



FidelityTM
INTERNATIONAL



FIDELITY JAPAN TRUST PLC

Half-Yearly Report for the
six months ended 30 June 2019

Objective and Overview

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

The Portfolio Manager has a “growth at a reasonable price” investment style and an approach which involves identifying companies across the market capitalisation spectrum whose growth prospects are not fully recognised by other investors.



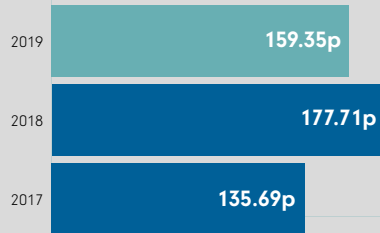
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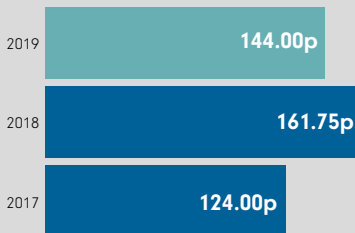
Portfolio Manager's Review

Read more on pages 04 to 06

Net Asset Value per Ordinary Share as at 30 June



Ordinary Share Price as at 30 June



Directors' Reports

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At a Glance

Six months ended 30 June 2019

**Net Asset Value per
Ordinary Share
total return¹**

+14.8%

(30 June 2018: +8.3%)

**Ordinary Share Price
total return¹**

+13.4%

(30 June 2018: +6.8%)

**Reference Index
(in sterling terms)²**

+7.2%

(30 June 2018: +0.5%)

¹ Net Asset Value per Ordinary Share total return and Ordinary Share Price total return are Alternative Performance Measures (see Glossary of Terms on page 28).

² The Company's Reference Index changed from the Russell Nomura Mid/Small Cap Index (in sterling terms) to the TOPIX Index (in sterling terms) on 22 May 2018. Therefore, the Reference Index reported for 30 June 2018 is a blend of the two for the relevant reporting periods.

As at 30 June 2019

Shareholders' Funds

£214.8m

Market Capitalisation

£194.1m

Capital Structure

Ordinary Shares of 25 pence held outside of Treasury

134,768,088

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.

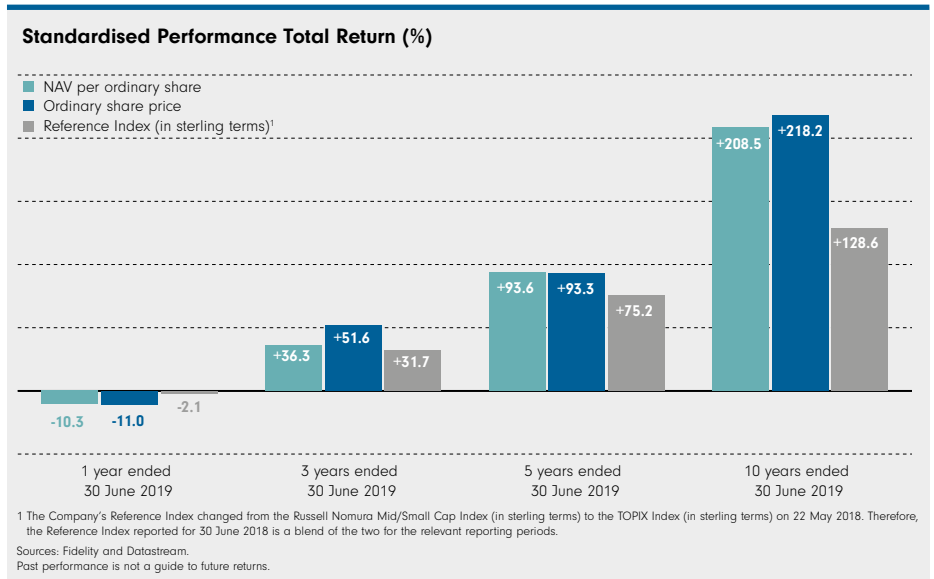
The Portfolio Manager must work within the guidelines set out in the Investment Policy.

