

FIDELITY JAPAN TRUST PLC

Half-Yearly Results for the six months ended 30 June 2025 (unaudited)

Financial Highlights:

- During the six-months ended 30 June 2025, Fidelity Japan Trust PLC (the “Company”) reported a net asset value (NAV) total return of +3.3% while the Reference Index, the TOPIX Total Return Index (in sterling terms) rose by +3.2%.
- Over the same period, the ordinary share price total return of the Company was +10.6%.
- The key driver of performance was successful stock selection in the retail and transportation equipment sectors.

Contacts

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CHAIRMAN'S STATEMENT

Very sadly, this will be the final report for the Fidelity Japan Trust PLC (the “Company”) as, subject to shareholder approval, the Company will soon be placed into voluntary liquidation. As explained below, with some background, shareholders will be offered the choice of electing to receive shares in the AVI Japan Opportunities Trust or cash in respect of their holdings in the Company.

PERFORMANCE FOR HALF-YEAR TO 30 JUNE 2025

The main influence on the Japanese equity market in the six months to 30 June has been the impact of the US government's somewhat erratic tariff policy on certain sectors of the Japanese economy. Initially, this caused a sharp sell-off in the market followed by a strong rebound. Over the six months to 30 June the TOPIX Index rose by 3.2% in sterling terms. This compares to a rise of 3.3% in the net asset value (NAV) of the Company and a rise in the share price of 10.6% over that same period. The rise in the share price reflects the narrowing in the discount at which the share price has traded from 13.1% at the start of the year to end at 6.9%.

Since 30 June to 31 August 2025, the NAV of the Company has risen a further 5.0% and the share price a further 10.4%. This compares to a rise in the TOPIX Index of 7.6%.

STRATEGIC REVIEW

After a period of significant underperformance of the Company over three and five years and the announcement of Portfolio Manager, Nicholas Price's, retirement, it was clear from discussions held with the Company's major shareholders in March/April that they would vote against the continuation of the Company. At the Annual General Meeting (AGM) held on 19 May 2025, 63.74% of the Company's shareholders voted; of these, only 18.17% voted in favour of continuation of the Company. It was disappointing that many shareholders were not more actively informed of the vote; this is particularly true of those on two large platforms who, in aggregate, held over 10% of the issued share capital of the Company.

A formal strategic review process was begun in anticipation of the failed continuation vote. Proposals were received from a small number of London listed investment companies focused on investing in Japan. The strong preference of our institutional shareholders, who represented over 50% of the Company's share capital, was a combination of Fidelity Japan Trust with AVI Japan Opportunities Trust (AJOT.)

The Company's Board had hoped to offer a choice to shareholders, particularly those for whom the Fidelity Japan Trust is their only exposure to the Japanese market. The proposed choice was intended to have been between AJOT, a highly concentrated portfolio of small-cap companies and the Fidelity Japan Fund, a broadly invested Japanese OEIC of mainly large-cap stocks. Unfortunately, Fidelity was unable to facilitate the latter option.

Accordingly, the Board concluded that a choice between electing for AJOT pursuant to a scheme of reconstruction or an election for cash should be put forward to the Company's shareholders to approve at a meeting which is likely to be held in October 2025.

Shareholders will, in due course, be receiving a detailed Circular setting out the timetable, instructions and forms necessary to make your election. This will also be available on the Company's website (<http://www.fidelity.co.uk/japan>) and sent directly to registered shareholders. If you hold your shares through an investment platform, communication regarding the proposals will come from them. We strongly recommend that you contact your financial advisor if you are in any doubt as to the decision to take. If you make no election, the default will be that you will receive shares in AJOT.

DETAILS OF AVI JAPAN OPPORTUNITIES TRUST (AJOT)

AJOT is a £242m investment trust launched in October 2018. Its strategy is to generate returns in excess of the MSCI Japan Small Cap Index by investing in a concentrated, high-conviction portfolio of small to mid-cap companies in Japan which are considered overcapitalised and under-valued. The AJOT team, led by Joe Bauernfreund, seeks to unlock value through constructive and proactive engagement with management teams, and by taking advantage of the increased focus on corporate gov-

ernance and shareholder returns developing in Japan.

The results of this investment process have been particularly strong in recent years. The NAV performance of AJOT to end of June 2025 compared to its Benchmark Index and compared to Fidelity Japan Trust has been as follows:

	1 year	3 years	5 years	Inception ¹
AJOT				
NAV (in sterling terms)	+25.3%	+65.6%	+80.5%	+89.7%
MSCI Japan Small Cap Index	+13.4%	+30.6%	+26.4%	+31.6%
	=====	=====	=====	=====

¹ Being 23 October 2018, the date that Joe Bauernfreund was appointed as portfolio manager of AJOT.

	1 year	3 years	5 years	Covering same period since AJOT's inception on 23.10.2018
FJV				
NAV (in sterling terms)	+4.3%	+26.1%	+7.0%	+29.3%
TOPIX Total Return Index	+6.9%	+37.0%	+38.9%	+49.1%
	=====	=====	=====	=====

In addition, AJOT has a strong discount control mechanism. As well as committing to buying back shares if the discount widens beyond 5%, it also has an option for shareholders to tender up to 100% of their shares on an annual basis at a small discount to NAV.

