



# Fidelity Japanese Values PLC

Half-Yearly Report

For the 6 months ended 30 June 2010

Managed by



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The investment objective of the Company is to achieve long term capital growth from an actively managed portfolio of securities primarily of small and medium-sized Japanese companies listed or traded on Japanese stockmarkets.

## Performance

	30 June 2010	6 months to 30 June 2010
Net asset value ("NAV") per share – undiluted	59.93p	+7.9%
NAV per share – diluted	59.12p	+6.6%
Ordinary share price	50.50p	+4.1%
Russell Nomura Mid/Small Cap Index <sup>1</sup>	1.8488	+8.8%

<sup>1</sup> In sterling terms

## Standardised performance (on a total return basis) (%)

	30/06/05 to 30/06/06	30/06/06 to 30/06/07	30/06/07 to 30/06/08	30/06/08 to 30/06/09	30/06/09 to 30/06/10
Net asset value per share	+18.3	-23.0	-17.4	-16.4	+16.0
Share price	+20.1	-23.9	-19.0	-16.6	+11.6

Sources: Fidelity and Datastream  
Past performance is not a guide to future returns

# Summary of Results

		30 June 2010	31 December 2009	% change
<b>Assets</b>				
Total assets employed <sup>1</sup>		£57.34m	£53.10m	+8.0
Shareholders' funds		£57.34m	£53.10m	+8.0
Contracts For Difference ("CFDs") exposure		£16.58m	£18.26m	
NAV per ordinary share – undiluted		59.93p	55.56p	+7.9
NAV per ordinary share – diluted <sup>2</sup>		59.12p	55.47p	+6.6
<b>Stockmarket Data</b>				
Russell Nomura Mid/Small Cap Index <sup>3</sup>		1.8488	1.6994	+8.8
Yen/£ exchange rate		132.390	150.335	+13.6
Ordinary share price	period end	50.50p	48.50p	+4.1
	high	56.00p	52.00p	
	low	47.75p	29.50p	
Discount – undiluted	period end	15.7%	12.7%	
	high	17.3%	31.0%	
	low	11.5%	10.6%	
Discount – diluted	period end	14.6%	12.6%	
Subscription share price	period end	8.88p	8.28p	+7.2
	high	13.50p	11.25p	
	low	8.25p	6.62p	
<b>Returns</b> for the six months to 30 June		<b>2010</b>	<b>2009</b>	
Revenue loss per ordinary share		(0.12p)	(0.22p)	
Capital gain/(loss) per ordinary share		4.49p	(1.70p)	
Total return per ordinary share		4.37p	(1.92p)	

1 total assets less current liabilities

2 the diluted NAV is included in this report because the NAV per ordinary share exceeds the subscription exercise price of one of its subscription shares. Hence, if the outstanding subscription shares were to convert at the period end, the NAV per ordinary share in issue would be diluted

3 in sterling terms

## PERFORMANCE

The Japanese equity market experienced two distinctly different investment phases during the review period. Improving economic and corporate fundamentals, coupled with diminished concerns about equity financing and sovereign credit risk, fuelled a share price rally towards mid-April. Meanwhile, robust US economic data and monetary easing by the Bank of Japan contributed to a weakening of the yen, which provided a tailwind for exporters. After peaking in mid-April, however, global equity markets declined sharply, and Japanese stocks also underwent a sharp correction, hitting fresh year to date lows. A string of weaker than expected economic indicators in the US and policy tightening in China gave rise to doubts about the sustainability of the global recovery. At the same time, mounting concerns about sovereign credit risk in Europe and a sharp drop in the euro precipitated a flight from risk among overseas investors.

While the resignation of Prime Minister Yukio Hatoyama and subsequent appointment of Naoto Kan as his successor did little to stir the Japanese equity market, reports of further capital raising in the banking sector renewed concerns about equity supply and demand. Exporters, financials and commodity-related stocks were notably weak against this backdrop. In contrast, defensive sectors and beneficiaries of lower oil prices held up relatively well, and domestic-oriented small caps were less affected than larger companies.

