

Aberdeen Japan Investment Trust PLC

Half Yearly Report
for the six months ended 30 September 2015



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Investment Objective

To achieve long-term capital growth principally through investment in listed Japanese companies which are believed by the Investment Manager to have above average prospects for growth.

Highlights and Financial Calendar

	As at 30 September 2015	As at 31 March 2015	% change
Total assets (£'000)	81,565 ^A	87,251	-6.5
Total equity shareholders' funds (£'000)	72,194	79,949	-9.7
Net asset value per share	456.3p	547.9p	-16.7
Share price (mid-market)	441.3p	511.0p	-13.6
Share price discount to net asset value	3.3%	6.7%	
Dividend paid per share ^B	2.60p	4.50p	

^A Excludes short-term foreign currency bank loan of £2,205,000.

^B Dividend for the year ended 31 March 2015 was 2.60p (2014 – 4.50p) per share.

Performance (total return)^C

	Six months ended 30 September 2015	Year ended 31 March 2015
Share price	-13.2%	+58.2%
Net asset value per share	-16.3%	+46.6%
Index	-9.4%	+26.0%

^C Total return represents capital return plus dividends reinvested.

Financial Calendar

19 November 2015	Announcement of unaudited Half-Yearly Financial Report
November 2015	Half-Yearly Report posted to shareholders
May 2016	Announcement of results for the year ending 31 March 2016
June 2016	Annual Report posted to shareholders
5 July 2016	Annual General Meeting

Chairman's Statement

Performance

The Company has faced a challenging six months in the markets and for once performance has suffered. Stock market volatility reached levels last seen during the height of the global financial crisis some seven years ago and while there has been some recovery since the end of the period the overall picture has yet to settle down.

During the first part of the period the Japanese stock market continued to be buoyant and the Company's share price rose from a discount of 6.6% at the start of the period to a small premium over net asset value (NAV) in July, continuing its good performance since the change of mandate in late 2013. However, in the last two months of the period the market fell by 8.7% as it succumbed to worries about emerging markets and particularly China's economic slowdown.

Over the full six month period the benchmark fell by 9.4% in sterling terms and the NAV fell by 16.3%. The underperformance of 6.9% was caused both by stock selection and the gearing which added about 1.5% to the NAV decline, offset slightly by a positive result of 0.5% from the sterling hedge. As sentiment became more negative following the market turmoil, the share price discount at the end of the period widened to 3.3%. During October the six-month NAV underperformance has been substantially recovered, although the discount continued to widen. NAV performance since the change of mandate almost two years ago remains positive exceeding the benchmark by 13.8% over the period ended 30 September 2015. Further details of the portfolio's performance are given in the Investment Manager's report on page 4.

Dividend

A final dividend of 2.6p per ordinary share in respect of the year ended 31 March 2015 (2014 - 4.5p) was paid to shareholders on 16 July 2015. This was the level needed to maintain investment company status and the reduction from the dividend in 2014 reflects the effect of the change to a Japan-only investment mandate.

Gearing

The Board monitors the level of gearing and considers a gearing level of around 10% to be appropriate, although, with stock market fluctuations, this may range between 5% - 15%. Gross assets continued to rise following the year end and in August 2015 the Company agreed a further facility with ING Bank - a one year revolving loan of JPY 800 million. Approximately half of this facility was drawn down (£2.1 million) and invested into the market during the period. Gearing as at 30 September 2015 was 12.3%.

Sterling Hedge

The investment policy provides for the portfolio's underlying net Yen exposure to be appropriately sterling hedged at levels to be determined periodically by the Board in consultation with the Investment Manager. The Board currently considers a level of approximately 45% to be appropriate when considering the estimated Yen based revenues earned by our portfolio companies and having regard to the Yen denominated gearing. At 30 September 2015 46.7% of the portfolio net assets were hedged through forward contracts. The sterling hedge has so far been beneficial by mitigating the effect in sterling of the weakening Yen but shareholders should be aware that this strategy can also potentially result in lower returns.

Share Capital

During the period the rating of the Company's shares improved and for parts of July and August traded at a premium. Increased demand for the Company's shares meant that it was able to issue a total of 1.23 million new shares, equivalent to about 8.4% of issued share capital, at a premium to net asset value ranging from 1.1% to 2.7% and raised additional capital for the Company totalling £6.8 million.

Outlook

The China induced turmoil which has affected the world's stock markets is still in progress. The domestic outlook in Japan has also been worrying as the momentum of Shinzo Abe's reforms weakened during the first part of the year. However, Abe has refocused on the economy more recently, announcing a second phase of fiscal, monetary and economic reform, and the fall in commodity prices is also helpful for Japan. The Bank of Japan has pledged to continue its quantitative easing for as long as it takes to achieve stable inflation of about 2% p.a.. There is also the prospect of the Trans-Pacific Partnership agreement at last being implemented.