DISCOUNT MANAGEMENT

The Board has an active approach to discount management, the primary purpose of which is to reduce discount volatility. During the six month reporting period, a total of 1,579,848 ordinary shares were repurchased for holding in Treasury or for cancellation, at a cost of £2,772,000. This represented 1.2% of the issued share capital of the Company as at 30 June 2025. All of these shares were bought back in the first quarter of the year with no buybacks taking place since 28 March 2025. Subsequent to the period end, the Company has not repurchased any further shares.

GEARING

The level of gearing began the period under review at 24.0% and since May, when the Company failed its continuation vote, has been steadily reduced to 14.0% as at 30 June. It has been reduced even further since then and was 9.5% as at 31 August 2025. Against this, the Company holds 5% in cash.

UNLISTED COMPANIES

The Company has had the authority to invest up to 20% of its assets in unlisted companies. However, the Board has limited the proportion of the portfolio held in unlisted companies to a maximum of 10% while the IPO market in Japan remains subdued.

As at 30 June 2025, unlisted companies made up 7.1% (2024: 6.6%) of the Company's net assets across a total of seven companies. Prior to the period end, the Board, together with Kroll, the independent valuation specialists, reviewed the valuation of each of the unlisted investments.

On 31 July 2025, the holding in Moneytree was sold for £2.96 million. This represents a price 39% higher than its cost and 47% higher than the carrying value in the Company's portfolio as at 30 June.

Under the terms of the agreement with the Board of AJOT, the remaining six unlisted holdings in FJV, subject to consents, will be transferred to AJOT at their full carrying value as at 12 August 2025.

ONGOING CHARGES

We do not provide an annualised ongoing charges figure in the Half Year Report. However, it is worth noting that the Company's variable management fee arrangement allows for a partial refund of charges in the event of underperformance on a rolling three-year basis. This has resulted in a credit of £223,000 in the variable element of the management fee for the six months to 30 June 2025.

MANAGEMENT OF THE COMPANY'S PORTFOLIO SINCE THE AGM

Since the AGM on 21 May 2025 when the Company failed its continuation vote, the Portfolio Manager has continued to manage the portfolio consistently in line with the mandate that the Board has given them. We have begun the process of realising some of the less liquid positions in the portfolio, and, as noted above, gearing has been pragmatically reduced to reflect both the Portfolio Manager's outlook and the liquidation of the Company in the near future.

OUTLOOK FOR THE JAPANESE MARKET

The outlook for the Japanese market remains positive with increasing participation from both foreign and domestic investors. The impact of the reforms of the Tokyo Stock Exchange continues to benefit share prices across the whole market and is likely to be particularly supportive of the investment strategy being pursued by AJOT for those shareholders of Fidelity Japan Trust who elect to roll part or all of their holding into AJOT.

RECORD OF THANKS

When we reported ahead of the previous triennial continuation vote in 2022, the Company's NAV performance under Nicholas Price's management was over 40% ahead of its Reference Index over both three and five years. Successful styles can change, and sometimes rapidly, in the Japanese market. As we have seen over the recent years, it is unfortunate that this style has been out of favour and that the period of underperformance has persisted for so long.

Above all else, the Board would like to record their thanks to Nicholas Price and the Fidelity teams in Tokyo, Hong Kong and London for the hard work in the stewardship of the Company and to you, the shareholders in the Company, for your support over many years.

PORTFOLIO MANAGER'S REVIEW

MARKET REVIEW

The Japanese equity market navigated a volatile start to 2025, with a pronounced correction and a sharp recovery reflecting both external headwinds and domestic strengths. The US administration's move to impose a 25% tariff on imported vehicles and parts, followed by a 10% universal import tariff and a specific 24% reciprocal rate targeting Japan precipitated a sell-off in risk assets. Share prices partially recovered after a 90-day postponement of the reciprocal tariff, but rising bond yields impeded markets, particularly the banking and property sectors, following a sovereign rating downgrade of the US. Equities subsequently rebounded, supported by improved trade sentiment and strong gains in technology stocks, although heightened geopolitical tensions in the Middle East caused fluctuations towards the end of the period.

At a sector level, domestic demand-oriented segments outperformed over the period, led by software & services, media & entertainment and real estate. Among key exporting industries, semiconductors outpaced the broader market. Conversely, automobiles, health care equipment and technology hardware, sectors that are susceptible to US tariffs, were among the notable laggards. In terms of style mid/small-cap growth stocks generated the strongest returns, whereas large-cap value names were relative laggards.

Domestically, Japanese companies reported a fourth consecutive year of record earnings and, while conservative guidance for fiscal 2025 reflected ongoing trade uncertainties, they continued to enhance shareholder returns. At a time of shifting allocations, particularly with regards to the US, this commitment to corporate reforms attracted renewed inflows from overseas investors, who were net buyers of Japanese stocks for three straight months to the end of June 2025.

In economic news, Japan's real GDP shrank by 0.2% annualised in the first three months of 2025, marking a first decline in four quarters. Nominal GDP grew strongly at +3.6% annualised, highlighting the impact of inflation. The main driver in Q1 was a sharp deterioration in net exports, reflecting a rebound in imports, likely due to front-loading ahead of US tariffs, and a decline in services exports (excluding inbound consumption). In contrast, business capital expenditure maintained a steady upward trend, underpinned by structural investments in technology and software as firms adapt to labour shortages and digitalisation. Private consumption remained flat, with weakness in goods spending amid rising inflation (especially foods) offsetting gains in services.