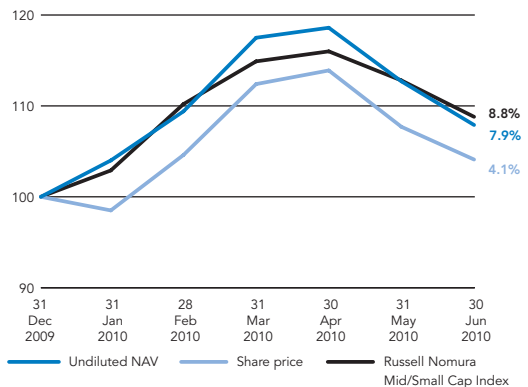
Over the review period, your Company's net asset value increased by 4.37p per share (7.9%) to 59.93p per share. The discount, although high, remained stable. Gearing had a negative impact of 0.65p (calculated on a pre-exchange rate basis) while a strengthening of the yen against sterling added 7.34p. Index performance detracted

### Net Asset Value (undiluted)

<b>@ 31 December 2009</b>	<b>55.56p</b>
Impact of the Index (in yen terms)	-2.35p
Impact of Index income (in yen terms)	0.49p
Impact of exchange rate	7.34p
Impact of stock selection	0.31p
Impact of gearing	-0.65p
Impact of share issues <sup>1</sup>	-0.04p
Impact of other costs	-0.73p
<b>Net Asset Value (undiluted) @ 30 June 2010</b>	<b>59.93p</b>

1 On exercise of subscription share rights – with a dilutive effect

### Performance for the six months to 30 June 2010



In sterling terms

Sources: Fidelity and Datastream

from performance by 2.35p, but the portfolio manager's stock selection contributed 0.31p. The Board is noticing the benefits of the reduced interest costs of using Contacts For Difference for gearing purposes as compared with traditional loans.

Although in the period the net gain from stock selection was modest, the focus on fast growing internet-related businesses was beneficial. The leading contributor was M3, which provides marketing support services based around its internet communications

tool linking doctors and pharmaceutical companies in Japan and overseas. M3's quarterly sales growth has been stronger than expected with a solid increase in its average annual revenue per user for the ten top clients. Holdings in leading social networking service operators, including Gree and DeNA, also performed strongly as the surging popularity of their social games fuelled expectations that growth in user activity would boost their earnings. In addition, strong quarterly earnings growth and an increase in dividend boosted investors' confidence in Bit-Isle, which operates internet data centres.

Elsewhere, a holding in Asahi Diamond Industrial aided performance. Its share price rose on the expectation of the increased application of electroplated diamond wire in solar cell and LED markets and this bodes well for the company. A generic drug maker Sawai Pharmaceutical also ranked among the top performers following the government directive to promote the use of generic drugs.

Conversely, Toyota Motor's product recall in the US weighed on investor sentiment towards auto parts makers Toyota Boshoku and Takata. Adding to their woes were renewed concerns about the outlook for the global recovery and the negative impact of a stronger yen on earnings. We have retained these stocks because we believe that the negative news flows have been reflected in the share price. We maintain the overweight position in LEC, a producer of plastic goods for the household products industry, despite recent share price weakness as the company's fundamentals remain solid with healthy sales growth. Meanwhile, the weak performance of Panasonic Electric Works reflected disappointment over the company's conservative earnings guidance for fiscal 2010.

## THE MARKET & OUTLOOK

In recent weeks, global markets have become increasingly volatile, as the ramifications of the debt crisis in the Eurozone are felt right across the world. However, it is not just the sovereign debt problems that have unsettled markets. While the summer months typically usher in a period of reduced trading volumes and constrained market movements, conditions are likely to remain turbulent for the time being and we may see a further retreat from higher risk assets. On the upside, better than expected corporate earnings could provide a lift to market sentiment. In the wake of the financial crisis, Japanese companies cut costs aggressively in order to protect their profit margins. This pre-emptive action has left many companies operationally geared into improving top-line growth and could produce a string of earnings upgrades for the quarter ended 30 June 2010.