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

Financial Highlights

	30 June 2019	31 December 2018
Assets		
Total portfolio exposure ¹	£250.4m	£216.0m
Shareholders' funds	£214.8m	£187.5m
Total portfolio exposure in excess of shareholders' funds (Gearing – see Note 11 on page 22)	16.6%	15.2%
Net asset value (NAV) per ordinary share	159.35p	138.77p
Share price and discount data		
Ordinary share price at the period end	144.00p	127.00p
Discount at the period end	9.6%	8.5%
Results for the six months ended 30 June – see pages 12 and 13		
	2019	2018
Revenue return per ordinary share	0.27p	0.00p
Capital return per ordinary share	20.27p	13.62p
Total return per ordinary share	20.54p	13.62p

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



Portfolio Manager's Review

Market review

The Japanese equity market got off to a good start in 2019, though it remained sensitive to external political factors and gains were tempered by a sharp pullback in May. As economic indicators globally weakened and consensus growth expectations were lowered, policy makers began to take a more flexible approach. The US Federal Reserve changed tack to become demonstrably more dovish and the European Central Bank (ECB) confirmed its intention to remain accommodative, whilst China's fiscal and monetary authorities provided stimulus aimed at helping to stabilise the country's growth prospects. These factors boosted investor sentiment, as demonstrated by the rebound in markets in June. However, Japanese stocks remained relative laggards due to renewed strength in the yen and selling by overseas investors.

Technology related sectors were the standout performers during the period, as investors looked towards a cyclical recovery in the second half of Japan's fiscal year. Communication services and industrials also outperformed. Conversely, domestic oriented sectors, facing rising input and personnel costs, experienced the steepest declines. The prospect of October's sales tax hike was an additional headwind. The market's overall style focus remained on quality and growth, whereas value continued to underperform.

Corporate profits fell sharply in the final quarter (January–March) of Japan's fiscal year 2018/2019, led by manufacturers and financials. However, consensus estimates indicated that earnings were set to bottom out in the first quarter of Japan's fiscal year 2019/2020 (April–June) and return to growth from the second half of the financial year. Moreover, the high level of buyback activity that has been seen so far this year has also

been encouraging. Corporate balance sheets are healthy (more than 50% of non-financial companies have net cash and debt levels continue to decline) while Japanese companies are focused on delivering higher returns on equity and better shareholder returns. There are also more instances of activist investors seeking positive change via proposals to corporate boards.

Portfolio review

The Company's net asset value (NAV) increased by 14.8% in sterling terms over the six months to 30 June 2019, significantly outperforming the Reference Index (in sterling terms) which returned 7.2% during the same period. However, the discount to NAV widened marginally over the same period and the share price return was somewhat less at 13.4%. Core holdings in services and medical technology (medtech) related companies were the key drivers of the recent outperformance. In a declining interest rate environment, the Company's underweight exposure to banks also supported relative returns.

In the information and communication sector, software developer JustSystems was the standout contributor to performance. Its shares advanced on upbeat earnings results, which reflected strong growth in sales of e-learning systems for elementary school students and proprietary corporate software. RakSul also reported strong earnings. Its mainstay online printing and marketing/sales support service maintained a high level of earnings growth, with a solid improvement in user numbers. In addition, the company's Hacobell logistics service saw a significant increase in the value and number of orders. Meanwhile, employment related service companies that are relatively insulated from external political and policy risks, and benefit from Japan's increasingly tight labour market, added value.

In the medtech sector, shares in Sysmex, a global leader in *in vitro* diagnostics and haematology instruments, surged after its full-year results highlighted a stronger-than-expected recovery in sales, especially in China. As the strong share price performance translated into a higher premium versus other medical device stocks, the position was gradually reduced. The holding in online medical portal M3 also made a substantial contribution to returns, as the market rewarded its continued expansion and diversification through acquisitions and venture investment.

Conversely, the holding in Itokuro, an operator of internet portal sites tied to educational and financial industries, was the most significant individual detractor from performance. The company revised its earnings guidance downwards, primarily to reflect upfront investments for future growth. However, there is no change to the fundamental story based on the stable growth of its mainstay cram school portal, Jyuku Navi, as well as the monetisation potential in listing regular schools and universities. As a result the holding was retained in the portfolio.