Nationwide inflation data for May 2025 highlighted entrenched pricing momentum, with the core Consumer Price Index (excluding fresh food) rising by 3.7% from a year ago and the core-core measure (excluding both fresh food and energy) accelerating to +3.3%. While the Bank of Japan (BoJ) maintained a wait-and-see stance, keeping its policy rate at 0.5%, rising wage costs and a shift in corporate pricing behaviour indicate a growing likelihood that inflation will remain structurally above its 2% target.

PORTFOLIO REVIEW

Over the six months to 30 June 2025, the Company recorded a net asset value (NAV) and share price returns of 3.3% and 10.6% respectively, compared to 3.2% for the Reference Index. The key driver of performance was successful stock selection in the retail and transportation equipment sectors, which helped to offset the overweight exposure to laggard sectors such as services and precision instruments.

In the retail sector, the position in **Ryohin Keikaku**, operator of the MUJI brand of general merchandise stores, continued to outperform. Its share price has been buoyed by a sharp recovery in profitability, underpinned by growth in domestic same-store sales, the robust performance of its overseas operations (particularly in East Asia) and disciplined cost controls. Strategic shifts under new leadership, including a revamped store format and tighter procurement, have reinforced its earnings trajectory.

In the transportation equipment sector, **Toyota Industries**, a leading producer of forklift trucks and automotive components, was a key contributor to performance. Its share price appreciated sharply on news that its parent company, Toyota Motor, would launch a takeover bid. At the same time, not holding Toyota Motor, which faced tariff headwinds, supported relative returns.

Elsewhere, sporting equipment maker **Yonex** performed strongly, driven by sustained double-digit sales growth in key markets like Japan and China, where effective regional marketing efforts and long-term initiatives, including grass-roots projects and athlete endorsements, are bolstering brand equity. **IHI Corporation**, a new addition to the portfolio, also outperformed. The heavy industry conglomerate is benefiting from increasing defence spending in Japan and is turning around its legacy aeroengine business.

The positive performance of these and other positions was partially negated by the underperformance of **Recruit Holdings**. The global media and staffing company faced heightened uncertainty around the direction of US job openings and valuation compression among major technology firms adversely affected its share price. However, the increased adoption of AI-driven tools is continuing to support monetisation, despite macroeconomic headwinds.

In the precision instruments sector, **Riken Keiki** faced higher personnel costs aimed at strategic expansion in Japan and overseas, as well as delays in some semiconductor plant construction projects. Nevertheless, its growth outlook remains positive, supported by strong fixed-type gas detector orders, ongoing semiconductor fab projects in Japan, and anticipated US market breakthroughs. Shares in **Olympus** fell on reports that the US Food and Drug Administration (FDA) had published an Import Alert, blocking imports of endoscopes and related products produced by the company in Japan. The position was sold.

Finally, shares in **MISUMI Group**, a supplier of machinery and automation parts, lost ground due to concerns about the indirect impact from US tariffs, and its apparent decision to target growth investments over buybacks. Nevertheless, we still anticipate resilient growth based on company-specific strategies, especially in China and Asia more broadly.

POSITIONING

As noted in our last annual report, our focus is on growth at a reasonable price and holding companies that are trading at or close to market multiples even as they offer consistent or superior medium-term growth potential. Many of the Japanese companies that we are looking at trade at a discount versus their overseas peers, and there are a lot of opportunities where improvements in corporate governance are driving higher returns on equity.

In this vein, we initiated several positions in the semiconductor space, drawing on the input from our tech analyst who has a positive view on the outlook for AI investments and related capex given broadening applications and demand. Semiconductor production equipment maker **Tokyo Electron** is positioned to benefit significantly from its continued market share expansion in critical semiconductor processes, driven by technological advancements. **Rorze**, a leading wafer handling equipment maker, is well positioned to benefit from wafer volume and process increases, as well as advanced packaging. Furthermore, a recent share buyback programme and its robust profitability metrics (over 20% return on equity) reinforce the company's attractive valuation relative to peers.

On the other hand, we took profits in strong performers, including **Ryohin Keikaku**, **Toyota Industries** and **Ajinomoto**, and reduced the level of gearing to 114% by the end of June. In terms of the unlisted securities, we have some progress to report on our investment in **Moneytree**. Sumitomo Mitsui Banking Corp. (SMBC) put in an agreed bid for the company and the investment was revalued upwards. Looking forward, the Company will continue to be managed in the best interests of its shareholders as the Board navigates the tender and anticipated merger proposal.

ENGAGEMENT

In the first six months of 2025, the sustainable investing team in Tokyo, led by our Head of Engagement, conducted 64 engagement meetings (in addition to our fundamental research meetings), covering 13 names held by the Company. Themes include long-term strategy and capital allocation, climate change and environmental issues, and human resource development and gender diversity.

In terms of specific engagements with investee companies, we worked with **Riken Keiki** to reassess its capital policy following feedback from the Tokyo Stock Exchange concerning excess cash on its balance sheet. Historically, the company's primary KPI was sales volume, driven by its stable market dominance domestically. However, recent shifts in the management's awareness towards return on equity (RoE) and price-to-book ratio (PBR) have led to targeted actions, including a share buyback and efforts to reduce cross-shareholdings. Recognising that continued cash accumulation would impede achieving a future RoE target of 10%, its management is carefully evaluating capital allocation strategies, balancing investments in capital and human resources with improved shareholder returns.

CONSTRUCTIVE OUTLOOK FOR JAPAN

The performance of the Company has remained challenging in an environment where high interest rates have favoured value stocks, and worked against my natural tilt towards higher growth and mid/small-cap companies. The extent of recent underperformance relative to the Index remains a significant source of disappointment.