Over the coming months, the pace of the economic recovery is likely to moderate, which is consistent with decelerating but positive trends in exports and production. Although this signals a slowdown over the near term, recent data is not indicative of a hard landing. Generally strong economic growth in Asia, which accounts for around 55% of Japanese export trade, should continue to support the export-led recovery.

While the sovereign debt crisis in Europe is a concern in terms of the impact on global financial markets, the Eurozone itself accounts for only 11% of Japanese exports.

Of greater concern is the effect of currency fluctuations on the competitiveness of Japanese exports, particularly in key sectors such as electronic equipment, materials and autos, and thus corporate earnings. The Bank of Japan has been easing monetary policy in

an attempt to combat deflation, weaken the yen and therefore render Japanese exports more competitive. However, events elsewhere seem to have neutralised the effects of that policy for the time being. A stronger yen may diminish investors' confidence in the ability of Japanese companies to grow earnings in the near term. However, we think the wider global economy, propelled to a large extent by Asia, can continue to sustain a stable recovery regardless of the situation in Europe and that bodes well for corporate Japan.

Despite gathering evidence of a near term peak in growth in the global manufacturing cycle, there are a number of positive factors supporting a modest uptrend in domestic demand. Against a backdrop of improving corporate earnings, working hours are increasing and households are benefiting from a pickup in wage and bonus payments. There are also encouraging signs that a positive spill over from the production recovery is boosting sentiment in non-manufacturing industries. Meanwhile, the government's new support measures are helping families and the relaxation of visa restrictions for Chinese citizens should provide a boost to the retail and services sectors. Although the effects of policy stimulus implemented in the wake of the financial crisis will start to fade, domestic demand should maintain a moderate upward trend.

Since the start of the year, Japanese stocks have outperformed their global peers on a common currency basis. The firmer trend in foreign investors buying Japanese stocks since the turn of the year suggests that some investors have already begun to increase allocations to Japanese stocks. They have been drawn to the attractive valuations, and an expected reversal in the headwinds

holding back the market: yen strength can be expected to wane given Prime Minister Kan's support of a weaker currency, while the balance of equity supply and demand is expected to improve from both sides now that capital raisings appear to be largely complete.

## CONTRACTS FOR DIFFERENCE

The portfolio manager has continued to use Contracts For Difference ("CFDs") to increase the potential exposure to investments. As at the time of writing the gross exposure was 123.6%. No "traditional" forms of gearing are currently held.

## SUBSCRIPTION SHARES

Further to the issue of subscription shares to ordinary shareholders in November 2009, some subscription shareholders have exercised the rights attached to those subscription shares in return for ordinary shares. A total of 86,865 ordinary shares have been allotted following these exercises at the end of each month from February 2010.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Board believes that the principal risks and uncertainties faced by the Company continue to fall into two broad categories. The first, external risks, being stockmarket, share price and currency and the second, internal risks, being investment management, governance/regulatory, financial and operational administration. Information on each of these is given in the Business Review section of the Annual Report for the year ended 31 December 2009.

## By order of the Board

FIL Investments International  
2 August 2010

# Directors' Responsibility Statement

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The Directors confirm to the best of their knowledge that:

- a) the condensed set of financial statements contained within the Half-Yearly financial report has been prepared in accordance with the UK Accounting Standards Board's Statement 'Half-Yearly Financial Reports';
- b) the Half-Yearly report narrative on pages 3, 4 and 5 (constituting the interim management report) includes a fair review of the information required by Rule 4.2.7R of the FSA's Disclosure and Transparency Rules and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- c) in accordance with Disclosure and Transparency Rule 4.2.8R there have been no related parties transactions during the six months to 30 June 2010 and therefore nothing to report on any material effect by such a transaction on the financial position or the performance of the Company during that period; and there have been no changes in this position since the last annual report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

The Half-Yearly financial report has not been audited or reviewed by the Company's Auditor.