Among holdings in cyclical stocks, global power tool maker Makita faced concerns over slower economic growth in Europe, where it has a significant business presence, as well as political and currency risks. However, these downside risks have been priced in to a large extent and the company remains well positioned to capture structural growth in cordless tools and outdoor power equipment. Semiconductor production equipment maker Tokyo Electron faced headwinds from weakness in demand for its memory related products, but valuations are cheap at the trough of the earnings cycle and the company is expected to gain market share in the next upcycle. Therefore, both companies remain in the portfolio.

While there have been no significant changes to the overall composition of the Company's holdings, positions in oversold semiconductor related companies and component makers were selectively increased. New investment ideas, for example in companies that are likely to be rerated as internal change leads to a period of renewed growth, were also added. A prime example is endoscope maker Olympus, which has implemented a long term restructuring plan ("Transform Olympus") to enhance profitability and improve capital efficiency. Conversely, exposure to machinery and chemicals stocks was reduced where the risk/reward balance had deteriorated and near term upside appeared limited. Profits in strong performers were also actively taken, including discount store operator Pan Pacific International.

The level of gearing remained within a narrow range over the review period, between 15% and 17%. Depending on how stocks behave in relation to earnings announcements, gearing may be increased to add names selectively at tough valuations.

Finally, opportunities to invest in innovative companies at the pre-IPO stage continue to be sought. Following the period end, the Company has completed an investment of ¥400m in Coconala, an online C2C platform. This represents 1.3% of assets.

Outlook

Japanese stocks have lagged their global peers so far this year, as uncertainty over US-China trade frictions and the impact on the global economy have clouded the outlook for corporate earnings. The consensus of analyst forecasts is that the market appears to have bottomed out and earnings trends should stabilise in the coming quarters. However, share prices are likely to remain volatile amid a steady stream of political newsflow.

Portfolio Manager's Review continued

While not immune to external headwinds, the Japanese economy remains stable. Confidence among Japanese manufacturers has clearly weakened, but sentiment in the non-manufacturing sector is holding up. Employment conditions remain tight, with the job-offers-to-applicants ratio at record levels. Capital expenditure plans are supported by non-cyclical factors such as investment in labour saving technology and research and development. The Bank of Japan remains highly accommodative and extensive counter measures will be deployed to mitigate the effects of the October 2019 consumption tax hike from 8% to 10%.

From a valuation perspective, Japanese stocks priced in a significant level of risk in late 2018 and continue to look undervalued at around 12x forward earnings. With valuations testing historical lows in some parts of the market, there are opportunities to capitalise on disconnects between near term sentiment and mid term fundamentals.

Nicholas Price

Portfolio Manager

31 July 2019

Interim Management Report

Principal Risks and Uncertainties

The Board, with the assistance of the Alternative Investment Fund Manager (FIL Investment Services (UK) Limited, the Manager), has developed a risk matrix which, as part of the risk management and internal controls process, has identified the key risks and uncertainties faced by the Company. These principal risks and uncertainties fall into the following categories: market risk; performance risk; geopolitical risk; discount control risk; gearing risk; currency risk; cybercrime risk; tax and regulatory risks; and 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 2018 and can be found on the Company's pages of the Manager's website at www.fidelityinvestmenttrusts.com.

Share Repurchases and Treasury Shares

In the six months to 30 June 2019, the Company repurchased 368,107 ordinary shares into Treasury. Since the end of the reporting period and as at the date of this report, the Company has repurchased a further 202,845 ordinary shares into Treasury.

Transactions with the Manager and Related Parties

The Manager has delegated the Company's portfolio management and company secretarial services to FIL Investments International. The transactions with the Manager and related parties with the Directors are disclosed in Note 12 to the Financial Statements on page 23.

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 (being mainly securities which are readily realisable) and its expenditure and cash flow projections and have concluded that the Company has adequate resources to 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.

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
31 July 2019

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 Interim Management Report, together with the Portfolio Manager's Review on pages 4 to 6, includes a fair review of the information required by DTR 4.2.7R and 4.2.8R.

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 31 July 2019 and the above responsibility statement was signed on its behalf by David Robins, Chairman.