However, I strongly believe that the structural changes underway in Japan are supportive of the mid-to-long-term outlook for the asset class and that mid/small-caps continue to offer an underappreciated source of alpha.

DOMESTIC REFLATION

At the macro level, Japan is experiencing a structural shift toward moderate inflation. Labour shortages, demographic shifts and stricter overtime regulations have given rise to meaningful wage pressures that appear increasingly entrenched. Employers are granting the most substantial pay rises in three decades. The 2025 spring labour negotiations delivered a second straight year of more than 5% wage growth.

This wage-led inflation dynamic is changing corporate behaviour: managements once rewarded for hoarding cash are now incentivised to invest in productivity-enhancing automation and software, or to return surplus capital to shareholders. Meanwhile, the BoJ projects inflation to average around 2–2.5% in the coming years, marking a definitive break from Japan's deflationary past. This is materially positive for nominal GDP, corporate earnings and tax revenues.

CORPORATE GOVERNANCE TRANSFORMATION

The Tokyo Stock Exchange's cost-of-capital initiative forced companies with sub-par PBRs to articulate credible plans for improvement. Japanese corporate behaviour is now changing more broadly, with a heightened focus on capital allocation and shareholder value across the market.

Against this backdrop, we are seeing a notable increase in shareholder returns. Japanese listed companies have significantly increased their share buybacks, reaching a record ¥12 trillion in the first five months of this year. Dividends are rising in parallel, resulting in a total shareholder yield of around 4%.

Beyond distributions, strategic reforms such as the unwinding of inefficient parent-subsidiary listings, reductions in strategic cross-shareholdings and greater focus on core businesses, are improving capital allocation efficiency. Such governance reforms not only enhance transparency and investor confidence but also lay the groundwork for sustainably higher RoE, a critical factor for attracting long-term investment.

INVESTOR SENTIMENT AND MARKET PARTICIPATION

From a valuation perspective, Japan remains attractive. The TOPIX trades at around 14x forward earnings, near its historical average, and looks cheap at 1.4x. However, RoE is rising, driven not by leverage or currency effects, but genuine improvements in profitability and capital allocation.

Moreover, the case for Japanese mid/small-caps looks compelling from both a valuation and fundamental perspective. This segment of the market is trading at a steep price-to-book discount to the larger-cap indices and no longer commands the price-to-earnings (P/E) premium it enjoyed over the past decade. Furthermore, earnings forecasts into 2026 are higher for mid and small caps, which tend to be more domestic-oriented and offer resilience in the face of external macro and geopolitical uncertainties.

Broader sentiment towards Japanese equities has also improved, driven by increasing engagement from both foreign and domestic investors. We are seeing renewed buying among overseas investors, many of whom view Japan as a potential diversifier to the US. Domestically, historically conservative investors are becoming increasingly involved in equity markets, encouraged by higher inflation expectations and supportive financial policies such as the expansion of tax-exempt investment accounts (NISA). This shift could establish a strong structural demand base for the market.

While external challenges remain a near-term headwind, I believe that domestic structural drivers - reflation, robust corporate governance reforms, monetary policy stability and increasing domestic investor engagement - create a constructive medium to long-term outlook for the Japanese equity market.

It has been a great privilege to manage Fidelity Japan Trust PLC and to interact and debate with individual and institutional shareholders of the Company over the past ten years.

NICHOLAS PRICE

Portfolio Manager

9 September 2025

THIRTY LARGEST HOLDINGS AS AT 30 JUNE 2025

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 realisable value of the portfolio as reported in 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. Where the Company only holds shares, the Fair Value and the Portfolio Exposure will be the same.

Company	Sector	Fair Value £'000	Portfolio £'000	Exposure % ¹
Exposures – shares unless otherwise stated				
Ryohin Keikaku (shares and long CFD)	Retail Trade	3,454	14,406	6.1
Recruit Holdings (shares and long CFD)	Services	6,942	10,528	4.5
Osaka Soda	Chemicals	10,292	10,292	4.4
Tokyo Electron	Electric Appliances	9,446	9,446	4.0
Hitachi	Electric Appliances	8,752	8,752	3.7
Keyence (long CFD)	Electric Appliances	264	8,677	3.7
Yonex	Other Products	7,844	7,844	3.3
Rorze	Machinery	7,060	7,060	3.0
MISUMI Group (shares and long CFD)	Wholesale Trade	2,500	6,925	2.9
Riken Keiki	Precision Instruments	6,887	6,887	2.9
Disco	Machinery	6,804	6,804	2.9
IHI Corporation	Machinery	6,783	6,783	2.9
Mizuho Financial Group	Banks	6,442	6,442	2.7
Asoview	Unlisted	6,094	6,094	2.6
Sony Group	Electric Appliances	5,850	5,850	2.6
NOF (long CFD)	Chemicals	129	4,998	2.1
Credit Saison	Other Financing Business	4,836	4,836	2.1
Mitsubishi Electric (shares and long CFD)	Electric Appliances	157	4,522	1.9
Giftee	Information & Communication	4,459	4,459	1.9
C. Uyemura	Chemicals	3,870	3,870	1.6
Kosaido Holdings	Other Products	3,823	3,823	1.6
Hoya	Precision Instruments	3,721	3,721	1.6
Sanrio	Wholesale Trade	3,615	3,615	1.5
Raksul	Information & Communication	3,593	3,593	1.5
Suzuki Motor	Transportation Equipment	3,372	3,372	1.4
Visional	Information & Communication	3,332	3,332	1.4
Concordia Financial Group	Banks	3,283	3,283	1.4
Central Automotive Products	Wholesale Trade	3,230	3,230	1.4
Tokio Marine Holdings	Insurance	3,167	3,167	1.3
Go Inc	Unlisted	3,166	3,166	1.3
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Thirty largest exposures		143,167	179,777	76.2
Other exposures (53 holdings)		86,411	88,952	37.8
		-----	-----	-----
Total Portfolio (including long CFDs)		229,578	268,729	114.0
		=====	=====	=====