The Half-Yearly financial report was approved by the Board on 2 August 2010 and the above responsibility statement was signed on its behalf by William Thomson, Chairman.



## Twenty Largest Investments (including derivatives) as at 30 June 2010

	Exposure £'000	Fair Value £'000	% <sup>1</sup>
<b>M3 (CFD)</b> Medical related internet service provider	2,449	571	3.3
<b>Takata (CFD)</b> Develops and manufactures safety products for automobiles	2,088	(30)	2.8
<b>FP (CFD)</b> Manufactures polystyrene and synthetic resins	2,016	192	2.8
<b>Kakaku.com (CFD)</b> Provides price comparison services and product information	1,994	376	2.7
<b>Sekisui Chemical (CFD)</b> Engaged in housing construction, housing materials, high-performance plastic segments and flat panel displays	1,751	157	2.4
<b>Saizeriya (CFD)</b> Involved in the restaurant and food business	1,498	155	2.0
<b>Panasonic Electric Works (CFD)</b> Provides lighting, information equipment, wiring, home appliances, building, electronic, plastic materials and automation control products	1,442	(241)	2.0
<b>Toyoda Boshoku</b> Manufactures automotive components	1,315	1,315	1.8
<b>Daikokutenbussan</b> Engaged in the supermarket and food business	1,147	1,147	1.6
<b>LEC</b> Manufactures household products	1,088	1,088	1.5
<b>Nippon Denko</b> Manufactures metal and chemical products	1,051	1,051	1.4
<b>Mitsui Chemicals</b> Manufactures chemical products and automotive and industrial materials	1,037	1,037	1.4
<b>Exedy</b> Manufactures manual and automatic transmission-related automobile components	992	992	1.4
<b>Bit-Isle</b> Information technology company	991	991	1.4
<b>Hogy Medical</b> Engaged in the manufacture of consumable medical products	953	953	1.3
<b>Otsuka</b> Engaged in system integration, construction and insurance businesses and management of information	866	866	1.2
<b>MegaChips</b> Manufactures system large scale integration and system machinery	854	854	1.2
<b>Mitsumi Electric</b> Produces communication and digital audio visual equipment	854	854	1.2
<b>Yahoo Japan</b> Provides internet search services	843	843	1.1
<b>Shizuoka Bank</b> Banking, leasing and operation management consultation businesses	828	828	1.0
<b>Twenty largest investments</b>	<b>26,057</b>	<b>13,999</b>	<b>35.5</b>
Other derivative instruments (CFDs)	3,346	(561)	4.6
Other investment holdings	43,083	43,083	58.8
Cash and other net current assets	815	815	1.1
	<b>73,301</b>	<b>57,336</b>	<b>100.0</b>

<sup>1</sup> % based on total exposure which is the fixed asset investments plus the fair value of the underlying securities within the CFDs

# Income Statement

		for the six months ended 30.06.10		
		unaudited		
	Notes	revenue £'000	capital £'000	total £'000
Gains/(losses) on investments designated at fair value through profit or loss		–	4,452	4,452
Net (losses)/gains on derivative instruments held at fair value through profit or loss		–	(477)	(477)
Income	2	589	–	589
Investment management fee		(383)	–	(383)
Other expenses		(240)	–	(240)
Exchange (losses)/gains on other net assets		(6)	322	316
Exchange gains on loans		–	–	–
<b>Net (loss)/return before finance costs and taxation</b>		(40)	4,297	4,257
Interest payable on CFDs and loans	3	(41)	–	(41)
<b>Net (loss)/return on ordinary activities before taxation</b>		(81)	4,297	4,216
Taxation on (loss)/return on ordinary activities	4	(32)	–	(32)
<b>Net (loss)/return on ordinary activities after taxation for the period</b>		(113)	4,297	4,184
<b>(Loss)/return per ordinary share</b>	5	(0.12p)	4.49p	4.37p

A Statement of Total Recognised Gains and Losses has not been prepared as there are no gains and losses other than those reported in this Income Statement.