Twenty Largest Holdings

as at 30 June 2019

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

	Portfolio Exposure		Balance Sheet Value
Exposures – shares unless otherwise stated	£'000	% ¹	£'000
Kosé			
Manufacturer of premium cosmetics	12,254	5.7	12,254
Olympus (shares and long CFD)			
Manufacturer of optics and reprography products	12,193	5.7	5,935
Keyence (shares and long CFD)			
Maker of factory automation related sensors	11,711	5.5	6,096
Yamaha Corporation			
Musical instrument and audio equipment maker	10,445	4.9	10,445
Recruit Holdings (shares and long CFD)			
Provider of human resource services	9,479	4.4	3,821
Shimano			
Manufacturer of cycling components, rowing equipment and fishing tackle	9,338	4.3	9,338
MISUMI Group			
Distributor of precision machinery parts	9,082	4.2	9,082
Daikin Industries			
Air conditioning equipment manufacturer	8,910	4.2	8,910
JustSystems			
Developer and provider of software and related software services	8,410	3.9	8,410
Tokyo Electron (shares and long CFD)			
Manufacturer of electronics and semiconductors	8,176	3.8	4,660
M3 (long CFD)			
Provider of medical related internet services	6,789	3.2	371
Renesas Electronics			
Manufacturer of semiconductors and microcontrollers	6,626	3.1	6,626

Twenty Largest Holdings continued

	Portfolio Exposure		Balance Sheet Value
	£'000	% ¹	£'000
NOF			
Manufacturer of speciality chemicals	5,814	2.7	5,814
RakSul			
Provider of online printing services	5,586	2.6	5,586
ARUHI			
Provision and brokerage of home loans	4,779	2.2	4,779
Shimadzu			
Manufacturer of precision instruments, measuring instruments and medical equipment	4,645	2.2	4,645
Rohm			
Electronic parts manufacturer	4,534	2.1	4,534
Yume no Machi Souzou linkai			
Operator and manager of food delivery website	4,361	2.0	4,361
Makita (long CFD)			
Manufacturer of lithium-ion battery power tools	4,314	2.0	(1,299)
Kotobuki Spirits			
Producer of confectionery	4,295	2.0	4,295
Twenty largest exposures	151,741	70.7	118,663
Other exposures	98,626	45.9	94,024
Total Portfolio Exposure²	250,367	116.6	
Total Portfolio Fair Value³			212,687
Net current assets excluding derivative instruments ⁴			2,068
Shareholders' Funds (per the Balance Sheet on page 16)			214,755

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

2 Total Portfolio Exposure comprises market exposure to investments of £211,396,000 plus market exposure to derivative instruments of £38,971,000.

3 Total Portfolio Fair Value comprises investments of £211,396,000 plus derivative assets of £3,154,000 less derivative liabilities of £1,863,000 (per the Balance Sheet on page 16).

4 Net current assets excluding derivative instruments comprise debtors of £1,357,000 plus cash at bank of £2,137,000 less other creditors of £1,426,000 (per the Balance Sheet on page 16).

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Income Statement

for the six months ended 30 June 2019

		six months ended 30 June 2019 unaudited		
	Notes	revenue £'000	capital £'000	total £'000
Gains/(losses) on investments		-	21,140	21,140
Gains/(losses) on derivative instruments		-	6,072	6,072
Income	4	1,605	-	1,605
Investment management fees	5	(720)	202	(518)
Other expenses		(327)	-	(327)
Foreign exchange (losses)/gains		-	(55)	(55)
Net return/(loss) on ordinary activities before finance costs and taxation		558	27,359	27,917
Finance costs		(47)	-	(47)
Net return/(loss) on ordinary activities before taxation		511	27,359	27,870
Taxation on return/(loss) on ordinary activities	6	(142)	-	(142)
Net return/(loss) on ordinary activities after taxation for the period		369	27,359	27,728
Return/(loss) per ordinary share	7	0.27p	20.27p	20.54p

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.

