**), then the **shareholders' funds** are 8% geared. Normally, the higher the **gearing percentage**, the more sensitive the Company's shares will be to movements up and down in the value of the investment portfolio.

Investment Manager

FIL Investments International acts as the Company's **Investment Manager** under delegation from FIL Investment Services (UK) Limited (the **AIFM**).

Manager

FIL Investments Services (UK) Limited is the appointed **Manager** under the **AIFMD**, and has delegated the investment management of the Company to the **Investment Manager**.

Net Asset Value (NAV)

Net asset value is sometimes also described as "**shareholders' funds**" and is the total value of the Company's assets less the total value of its liabilities. For valuation purposes, it is common to express the **net asset value** on a per ordinary share basis.

Ongoing Charges

Total operating expenses (excluding finance costs and taxation) incurred by the Company as a percentage of the average daily **net asset values** for the reporting year.

Portfolio Manager

Nicholas Price is the appointed **Portfolio Manager** of the Company and is responsible for managing the Company's assets.

Premium

If the share price of the Company is higher than the **net asset value** per ordinary share, the Company's shares are said to be trading at a **premium**. The **premium** is shown as a percentage of the **net asset value** per ordinary share.

Reference Index

TOPIX Total Return Index (in sterling terms). Prior to 22 May 2018, it was the Russell Nomura Mid/Small Cap Index (in sterling terms).

Registrar

An entity that manages the Company's shareholder register. The Company's **Registrar** is Link Group.

Reserves

- **Share premium** account represents the amount by which the proceeds from the issue of ordinary shares, on the exercise of rights attached to subscription shares, exceeded the nominal value of those ordinary shares. It is not distributable by way of dividend and cannot be used to fund share repurchases.

Glossary of Terms continued

- **Capital redemption reserve** maintains the equity share capital of the Company and represents the nominal value of shares repurchased and cancelled. It is not distributable by way of dividend and cannot be used to fund share repurchases.
- **Other reserve** was created in 1999 when the share premium account at the time was cancelled. It is not distributable by way of dividend. It can be used to fund share repurchases.
- **Capital reserve** represents realised gains and losses on investments and derivatives sold, unrealised increases and decreases in the fair value of investments and derivatives held and other income and costs recognised in the capital column of the Income Statement. It can be used to fund repurchases and issuance of shares from Treasury and it is distributable by way of dividend.
- **Revenue reserve** represents retained revenue losses recognised in the revenue column of the Income Statement. It could be distributable by way of dividend if it were not in deficit.

Return

The return generated in a given period from investments:

- **Revenue Return** reflects the dividends and interest from investments and other income net of expenses not capitalised, finance costs and taxation;
- **Capital Return** reflects the return on capital, excluding any revenue return; and
- **Total Return** reflects the aggregate of revenue and capital return in the period.

Share Repurchases

A popular way for investment trust companies to return cash to their shareholders is through offering to repurchase a proportion of shares currently held. The Company seeks the permission of shareholders to do so at its Annual General Meetings allowing it to repurchase a proportion of its total shares (up to 14.99%) in the market at prices below the prevailing **net asset value** per ordinary share. This process also helps to enhance the **net asset value** per ordinary share and to reduce the **discount to net asset value** per ordinary share.

Shareholders' Funds

Shareholders' funds are also described as "**net asset value**" and represent the total value of the Company's assets less the total value of its liabilities.

Total Portfolio Exposure

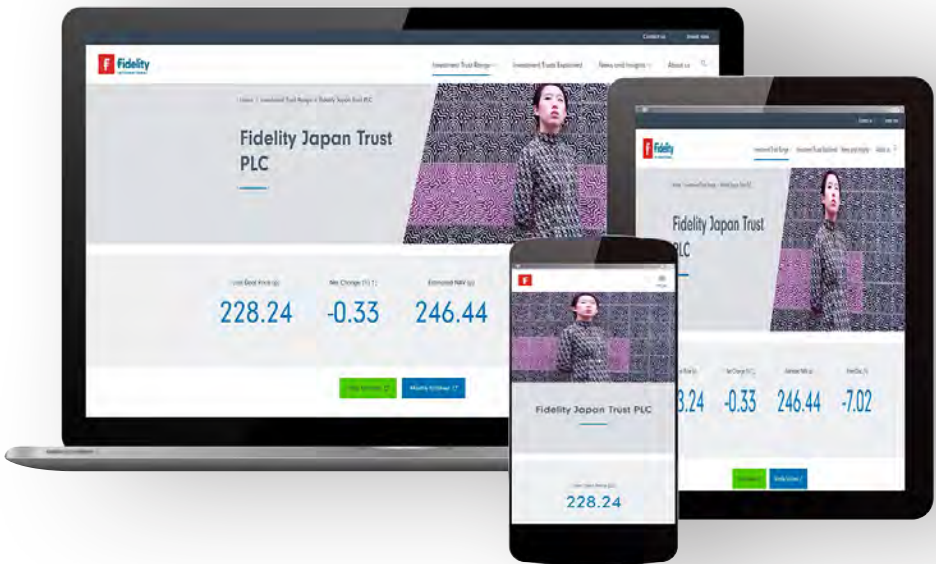
The total of the fixed asset investments at **fair value** plus the **fair value** of the underlying securities within the **contracts for difference**.

Total Return Performance

The return on the ordinary share price or **net asset value** per ordinary share taking into account the rise and fall of ordinary share prices and the dividends paid to shareholders. Any dividends received by the shareholder are assumed to have been reinvested in additional ordinary shares (for share price total return) or the Company's assets (for **net asset value** total return).

Treasury Shares

Ordinary shares of the Company that have been repurchased by the Company and not cancelled but held in Treasury. These shares do not receive dividends, have no voting rights and are excluded from the **net asset value** per ordinary share calculation.



To find out more about Fidelity Japan Trust PLC, visit our website at www.fidelity.co.uk/japan where you can read articles and watch videos on the Company.



Fidelity, Fidelity International, the Fidelity International logo and **F** symbol are trademarks of FIL Limited

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