Japan will not be immune in the short term to international uncertainties but the overall outlook in Japan is for slow but continuing progress in long term growth prospects and a robust corporate sector with strong profitability, cash flows and increasing dividends combined with steadily improving corporate governance. Against this background, the Board remains confident that the manager's active engagement on the ground with a small, focussed portfolio of strong and well managed companies - the 'best of breed' - the fundamentals of which have not changed despite the current turmoil, will continue to deliver outstanding long term value.

Principal Risks and Uncertainties

The Company's risks are regularly monitored at Board meetings and the Board believes that the Company is

resilient to most short term operational risks which are effectively mitigated by the internal controls of the Manager and Depositary. Analysis and mitigation of other longer term and more strategic risks are managed by the Board.

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

- Investment strategy
- Reputation
- Regulatory compliance
- Market and investment
- Performance
- Share price and discount

The principal risks and uncertainties have not changed since the publication of the 2015 Annual Report and Accounts and further details are provided on pages 7 to 8 of that Report which is available on the Company's website www.aberdeenjapan.co.uk.

Related Party Transactions

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

Going Concern

The Company's assets consist of equity shares in companies listed on the Tokyo Stock Exchange and in most circumstances are realisable within a short timescale. The Board has set limits for borrowing, foreign exchange contract positions with regards to hedging and regularly reviews actual exposures, cash flow projections and compliance with banking covenants. The Board believe that the Company has adequate resources to continue its operational existence for the foreseeable future. Accordingly, we continue to adopt the going concern basis in preparing the accounts.

Neil Gaskell
Chairman

18 November 2015

Investment Manager's Review

Overview

Japanese equities, along with the broader Asian stockmarkets, faced a challenging six months to 30 September 2015. After rallying at the start of 2015, the market has surrendered much of the gains since June, with the benchmark Topix Index sliding 9.4% in sterling terms over the review period. Two main concerns unsettled markets for the most part: a normalisation of US monetary policy (although this did not materialise by the end of the reporting period), and growing concern that the global economy may succumb to China's economic slowdown. Volatility spiked in August when Beijing's unexpected devaluation of the renminbi sparked fears of a currency war and triggered a global sell-off. Japanese equities, though, proved to be the most resilient in Asia; the market declined less than its regional peers and, while it lagged its developed market counterparts, the disparity between Japan and Europe or the US was not substantial.

However, it was not just the state of Japan's neighbour that undermined sentiment. Domestically, Prime Minister Shinzo Abe's plan to revive the economy after two decades of stagnation appeared to have stalled. Second-quarter GDP shrank, after expanding in the first. A recent string of lacklustre indicators revived worries that it may have contracted again in the third. Industrial production underwhelmed, and mild deflation returned after more than two years of remission. Fresh after his re-election as head of the ruling Liberal Democratic Party in September, Abe is trying to revive growth with an updated programme that focuses on boosting the economy, population growth and improving social security. But with the economy stuttering and the leadership committed to reducing its huge public debt, it is unclear how these conflicting goals will be achieved.

Portfolio review

The Trust's net asset value total return per share fell by 16.3% in sterling terms over the period, compared to the benchmark index's total return of -9.4%. The underperformance over the review period was largely attributed to stock selection. Notably, several of the Trust's holdings came under pressure because of their exposure to emerging markets, particularly China. These included Nabtesco; Nippon Paint; Unicharm; and Pigeon. That said, although the holdings' short-term prospects are overshadowed by the indiscriminate flight away from developing economies, their exposure to emerging markets should provide significant opportunities in the longer term.

Among the industrial holdings, components maker Nabtesco was hampered by concerns over challenging conditions in China's construction-machinery market, which could hurt demand for its hydraulic products. For Nippon Paint, slowing

demand for decorative paint from the mainland, its core market, hurt results; an anticipated recovery appears to be slower than initially expected. Coming from a high base, it is not surprising that investors were disappointed with the news. But it is worth noting that Nippon's sales in China are still growing significantly. It remains focused on expanding market share and boosting turnover in the mainland, even though it has already established a foothold there.