six months ended 30 June 2018 unaudited			year ended 31 December 2018 audited		
revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
-	14,660	14,660	-	(27,452)	(27,452)
-	3,772	3,772	-	(6,873)	(6,873)
1,675	-	1,675	2,795	-	2,795
(1,150)	-	(1,150)	(1,939)	96	(1,843)
(294)	-	(294)	(555)	-	(555)
-	32	32	-	70	70
231	18,464	18,695	301	(34,159)	(33,858)
(79)	-	(79)	(143)	-	(143)
152	18,464	18,616	158	(34,159)	(34,001)
(152)	-	(152)	(255)	-	(255)
-	18,464	18,464	(97)	(34,159)	(34,256)
0.00p	13.62p	13.62p	(0.07p)	(25.22p)	(25.29p)

Statement of Changes in Equity

for the six months ended 30 June 2019

	Note	share capital £'000
Six months ended 30 June 2019 (unaudited)		
Total shareholders' funds at 31 December 2018		34,041
Repurchase of ordinary shares	9	-
Net return on ordinary activities after taxation for the period		-
Total shareholders' funds at 30 June 2019		34,041
Six months ended 30 June 2018 (unaudited)		
Total shareholders' funds at 31 December 2017		34,041
Net return on ordinary activities after taxation for the period		-
Total shareholders' funds at 30 June 2018		34,041
Year ended 31 December 2018 (audited)		
Total shareholders' funds at 31 December 2017		34,041
Repurchase of ordinary shares	9	-
Net loss on ordinary activities after taxation for the year		-
Total shareholders' funds at 31 December 2018		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	55,733	89,038	(14,771)	187,530
-	-	(503)	-	-	(503)
-	-	-	27,359	369	27,728
20,722	2,767	55,230	116,397	(14,402)	214,755
20,722	2,767	56,474	123,197	(14,674)	222,527
-	-	-	18,464	-	18,464
20,722	2,767	56,474	141,661	(14,674)	240,991
20,722	2,767	56,474	123,197	(14,674)	222,527
-	-	(741)	-	-	(741)
-	-	-	(34,159)	(97)	(34,256)
20,722	2,767	55,733	89,038	(14,771)	187,530

Balance Sheet

as at 30 June 2019

Company Number 2885584

	Notes	30.06.19 unaudited £'000	31.12.18 audited £'000	30.06.18 unaudited £'000
Fixed assets				
Investments	8	211,396	185,987	234,997
Current assets				
Derivative instruments	8	3,154	269	4,760
Debtors		1,357	3,263	2,923
Cash collateral held with brokers		-	7,611	-
Cash at bank		2,137	-	685
		6,648	11,143	8,368
Creditors				
Derivative instruments	8	(1,863)	(6,529)	(30)
Bank overdraft		-	(1,718)	-
Other creditors		(1,426)	(1,353)	(2,344)
		(3,289)	(9,600)	(2,374)
Net current assets		3,359	1,543	5,994
Net assets		214,755	187,530	240,991
Capital and reserves				
Share capital	9	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		55,230	55,733	56,474
Capital reserve		116,397	89,038	141,661
Revenue reserve		(14,402)	(14,771)	(14,674)
Total shareholders' funds		214,755	187,530	240,991
Net asset value per ordinary share	10	159.35p	138.77p	177.71p

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 Financial 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 2018 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 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 November 2014 and updated in February 2018 with consequential amendments. 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 2018.

Notes to the Financial Statements continued

4 Income

	six months ended 30.06.19 unaudited £'000	six months ended 30.06.18 unaudited £'000	year ended 31.12.18 audited £'000
Investment income			
Overseas dividends	1,415	1,520	2,551
Derivative income			
Dividends received on long CFDs	190	155	244
Total income	1,605	1,675	2,795

5 Investment Management Fees

	six months ended 30.06.19 unaudited £'000	six months ended 30.06.18 unaudited £'000	year ended 31.12.18 audited £'000
Investment management fees – base (charged to revenue)*	720	1,150	1,939
Investment management fees – variable (credited to capital)*	(202)	–	(96)
	518	1,150	1,843

* The total management fees of £518,000 for the current reporting period are made up of a base fee of £720,000 and a credit of £202,000 on the variable element. For the calculation of the variable management fee element above, the Company's NAV return for the reporting period has been compared to the Reference Index return for the period from 1 July 2018 to 30 June 2019. This has resulted in an underperformance of the NAV and therefore a credit to the Company of £202,000. Even though performance was measured from 1 July 2018, there was a three month payment holiday on the variable element of the fee which therefore took effect from 1 October 2018.