The total column of the Income Statement is the profit and loss account of the Company.

These financial statements have been prepared in accordance with the AIC Statement of Recommended Practice ("SORP") issued in January 2009.

for the year ended 31.12.09			for the six months ended 30.06.09		
revenue	capital	total	revenue	capital	total
£'000	£'000	£'000	£'000	£'000	£'000
–	(668)	(668)	–	(4,203)	(4,203)
–	1,694	1,694	–	–	–
926	–	926	511	–	511
(682)	–	(682)	(336)	–	(336)
(639)	–	(639)	(199)	–	(199)
2	(1,419)	(1,417)	1	(1,338)	(1,337)
–	2,980	2,980	–	3,912	3,912
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(393)	2,587	2,194	(23)	(1,629)	(1,652)
(239)	–	(239)	(151)	–	(151)
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(632)	2,587	1,955	(174)	(1,629)	(1,803)
(64)	–	(64)	(35)	–	(35)
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(696)	2,587	1,891	(209)	(1,629)	(1,838)
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(0.73p)	2.71p	1.98p	(0.22p)	(1.70p)	(1.92p)
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## Reconciliation of Movements in Shareholders' Funds

	Notes	share capital £'000	share premium account £'000	capital redemption reserve £'000
<b>Opening shareholders' funds: 1 January 2009</b>		23,894	44	2,437
Net recognised capital losses for the period		–	–	–
Net revenue loss after taxation for the period		–	–	–
<b>Closing shareholders' funds: 30 June 2009</b>		23,894	44	2,437
<b>Opening shareholders' funds: 1 January 2009</b>		23,894	44	2,437
Net recognised capital gains for the year		–	–	–
Bonus issue of subscription shares		956	–	–
Net revenue loss after taxation for the year		–	–	–
<b>Closing shareholders' funds: 31 December 2009</b>		24,850	44	2,437
Net recognised capital gains for the period		–	–	–
Exercise of rights attaching to subscription shares and conversion into ordinary shares	8	22	–	–
Net revenue loss after taxation for the period		–	–	–
<b>Closing shareholders' funds: 30 June 2010</b>		24,872	44	2,437

for the period ended 30 June 2010

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other reserve £'000	capital reserve £'000	revenue reserve £'000	total equity £'000
58,911	(21,620)	(12,453)	51,213
-	(1,629)	-	(1,629)
-	-	(209)	(209)
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58,911	(23,249)	(12,662)	49,375
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58,911	(21,620)	(12,453)	51,213
-	2,587	-	2,587
(956)	-	-	-
-	-	(696)	(696)
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57,955	(19,033)	(13,149)	53,104
-	4,297	-	4,297
26	-	-	48
-	-	(113)	(113)
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57,981	(14,736)	(13,262)	57,336
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# Balance Sheet

	Notes	30.06.10 unaudited £'000	31.12.09 audited £'000	30.06.09 unaudited £'000
<b>Fixed assets</b>				
Investments designated at fair value through profit or loss		55,902	49,743	66,114
<b>Current assets</b>				
Derivative assets held at fair value through profit or loss		1,451	1,692	–
Debtors		294	926	84
Cash at bank		1,201	2,403	1,465
Cash collateral with lender		–	–	2,522
		2,946	5,021	4,071
<b>Creditors – amounts falling due within one year</b>				
Derivative liabilities held at fair value through profit or loss		(832)	(101)	–
Fixed rate unsecured loans		–	–	(20,041)
Other creditors		(680)	(1,559)	(769)
		(1,512)	(1,660)	(20,810)
<b>Net current assets/(liabilities)</b>		1,434	3,361	(16,739)
<b>Total net assets</b>		57,336	53,104	49,375
<b>Capital and reserves</b>				
Share capital		24,872	24,850	23,894
Share premium account		44	44	44
Capital redemption reserve		2,437	2,437	2,437
Other reserve		57,981	57,955	58,911
Capital reserve		(14,736)	(19,033)	(23,249)
Revenue reserve		(13,262)	(13,149)	(12,662)
<b>Total equity shareholders' funds</b>		57,336	53,104	49,375
<b>Net asset value per ordinary share</b>				
Basic	6	59.93p	55.56p	51.66p
Diluted	6	59.12p	55.47p	n/a