FAIR VALUE AND PORTFOLIO EXPOSURE OF INVESTMENTS AS AT 30 JUNE 2025

	Fair Value £'000	Portfolio £'000	Exposure % ¹
Investments	228,474	228,474	96.9
Derivative instrument assets – long CFDs	1,104	40,255	17.1
	-----	-----	-----
Total Portfolio (including long CFDs)	229,578	268,729	114.0
	=====	=====	=====
Shareholders' Funds			235,761
			=====
Gearing²			14.0%
			=====

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 Shareholders' Funds.

INTERIM MANAGEMENT REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

The Board, with the assistance of the Manager (FIL Investment Services (UK) Limited), 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 continue to fall into the following categories: geopolitical risk; investment performance and gearing risks; natural disaster risk; market, economic and currency risks; competition risks and marketplace threats; discount control and demand risks; key person risk; legislation, taxation and regulatory risks; business continuity risk; cybercrime and information security risks; and environmental, social and governance (ESG) risks. Information on each of these risks is given in the Strategic Report section of the Annual Report for the year ended 31 December 2024 which can be found on the Company's pages of the Manager's website at www.fidelity.co.uk/japan.

The principal risks and uncertainties remain substantially the same as those at the last year end. There continues to be geopolitical tensions and economic and market events, including continued tensions such as those between the United States and China over trade and the future of Taiwan, the potential of North Korean aggression and its impact on the Asia region. There continues to be increased global economic uncertainty from the ongoing conflicts in Ukraine and the Middle East. The Board remains vigilant in monitoring such risks.

The Board are monitoring the specific risks arising from the reconstruction of the Company, described in the Chairman's statement above. These risks will be described in detail as part of the Shareholder Circular.

Climate change continues to be a key principal risk confronting asset managers and their investors. Globally, climate change effects are already being experienced in the form of a changing pattern of weather events. Climate change can potentially impact the operations of investee companies, their supply chains and their customers. Additional risks may also arise from increased regulations, costs and net-zero programmes which can all impact investment returns. The Board notes that the Manager has integrated ESG considerations into the Company's investment process. The Board will continue to monitor how this may impact the Company as a risk on investment valuations and potentially affect shareholder returns.

The Board and the Manager continued to monitor the emerging risks and rewards posed by the rapid advancement of artificial intelligence (AI) and technology and how this may threaten the Company's activities and its potential impact on the portfolio and investee companies. AI can provide asset managers with powerful tools, such as enhancing data analysis risk management, trading strategies, operational efficiency and client servicing, all of which can lead to better investment outcomes and more efficient operations. However, with these advances in computer power that will impact society, there are risks from its increasing use and manipulation with the potential to harm, including a heightened threat to cybersecurity.

Market fluctuations will impact the value of shares in the Company. Risks are mitigated by the investment trust structure of the Company which means that the Portfolio Manager is not required to trade to meet investor redemptions.

The Manager has appropriate business continuity and operational resilience plans in place to ensure the continued provision of services. This includes investment team key activities, including those of portfolio managers, analysts and trading/support functions. The Manager reviews its operational resilience strategies on an ongoing basis and continues to take all reasonable steps in meeting its regulatory obligations, assess its ability to continue operating and the steps it needs to take to serve and support its clients, including the Board.

The Company's other third-party service providers also have similar measures in place to ensure that business disruption is kept to a minimum.

TRANSACTIONS WITH THE MANAGER AND RELATED PARTIES

The Manager has delegated the Company's portfolio management and company secretariat services to FIL Investments International. Transactions with the Manager and related party transactions with the Directors are disclosed in Note 12 to the Financial Statements below.

GOING CONCERN STATEMENT

At the Annual General Meeting on 21 May 2025, the ordinary resolution in relation to the continuation of the Company did not pass. As a result, the Financial Statements of the Company have not been prepared on a going concern basis but on a realised basis.

In anticipation of the continuation vote not passing, the Board announced on 17 April 2025 that it had started a formal review process to consider the future of the Company. The Board requested its Broker and Financial Adviser, Stifel Nicolaus Europe Limited ("Stifel") to invite formal proposals to be made privately to the Board. Following this, the Board has received formal written non-binding proposals from a small number of London listed investment companies focused on investing in Japan. Subsequently, the Board announced on 12 August 2025 that it has entered into a set of non-binding heads of terms for the proposed combination of the Company with AVI Japan Opportunity Trust (AJOT), pursuant to a scheme of reconstruction of the Company under section 110 of the Insolvency Act 1986, with a cash exit alternative for shareholders (the "Scheme").

It is expected that the Scheme will be effective no later than the end of November 2025. Completion of the Scheme will be conditional upon, inter alia, approval from the shareholders of both companies, tax clearance and Financial Conduct Authority approval in relation to the publication of the AJOT prospectus.