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

From 1 July 2018, the Company adopted a new fee arrangement which reduced the base management fee from 0.85% of gross assets to 0.70% of net assets per annum. In addition, and with effect from 1 October 2018, 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.

6 Taxation on Return/(Loss) on Ordinary Activities

The taxation charge of £142,000 (six months ended 30 June 2018: £152,000 and year ended 31 December 2018: £255,000) is irrecoverable overseas taxation suffered on dividend income.

7 Return/(Loss) per Ordinary Share

	six months ended 30.06.19 unaudited	six months ended 30.06.18 unaudited	year ended 31.12.18 audited
Revenue return/(loss) per ordinary share	0.27p	0.00p	(0.07p)
Capital return/(loss) per ordinary share	20.27p	13.62p	(25.22p)
Total return/(loss) per ordinary share	20.54p	13.62p	(25.29p)

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/(loss) on ordinary activities after taxation for the period	369	-	(97)
Net capital return/(loss) on ordinary activities after taxation for the period	27,359	18,464	(34,159)
Net total return/(loss) on ordinary activities after taxation for the period	27,728	18,464	(34,256)
	number	number	number
Weighted average number of ordinary shares held outside of Treasury during the period	134,949,073	135,606,695	135,439,468

Notes to the Financial Statements continued

8 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 valuation techniques using observable inputs other than quoted prices included within level 1
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 table below sets out the Company's fair value hierarchy:

	level 1 £'000	level 2 £'000	level 3 £'000	total £'000
30 June 2019 (unaudited)				
Financial assets at fair value through profit or loss				
Investments	211,396	–	–	211,396
Derivative instrument assets	–	3,154	–	3,154
	211,396	3,154	–	214,550
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(1,863)	–	(1,863)

	level 1 £'000	level 2 £'000	level 3 £'000	total £'000
31 December 2018 (audited)				
Financial assets at fair value through profit or loss				
Investments	185,987	–	–	185,987
Derivative instrument assets	–	269	–	269
	185,987	269	–	186,256
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(6,529)	–	(6,529)

8 Fair Value Hierarchy continued

	level 1 £'000	level 2 £'000	level 3 £'000	total £'000
30 June 2018 (unaudited)				
Financial assets at fair value through profit or loss				
Investments	234,997	-	-	234,997
Derivative instrument assets	-	4,760	-	4,760
	234,997	4,760	-	239,757
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	-	(30)	-	(30)

9 Share Capital

	30 June 2019 unaudited		31 December 2018 audited		30 June 2018 unaudited	
	number of shares	£'000	number of shares	£'000	number of shares	£'000
Issued, allotted and fully paid						
Ordinary shares of 25p each held outside of Treasury						
Beginning of the period	135,136,195	33,784	135,606,695	33,902	135,606,695	33,902
Ordinary shares repurchased into Treasury	(368,107)	(92)	(470,500)	(118)	-	-
End of the period	134,768,088	33,692	135,136,195	33,784	135,606,695	33,902
Ordinary shares of 25p each held in Treasury*						
Beginning of the period	1,025,500	257	555,000	139	555,000	139
Ordinary shares repurchased into Treasury	368,107	92	470,500	118	-	-
End of the period	1,393,607	349	1,025,500	257	555,000	139
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 £503,000 (year ended 31 December 2018: £741,000 and six months ended 30 June 2018: nil).

Notes to the Financial Statements continued

10 Net Asset Value per Ordinary Share

The net asset value per ordinary share is based on net assets of £214,755,000 (31 December 2018: £187,530,000 and 30 June 2018: £240,991,000) and on 134,768,088 (31 December 2018: 135,136,195 and 30 June 2018: 135,606,695) ordinary shares, being the number of ordinary shares of 25 pence each held outside of Treasury at the period end. It is the Company's policy that shares held in Treasury will only be reissued at net asset value or at a premium to net asset value per share and, therefore, shares held in Treasury have no dilutive effect.

11 Capital Resources and Gearing

The Company does not have any externally imposed capital requirements. The financial resources of the Company comprise its share capital and reserves, as disclosed on the Balance Sheet above, and its gearing which is achieved through the use of long CFDs. Financial resources are managed in accordance with the Company's investment policy and in pursuit of its investment objective.