# Cash Flow Statement

	30.06.10 unaudited £'000	31.12.09 audited £'000	30.06.09 unaudited £'000
<b>Operating activities</b>			
Investment income received	412	906	495
CFD dividends received	26	–	–
Investment management fee paid	(374)	(696)	(352)
Directors' fees paid	(49)	(94)	(45)
Other cash payments	(172)	(489)	(195)
<b>Net cash outflow from operating activities</b>	<b>(157)</b>	<b>(373)</b>	<b>(97)</b>
<b>Returns on investments and servicing of finance</b>			
Interest paid on CFDs and loans	(48)	(273)	(158)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(48)</b>	<b>(273)</b>	<b>(158)</b>
<b>Financial investment</b>			
Purchase of investments	(42,012)	(90,680)	(50,935)
Disposal of investments	40,399	106,195	47,067
<b>Net cash (outflow)/inflow from financial investment</b>	<b>(1,613)</b>	<b>15,515</b>	<b>(3,868)</b>
<b>Derivative activities</b>			
Proceeds of derivative instruments	495	103	–
<b>Net cash inflow from derivative activities</b>	<b>495</b>	<b>103</b>	<b>–</b>
<b>Net cash (outflow)/inflow before financing</b>	<b>(1,323)</b>	<b>14,972</b>	<b>(4,123)</b>
<b>Financing</b>			
Exercise of rights attached to subscription shares	47	–	–
1.565% fixed rate unsecured loan repaid	–	(9,475)	–
1.34% fixed rate unsecured loan repaid	–	(11,497)	–
Cash collateral held with lender	–	7,045	4,524
<b>Net cash inflow/(outflow) before financing</b>	<b>47</b>	<b>(13,927)</b>	<b>4,524</b>
<b>(Decrease)/increase in cash</b>	<b>(1,276)</b>	<b>1,045</b>	<b>401</b>
			30.06.10 unaudited £'000
<b>Reconciliation of net cash flow movement</b>			
Net cash at bank at beginning of the period			2,403
Decrease in cash			(1,276)
Unrealised foreign exchange movement on other net assets			74
Net cash at bank at end of the period			1,201

# Notes to the Financial Statements

## 1 ACCOUNTING POLICIES

The Half-Yearly financial statements have been prepared on the basis of the accounting policies set out in the Company's annual report and financial statements dated 31 December 2009.

As a result of technical guidance issued by the Institute of Chartered Accountants in England and Wales in TECH 01/08: "Distributable Profits", changes in fair value of investments which are readily convertible to cash, without accepting adverse terms at the balance sheet date, can be treated as realised. As a result of the new SORP, capital reserves realised and unrealised are shown in aggregate as capital reserve in the Reconciliation of Movements in Shareholders' Funds and the Balance Sheet. At the balance sheet date all investments held by the Company were listed on a recognised stock exchange and were considered to be readily convertible to cash.

## 2 INCOME

	30.06.10 unaudited £'000	31.12.09 audited £'000	30.06.09 unaudited £'000
<b>Income from investments designated at fair value through profit or loss</b>			
Overseas dividends	456	920	511
<b>Income from derivative instruments held at fair value through profit or loss</b>			
Dividends on long Contracts For Difference	133	6	–
Total Income	<u>589</u>	<u>926</u>	<u>511</u>

## 3 INTEREST PAYABLE

	30.06.10 unaudited £'000	31.12.09 audited £'000	30.06.09 unaudited £'000
Interest on long Contracts for Difference	41	8	–
Interest on fixed rate unsecured loans*	–	231	151
	<u>41</u>	<u>239</u>	<u>151</u>

\* The fixed rate unsecured loans from the Royal Bank of Scotland PLC were repaid on 13 August 2009 and 25 November 2009.