BY ORDER OF THE BOARD
FIL INVESTMENTS INTERNATIONAL
9 September 2025

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 Chairman's Statement and the Portfolio Manager's Review and the Interim Management Report above 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 9 September 2025 and the above responsibility statement was signed on its behalf by David Graham, Chairman.

FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June 2025 unaudited			Six months ended 30 June 2024 unaudited			Year ended 31 December 2024 audited		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		–	3,402	3,402	–	(14,701)	(14,701)	–	(11,906)	(11,906)
Gains on derivative instruments		–	3,263	3,263	–	5,340	5,340	–	3,028	3,028
Income	4	2,344	–	2,344	2,428	–	2,428	4,095	–	4,095
Investment management fees	5	(156)	(401)	(557)	(171)	(438)	(609)	(330)	(847)	(1,177)
Other expenses		(435)	(4)	(439)	(417)	(13)	(430)	(764)	(13)	(777)
Foreign exchange losses		–	(515)	(515)	–	(265)	(265)	–	(233)	(233)
Net return/(loss) on ordinary activities before finance costs and taxation		1,753	5,745	7,498	1,840	(10,077)	(8,237)	3,001	(9,971)	(6,970)
Finance costs	6	(35)	(138)	(173)	(16)	(63)	(79)	(39)	(158)	(197)
Net return/(loss) on ordinary activities before taxation		1,718	5,607	7,325	1,824	(10,140)	(8,316)	2,962	(10,129)	(7,167)
Taxation on return/(loss) on ordinary activities	7	(205)	–	(205)	(218)	–	(218)	(356)	–	(356)
Net return/(loss) on ordinary activities before taxation		1,513	5,607	7,120	1,606	(10,140)	(8,534)	2,606	(10,129)	(7,523)
Return/(loss) per ordinary share	8	1.33p	4.91p	6.24p	1.31p	(8.25p)	(6.94p)	2.17p	(8.43p)	(6.26p)

The Company does not have any other comprehensive income. Accordingly, the net return/(loss) 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.

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
Six months ended 30 June 2025 (unaudited)								
Total shareholders' funds at 31 December 2024		34,041	20,722	2,767	21,525	155,287	(2,929)	231,413
Repurchase of ordinary shares into Treasury	10	–	–	–	(908)	–	–	(908)
Repurchase of ordinary shares for cancellation	10	(264)	–	264	(1,864)	–	–	(1,864)
Net return on ordinary activities after taxation for the period		–	–	–	–	(5,607)	1,513	7,120
Total shareholders' funds at 30 June 2025		33,777	20,722	3,031	18,753	160,894	(1,416)	235,760
Six months ended 30 June 2024 (unaudited)								
Total shareholders' funds at 31 December 2023		34,041	20,722	2,767	40,382	165,416	(5,535)	257,793
Repurchase of ordinary shares into Treasury	10	–	–	–	(11,620)	–	–	(11,620)
Net (loss)/return on ordinary activities after taxation for the period		–	–	–	–	(10,140)	1,606	(8,534)

Total shareholders' funds at 30 June 2024		34,041	20,722	2,767	28,762	155,276	(3,929)	237,639
Year ended 31 December 2024 (audited)								
Total shareholders' funds at 31 December 2023		34,041	20,722	2,767	40,382	165,416	(5,535)	257,793
Repurchase of ordinary shares into Treasury	10	–	–	–	(18,857)	–	–	(18,857)
Net (loss)/return on ordinary activities after taxation for the year		–	–	–	–	(10,129)	2,606	(7,523)
Total shareholders' funds at 31 December 2024		34,041	20,722	2,767	21,525	155,287	(2,929)	231,413

BALANCE SHEET AS AT 30 JUNE 2025
Company Number 2885584

	Notes	30.06.25 unaudited £'000	31.12.24 audited £'000	30.06.24 unaudited £'000
Fixed assets				
Investments	9	228,474	228,344	236,215
Current assets				
Derivative instruments	9	1,104	1,457	814
Debtors		2,937	669	3,474
Cash collateral held with brokers		–	223	–
Cash at bank		5,889	1,897	500
		9,930	4,246	4,788
Current liabilities				
Bank overdraft		(7)	–	–
Derivative instruments	9	–	(142)	(74)
Other creditors		(2,636)	(1,035)	(3,290)
		(2,643)	(1,177)	(3,364)
Net current assets		7,287	3,069	1,424
Net assets		235,761	231,413	237,639
Capital and reserves				
Share capital	10	33,777	34,041	34,041
Share premium account		20,722	20,722	20,722
Capital redemption reserve		3,031	2,767	2,767
Other reserve		18,753	21,525	28,762
Capital reserve		160,894	155,287	155,276
Revenue reserve		(1,416)	(2,929)	(3,929)
Total shareholders' funds		235,761	231,413	237,639
Net asset value per ordinary share	11	207.39p	200.78p	198.79p

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACTIVITY

Fidelity Japan Trust PLC is an Investment Company incorporated in England and Wales that is listed 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 2024 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 has prepared its Financial Statements on a basis other than going concern 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 July 2022. 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 2024.

(ii) Non-Going Concern

At the Company's Annual General Meeting held on 21 May 2025, the ordinary resolution in relation to the continuation of the Company was not passed (Resolution 13).

The Board had held discussions with representatives of a number of the Company's largest shareholders and, following those discussions, in anticipation of Resolution 13 not passing, the Board announced on 17 April that it had started a formal review process to consider the future of the Company.