The Company's gearing at the end of the period is shown below:

	30 June 2019 unaudited	31 December 2018 audited	30 June 2018 unaudited
Investments	211,396	185,987	234,997
Long CFDs	38,971	30,015	37,629
Total Portfolio Exposure	250,367	216,002	272,626
Shareholders' Funds	214,755	187,530	240,991
Gearing¹	16.6%	15.2%	13.1%

¹ Gearing is the amount by which the Portfolio Exposure exceeds Shareholders' Funds expressed as a percentage of Shareholders' Funds.

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 the 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 £518,000 (six months ended 30 June 2018: £1,150,000 and year ended 31 December 2018: £1,843,000) and secretarial and administration fees of £25,000 (six months ended 30 June 2018: £24,000 and year ended 31 December 2018: £47,000) were payable to FIL. At the Balance Sheet date, fees for portfolio management services of £88,000 (31 December 2018: £84,000 and 30 June 2018: £583,000) and secretarial and administration fees of nil (31 December 2018: £12,000 and 30 June 2018: £12,000) 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 £58,000 (six months ended 30 June 2018: £51,000 and year ended 31 December 2018: £100,000) and at the Balance Sheet date £21,000 (31 December 2018: £17,000 and 30 June 2018: £22,000) was accrued and included in other creditors.

As at 30 June 2019, the Board consisted of six non-executive Directors (shown in the Directory on page 27), 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 £35,000, the Audit Committee Chairman an annual fee of £26,500 and each other Director an annual fee of £24,000. The following members of the Board hold ordinary shares in the Company: David Robins 37,000 shares, Philip Kay 12,094 shares, Sir Laurence Magnus 48,000 shares, Dominic Ziegler 2,000 shares, David Graham 18,000 shares and Sarah MacAulay 41,350 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 can be found on Fidelity's website at

www.fidelityinvestmenttrusts.com

CONTACT INFORMATION

Shareholders and Fidelity's Platform Investors should contact the appropriate administrator using the contact details given below and in the next column. Links to the websites of major platforms can be found at

www.fidelityinvestmenttrusts.com

Shareholders on the main share register

Contact Link Asset Services, Registrar to Fidelity Japan Trust PLC, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Telephone: **0871 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).

Email: **enquiries@linkgroup.co.uk**

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).

Link Share Dealing Service

Link Asset Services offer a low cost share dealing service to buy or sell shares. Further information is available at **www.linksharedeal.com**, or by telephoning **0371 664 0445** (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 8:00 – 16:30, Monday to Friday excluding public holidays in England and Wales).

The Link Share Dealing Service allows you to deal in the shares of other companies for which Link Asset Services acts as Registrar, provided you are already a shareholder in the relevant company, and that company offers the Share Deal facility to its shareholders.

Fidelity Platform Investors

Contact Fidelity, using the freephone numbers given below, or by writing to: UK Customer Service, Fidelity International, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ.

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: **01732 36 11 44**

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 2019/2020	
30 June 2019	Half-Year End
July 2019	Announcement of the Half-Yearly Results
August 2019	Publication of the Half-Yearly Report
31 December 2019	Financial Year End
March 2020	Publication of the Annual Report
May 2020	Annual General Meeting

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, 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://investment-trusts.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, Surrey KT20 6RP.

Directory

Board of Directors

David Robins (Chairman)
David Graham
Philip Kay (Senior Independent Director)
Sarah MacAulay
Sir Laurence Magnus (Audit Committee
Chairman)
Dominic Ziegler

Alternative Investment Fund Manager (AIFM/the Manager)

FIL Investment Services (UK) Limited
Oakhill House
130 Tonbridge Road
Hildenborough
Tonbridge
Kent
TN11 9DZ

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

Depositary

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

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 has used the following Alternative Performance Measures which are all defined in this Glossary of Terms:

- Discount/Premium;
- Net Asset Value (NAV) per Share;
- Return (Revenue, Capital and Total Returns); and
- Total Return Performance.