## 4 TAXATION ON LOSS ON ORDINARY ACTIVITIES

	30.06.10 unaudited £'000	31.12.09 audited £'000	30.06.09 unaudited £'000
Overseas taxation	<u>32</u>	<u>64</u>	<u>35</u>



# Notes to the Financial Statements

## 5 (LOSS)/RETURN PER ORDINARY SHARE

	30.06.10 unaudited	31.12.09 audited	30.06.09 unaudited
Revenue	(0.12p)	(0.73p)	(0.22p)
Capital	4.49p	2.71p	(1.70p)
Total	4.37p	1.98p	(1.92p)

(Losses)/returns per ordinary share are based on the net revenue loss on ordinary activities after taxation of £113,000 (31.12.09: £696,000; 30.06.09: £209,000), the capital return in the period of £4,297,000 (31.12.09: return £2,587,000; 30.06.09: loss £1,629,000) and the total return in the period of £4,184,000 (31.12.09: return £1,891,000; 30.06.09: loss £1,838,000) and on 95,629,636 ordinary shares (31.12.09: 95,577,453; 30.06.09: 95,577,453), being the weighted average number of ordinary shares in issue during the period.

## 6 NET ASSET VALUE PER ORDINARY SHARE

The basic net asset value per ordinary share is based on net assets of £57,336,000 (31.12.09: £53,104,000; 30.06.09: £49,375,000) and on 95,664,318 ordinary shares (31.12.09: 95,577,453; 30.06.09: 95,577,453), being the number of ordinary shares in issue at the period.

The diluted net asset value per ordinary share has been calculated on the assumption that the outstanding subscription shares of 19,028,516 at 30 June 2010 (31.12.09: 19,115,381; 30.06.09: nil) were exercised on that date. This basis of calculation is in accordance with guidelines laid down by the Association of Investment Companies and is provided to the London Stock Exchange on an ongoing basis.

## 7 COSTS OF INVESTMENT TRANSACTIONS

Included in the gains/(losses) on investments are the following costs of investment transactions:

	30.06.10 unaudited £'000	31.12.09 audited £'000	30.06.09 unaudited £'000
Purchases expenses	44	118	70
Sales expenses	40	114	65
	84	232	135

# Notes to the Financial Statements

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## 8 SHARE ISSUES

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The following ordinary shares were issued on exercise of the conversion rights attached to the subscription shares:

	30.06.10 unaudited	31.12.09 audited	30.06.09 unaudited
Number of ordinary shares issued	86,865	–	–
Exercise price per share	0.55p	–	–
Total consideration	£47,776	–	–

## 9 UNAUDITED FINANCIAL STATEMENTS

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The results for the six months to 30 June 2010 and 30 June 2009, which are unaudited, constitute non-statutory accounts within the meaning of s435 of the Companies Act 2006.

The figures and financial information for the year ended 31 December 2009 are extracted from the latest published financial statements. These financial statements, on which the Auditor gave an unqualified report, have been delivered to the Registrar of Companies.

## CONTACT INFORMATION

**Private investors** can call free on **0800 41 41 10**

9am to 6pm, Monday to Saturday.

**Financial advisers** can call free on **0800 41 41 81**

8am to 6pm, Monday to Friday.

[www.fidelity.co.uk/its](http://www.fidelity.co.uk/its)

**Existing shareholders** who have specific queries regarding their holding or need to provide updated information, for example a change of address, should contact the appropriate administrator.