Subsequently, the Board announced on 12 August 2025 that it has entered into a set of non-binding heads of terms for the proposed combination of the Company with AVI Japan Opportunity Trust (AJOT), pursuant to a scheme of reconstruction of the Company under section 110 of the Insolvency Act 1986, with a cash exit alternative for shareholders (the "Scheme"). It is expected that the Scheme will be effective no later than the end of November 2025 and is conditional upon, inter alia, approval from the shareholders of both companies, tax clearance and Financial Conduct Authority approval in relation to the publication of the AJOT prospectus.

4 INCOME

	Six months ended 30.06.25 unaudited £'000	Six months ended 30.06.24 unaudited £'000	Year ended 31.12.24 audited £'000
Investment income			
Overseas dividends	2,052	2,182	3,563
Derivative income			
Dividends received on long CFDs	288	246	530
Other interest			
Interest received on bank deposits	4	–	2
	-----	-----	-----
Total income	2,344	2,428	4,095
	=====	=====	=====

No special dividends have been recognised in capital during the period (six months ended 30 June 2024 and year ended 31 December 2024: £nil).

5 INVESTMENT MANAGEMENT FEES

	Revenue £'000	Capital £'000	Total £'000
Six months ended 30 June 2025 (unaudited)			
Investment management fees – base	156	624	780
Investment management fees – variable ¹	–	(223)	(223)
	-----	-----	-----
	156	401	557
	=====	=====	=====
Six months ended 30 June 2024 (unaudited)			
Investment management fees – base	171	682	853
Investment management fees – variable ¹	–	(244)	(244)
	-----	-----	-----
	171	438	609
	=====	=====	=====

Year ended 31 December 2024 (audited)

Investment management fees – base	330	1,318	1,648
Investment management fees – variable ¹	–	(471)	(471)
	-----	-----	-----
	330	847	1,177
	=====	=====	=====

¹ For the calculation of the variable management fee element, the Company's NAV return was compared to the Reference Index return on a daily basis. The period used to assess the performance is on a rolling three year basis.

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

FII 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.

The base 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 2025 (unaudited)			
Interest paid on long CFDs	34	134	168
Interest paid on bank deposits and collateral ¹	1	4	5
	-----	-----	-----
	35	138	173
	=====	=====	=====
Six months ended 30 June 2024 (unaudited)			
Interest paid on long CFDs	15	59	74
Interest paid on bank deposits and collateral ¹	1	4	5
	-----	-----	-----
	16	63	79
	=====	=====	=====
Year ended 31 December 2024 (audited)			
Interest paid on long CFDs	37	150	187
Interest paid on bank deposits and collateral ¹	2	8	10
	-----	-----	-----
	39	158	197
	=====	=====	=====

¹ Due to negative interest rates in the prior year, the Company paid interest on its collateral and deposits.

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

7 TAXATION ON RETURN/(LOSS) ON ORDINARY ACTIVITIES

	Six months ended 30.06.25 unaudited £'000	Six months ended 30.06.24 unaudited £'000	Year ended 31.12.24 audited £'000
Overseas taxation	205	218	356
	=====	=====	=====

8 RETURN/(LOSS) PER ORDINARY SHARE

	Six months ended 30.06.25 unaudited	Six months ended 30.06.24 unaudited	Year ended 31.12.24 audited
Revenue return per ordinary share	1.33p	1.31p	2.17p
Capital return/(loss) per ordinary share	4.91p	(8.25p)	(8.43p)
	-----	-----	-----

Total return/(loss) per ordinary share	6.24p	(6.94p)	(6.26p)
	=====	=====	=====

The return/(loss) per ordinary share is based on the net return/(loss) 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	1,513	1,606	2,606
Net capital return/(loss) on ordinary activities after taxation	5,607	(10,140)	(10,129)
	-----	-----	-----
Net total return/(loss) on ordinary activities after taxation	7,120	(8,534)	(7,523)
	=====	=====	=====
	Number	Number	Number
Weighted average number of ordinary shares held outside of Treasury during the period	114,031,314	122,901,516	120,169,404
	=====	=====	=====

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.

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 valuation techniques used by the Company are as disclosed in the Company's Annual Report for the year ended 31 December 2024 (Accounting Policies Notes 2 (j) and 2 (k) on pages 63 and 64). The table below sets out the Company's fair value hierarchy:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
30 June 2025 (unaudited)				
Financial assets at fair value through profit or loss				
Investments	212,101	–	16,373	228,474
Derivative instrument assets	–	1,104	–	1,104
	-----	-----	-----	-----
	212,101	1,104	16,373	229,578
	=====	=====	=====	=====
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	–	–	–
	=====	=====	=====	=====
31 December 2024 (audited)				
Financial assets at fair value through profit or loss				
Investments	213,026	–	15,318	228,344
Derivative instrument assets	–	1,457	–	1,457
	-----	-----	-----	-----
	213,026	1,457	15,318	229,801
	=====	=====	=====	=====
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(142)	–	(142)
	=====	=====	=====	=====
30 June 2024 (unaudited)				
Financial assets at fair value through profit or loss				
Investments	221,837	–	14,378	236,215
Derivative instrument assets	–	814	–	814

	221,837	814	14,378	237,029
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(74)	–	(74)
		30.06.25	31.12.24	30.06.24
		unaudited	audited	unaudited
		£'000	£'000	£'000
Level 3 Investments (unlisted)				
Asoview		6,094	6,114	5,423
GO Inc		3,166	2,905	2,586
Moneytree		2,018	1,042	1,063
Studyplus		1,942	1,960	1,974
iYell		1,740	1,652	1,589
Spiber		843	1,014	1,034
Yoriso		570	631	709
		16,373	15,318	14,378