Contract For Difference (CFD)

A contract for difference is a derivative. It is a contract between the Company and an investment house 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 AIFMD responsibilities of the Company. The Board has appointed J.P. Morgan Europe Limited to 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 share, the Company is said to be trading at a discount. The discount is shown as a percentage of the net asset value. The opposite of a discount is a premium. It is more common for an investment trust to trade at a discount than a premium.

Fair Value

The fair value is the best estimate of the value of the investments, including derivatives, at a point in time. 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 describes the level of the Company's exposure and is expressed as a percentage of **shareholders' funds**. It reflects 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 appointed **AIFM**).

Manager

FIL Investment Services (UK) Limited was appointed as the **Manager** in accordance with the **AIFMD**, and has delegated, the investment management of the Company to the **Investment Manager**.

Net Asset Value (NAV)

The **net asset value** is sometimes also described as "**shareholders' funds**", and represents 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 share basis.

Premium

If the share price of the Company is higher than the **net asset value** per share, the Company is said to be trading at a **premium**. The **premium** is shown as a percentage of the **net asset value**. The opposite of a **premium** is a **discount**.

Reference Index

The Company's **Reference Index** is the TOPIX 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 Asset Services.

Return/(Loss)

The **return/(loss)** generated in a given period from the investments:

- **Revenue Return/(Loss)** reflects the dividends and interest from investments and other income net of expenses, finance costs and taxation;
- **Capital Return/(Loss)** reflects the return/(loss) on capital, excluding any revenue return/(loss); and
- **Total Return/(Loss)** reflects the aggregate of revenue and capital return/(loss) in the period.

Glossary of Terms continued

Share Repurchases

An increasingly 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 share. This process is also used to enhance the **net asset value** per share and to reduce the **discount** to **net asset value**.

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

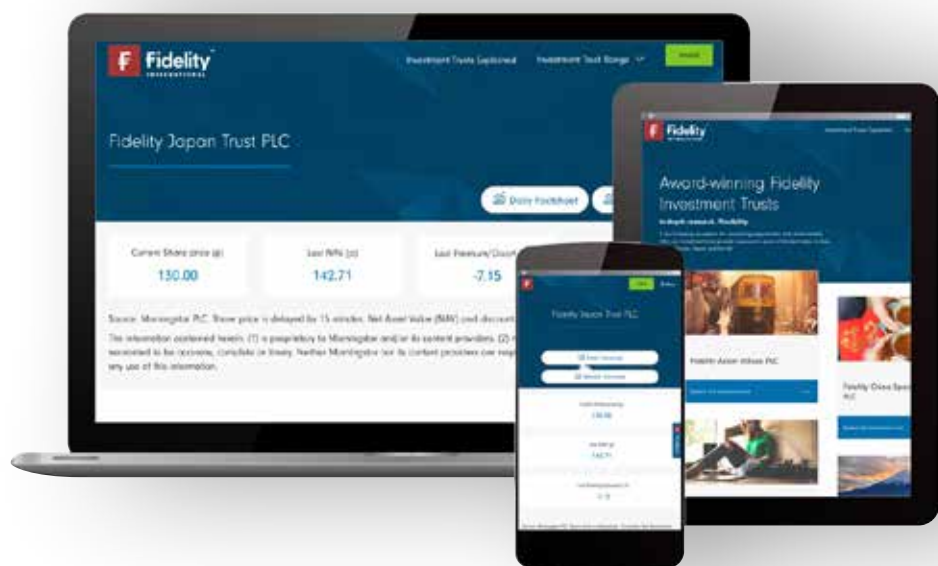
The total of the fixed asset investments at **fair value** plus the **fair value** of the underlying securities within the **contracts for difference**.

Total Return Performance

The return on the ordinary share price or **net asset value** per 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 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 share calculation.



Investment Trusts Section

Investment Trust Range

Home

Fidelity Japan Trust PLC

20 Daily Price Report

Current Share price (p)

130.00

Last Price (p)

142.71

Last Premium/Discount

-7.95

Source: Morningstar PLC. Share price is delayed by 15 minutes. Not Asset Value (NAV) and discount. The information contained herein (1) is proprietary to Morningstar and/or its content providers. (2) is restricted to be accurate, complete or timely. Neither Morningstar nor its content providers can rely on the use of this information.



Award-winning Fidelity Investment Trusts

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