### Holders of ordinary shares

Capita Registrars, Registrars to Fidelity Japanese Values PLC, Northern House, Woodsome Park, Fenay Bridge, Huddersfield, West Yorkshire HD8 0GA. Telephone: **0871 664 0300** (calls cost

10p per minute plus network extras)

email: [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)

Details of individual shareholdings and other information can also be obtained from the Registrars' website:

[www.capitaregistrars.com](http://www.capitaregistrars.com)

### Fidelity Share Plan investors

Fidelity Investment Trust Share Plan, BNP Paribas Securities Services, Block C, Western House, Lynchwood Business Park, Peterborough PE2 6BP.

Telephone: **0845 358 1107** (calls to this number are charged at 3.95p per minute from a BT landline, dependent on the tariff. Other telephone service providers' costs may vary.)

### Fidelity ISA investors

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

[www.fidelity.co.uk/its](http://www.fidelity.co.uk/its)

### Fidelity ShareNetwork:

[www.fidelity.co.uk/sharenetwork](http://www.fidelity.co.uk/sharenetwork)

**General enquiries** should be made to FIL Investments International, the Investment Manager and 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**

Fax: **01737 83 68 92**

[www.fidelity.co.uk/its](http://www.fidelity.co.uk/its)

## FINANCIAL CALENDAR

**30 June 2010** – Half-Yearly period end

**2 August 2010** – announcement of Half-Yearly results

**Mid August 2010** – publication of Half-Yearly report

**31 December 2010** – financial year end

**March/April 2011** – publication of Annual Report

**May 2011** – Annual General Meeting

## BOARD OF DIRECTORS

William Thomson (Chairman)  
Nicholas Barber, CBE (Senior  
Independent Director)  
Simon Fraser  
Philip Kay  
David Miller, OBE

## MANAGER, SECRETARY AND REGISTERED OFFICE

FIL Investments International  
Beech Gate, Millfield Lane  
Lower Kingswood  
Tadworth  
Surrey KT20 6RP

## FINANCIAL ADVISERS AND STOCKBROKERS

Collins Stewart  
88 Wood Street  
London EC2V 7QR

## INDEPENDENT AUDITOR

Grant Thornton UK LLP  
Chartered Accountants  
and Registered Auditor  
30 Finsbury Square  
London EC2P 2YU

## BANKERS AND CUSTODIAN

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

## REGISTRARS

Capita Registrars  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield  
West Yorkshire HD8 0GA

## LAWYERS

Slaughter and May  
One Bunhill Row  
London EC1Y 8YY

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## WARNING TO SHAREHOLDERS – “BOILER ROOM” SCAMS

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based ‘brokers’ who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as ‘boiler rooms’. These ‘brokers’ can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved by visiting [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register)
- Report the matter to the FSA either by calling **0845 606 1234** or visiting [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at [www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml](http://www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml)

Details of any share dealing facilities that the Company endorses will be included in company mailings.

More detailed information on this or similar activity can be found on the FSA website [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)

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The Fidelity Individual Savings Account (“ISA”) is offered and managed by Financial Administration Services Limited. The Fidelity Investment Trust Share Plan is managed by FIL Investments International. Both companies are authorised and regulated by the Financial Services Authority. The Fidelity Investment Trust Share Plan is administered by BNP Paribas Securities Services and shares will be held in the name of Puddle Dock Nominees Limited. The value of savings and eligibility to invest in an ISA will depend on individual circumstances and all tax rules may change in the future. Fidelity investment trusts are managed by FIL Investments International. Fidelity only gives information about its own products and services and does not provide investment advice based on individual circumstances. Should you wish to seek advice, please contact a Financial Adviser.

Please note that the value of investments and the income from them may fall as well as rise and the investor may not get back the amount originally invested. Past performance is not a guide to future returns. For funds that invest in overseas markets, changes in currency exchange rates may affect the value of your investment. Investing in small and emerging markets can be more volatile than other more developed markets. Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities, but is included for the purposes of illustration only. Investees should also note that the views expressed may no longer be current and may have already been acted upon by Fidelity.

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