10 SHARE CAPITAL

	30 June 2025 unaudited		31 December 2024 audited		30 June 2024 unaudited	
	Number of shares	Nominal value £'000	Number of shares	Nominal value £'000	Number of shares	Nominal value £'000
Issued, allotted and fully paid						
Ordinary shares of 25 pence each held outside of Treasury						
Beginning of the period	115,257,714	28,814	126,086,249	31,521	126,086,249	31,521
Ordinary shares repurchased into Treasury	(525,744)	(131)	(10,828,535)	(2,707)	(6,545,426)	(1,636)
Ordinary shares repurchased for cancellation	(1,054,104)	(264)	–	–	–	–
End of the period	113,677,866	28,419	115,257,714	28,814	119,540,823	29,885
Ordinary shares of 25 pence each held in Treasury¹						
Beginning of the period	20,903,981	5,227	10,075,446	2,520	10,075,446	2,520
Ordinary shares repurchased into Treasury	525,744	131	10,828,535	2,707	6,545,426	1,636
End of the period	21,429,725	5,358	20,903,981	5,227	16,620,872	4,156
Total share capital		33,777		34,041		34,041

¹ 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 Company repurchased 525,744 ordinary shares for the six months to 30 June 2025 (year ended 31 December 2024: 10,828,535 shares and six months ended 30 June 2024: 6,545,426 shares) and held them in Treasury. The £908,000 (year ended 31 December 2024: £18,857,000 and six months ended 30 June 2024: £11,620,000) cost of repurchase was charged to the Other reserve.

The Company also repurchased 1,054,104 ordinary shares for the six months to 30 June 2025 (year ended 31 December 2024: nil and six months ended 30 June 2024: nil) for cancellation. The £1,864,000 (year ended 31 December 2024: £nil and six months ended 30 June 2024: £nil) cost of repurchase 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 total shareholders' funds divided by the number of ordinary shares held outside of Treasury.

	30.06.25	31.12.24	30.06.24
	unaudited	audited	unaudited
Total shareholders' funds	£235,761,000	£231,413,000	£237,639,000

Ordinary shares held outside of Treasury at the period end	113,677,866	115,257,714	119,540,823
Net asset value per ordinary share	207.39p	200.78p	198.79p
	=====	=====	=====

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 and the role of company secretary to FIL Investments International, the Investment Manager. Both companies are Fidelity group companies. Details of the fee arrangements are given in Note 5 above.

During the period, the Company had the following transactions payable to FII.

	Six months ended 30.06.25 unaudited £'000	Six months ended 30.06.24 unaudited £'000	Year ended 31.12.24 audited £'000
Portfolio management services	557	609	1,177
Secretarial and administration fees	25	25	50
Marketing services	147	93	175
	=====	=====	=====

At the Balance Sheet date, the following balances payable to FII were accrued and included in other creditors:

	Six months ended 30.06.25 unaudited £'000	Year ended 31.12.24 audited £'000	Six months ended 30.06.24 unaudited £'000
Portfolio management services	98	97	97
Secretarial and administration fees	25	13	13
Marketing services	13	87	63
	=====	=====	=====

As at 30 June 2025, the Board consisted of five non-executive Directors (shown in the Directory in the Half-Yearly Report), all of whom are considered to be independent by the Board. None of the Directors have a service contract with the Company.

The annual fee structure from 1 January 2025 is as follows:

	1 January 2025 £
Chairman	44,250
Senior Independent Director	34,000
Chairman of the Audit Committee	37,000
Director	31,500
	=====

As at 30 June 2025, the Directors and their connected persons, held the following ordinary shares in the Company:

	Six months ended 30.06.25 unaudited
David Barron	19,366
Myra Chan	–
Seiichi Fukuyama	11,000
David Graham	78,489
Sarah MacAulay	228,340

13 POST BALANCE SHEET EVENTS

As mentioned in the Chairman's Statement, on 31 July 2025, the Company sold its unlisted holding in Moneytree at a transaction price of JPY 678.43 per share (GBP equivalent 3.42 per share). Proceeds from the sale were £2.96 million which represents a 47% uplift on the 30 June 2025 valuation. If this increase had been applied at 30 June 2025, the net assets of the Company would have increased by 0.4%.

Following the recent announcement of the proposed combination with AJOT, the approximate costs associated with the transaction have been determined. The Board estimates the fixed advisory costs and expenses in respect of the recent review process and the Scheme will be no greater than approximately £800,000 including VAT. These costs will be borne by the Company. This estimate excludes the liquidator's retention, any portfolio realisation costs, and the termination costs.

The financial information contained in this Half-Yearly Results Announcement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the six months ended 30 June 2025 and 30 June 2024 has not been audited or reviewed by the Company's Independent Auditor.

The information for the year ended 31 December 2024 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies, unless otherwise stated. The report of the Auditor on those financial statements contained no qualification or statement under sections 498(2) or (3) of the Companies Act 2006.

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

A copy of the Half-Yearly Report will shortly be submitted to the National Storage Mechanism and will be available for inspection at www.morningstar.co.uk/uk/NSM

The Half-Yearly Report will also be available on the Company's website at www.fidelity.co.uk/japan where up to date information on the Company, including daily NAV and share prices, factsheets and other information can also be found.