In the consumer-related sectors, baby-products manufacturer Pigeon posted a good set of quarterly results, but its muted full-year forecast weighed on its share price. The lower-than-expected growth in the second half was related to inventory adjustments in China after it streamlined its distribution network amid rising competition. Having overcome similar challenges in 2011, we remain confident of management's ability as well as its longer-term prospects. For diaper maker Unicharm, its shares were affected by soft results: although sales were firm, margins were hampered by aggressive marketing expenditure in the face of intense competition, not only in China but also in Indonesia, where it had been slow to react to changes in consumer demand and the competitive landscape. Unicharm has great brand equity in these two countries. Its potential could be realised if it evolves with both markets. Elsewhere, worries about Aeon Financial Service's exposure to emerging markets, which accounts for almost 20% of its business, undermined its share price. There may be more near-term volatility but in the longer term its overall prospects remain undimmed.

Shin-Etsu Chemical and Amada Holdings also detracted from performance, although the decline in their share prices was more stock specific. Chemical group Shin-Etsu's shares were affected by two issues: a muted outlook for semiconductors, which will affect pricing of its silicon-wafer business; and a pipeline outage for a key input used in its PVC business, which has since been rectified. Machine toolmaker Amada lagged owing to a slowdown in global capital expenditure and poorer orders more recently. It continued to invest for future growth and earmarked US\$40 million for a laser-component unit that was spun-off by long-time partner JDS Uniphase.

On a brighter note, companies with domestic exposure fared better. Seven & i Holdings, which operates the 7-11 convenience chain and other retail stores in Japan, contributed to performance. Aside from its steady results, the company's shares rose on the back of expectations that it will restructure its Ito-Yokado business, which has been struggling. As part of its multichannel marketing strategy, the retail group is launching its online shopping service "omni7". The aim is to achieve ¥1 trillion in online sales with six million products available by 2018.

Okinawa-based retailer San-A and East Japan Railway did well also, supported by encouraging earnings. San-A's better-than-expected results were due to the solid performance of its core supermarket business; it also surprised investors by paying out a higher-than-forecast dividend. East Japan Railway's outlook for the next fiscal year looks favourable amid hopes that cost cuts will boost earnings.

Japan Tobacco (JT) was another contributor. The company benefited from healthy sales of its flagship cigarette brands overseas as well as favourable pricing in the earlier part of the review period, while its core Mevius brand maintained its domestic dominance. However, JT's share price slid after announcing that it would be acquiring the rights to sell Reynolds American's Natural American Spirit cigarette brand outside the US. The deal, set to be completed by early 2016, was not well received, largely owing to the acquisition price. At ¥600 billion, or US\$5 billion, the price tag represents a steep premium over the acquired assets' annual operating income of US\$20 million. This latest purchase seems at odds with JT's long-term track record of successful overseas acquisitions. They included the purchase of US cigarette-maker RJR Nabisco's international operations in 1999 and UK-based Gallaher Group in 2007. We intend to engage with JT's management on how it will maximise the value of the acquired brand.

In portfolio activity, the only major change was the introduction of Japan Exchange Group, which operates both the Tokyo Stock Exchange and the Osaka Exchange. These are essentially monopolistic businesses with high operating leverage. In addition, the company has been proactive in returning excess capital to shareholders.

Outlook

We expect the Japanese market's bumpy ride to continue in the months ahead. The world economy is stuck in a low-growth rut and there are few signs that it will get out of it any time soon: modest growth in the US and a fragile rebound in Europe have failed to compensate for the downturn in China and the rest of the emerging markets. Japan appears vulnerable given its reliance on exports. Meanwhile, the US Federal Reserve's decision to delay normalising its monetary policy has prolonged uncertainty in the global financial markets, potentially stoking further market volatility.

At home, the macroeconomic environment remains subdued. The yen's recent strength and slowing Chinese demand have hurt exporters. Household consumption remains anaemic despite firm labour market conditions. With wage growth still tepid, consumers continue to tighten their belts. But changes may be afoot. The recently-concluded Trans-Pacific Partnership could become a driving force in the longer term. The trade deal signals greater willingness by the prime

minister to implement politically-sensitive structural reforms seen as pivotal in lifting Japan out of its long stagnation. If ratified by lawmakers in all 12 member nations, it gives Abe more ammunition to take on the entrenched agricultural lobby. It also widens Japan's market for exports of cars and auto parts, which would be beneficial to the Trust's auto-related holdings.

The corporate landscape looks promising. Businesses are upbeat, with profit margins at their highest levels since the global financial crisis despite the yen's relative strength. Progress on corporate governance is encouraging, if slow. Add to that Japanese companies are placing a greater emphasis on shareholder value, with dividend payout ratios and share buybacks on the rise. Ultimately, the balance sheets of the Trust's holdings remain robust, led by experienced management who have weathered similarly challenging conditions over the past few decades. So despite the current difficulties, we remain confident of their longer-term prospects.

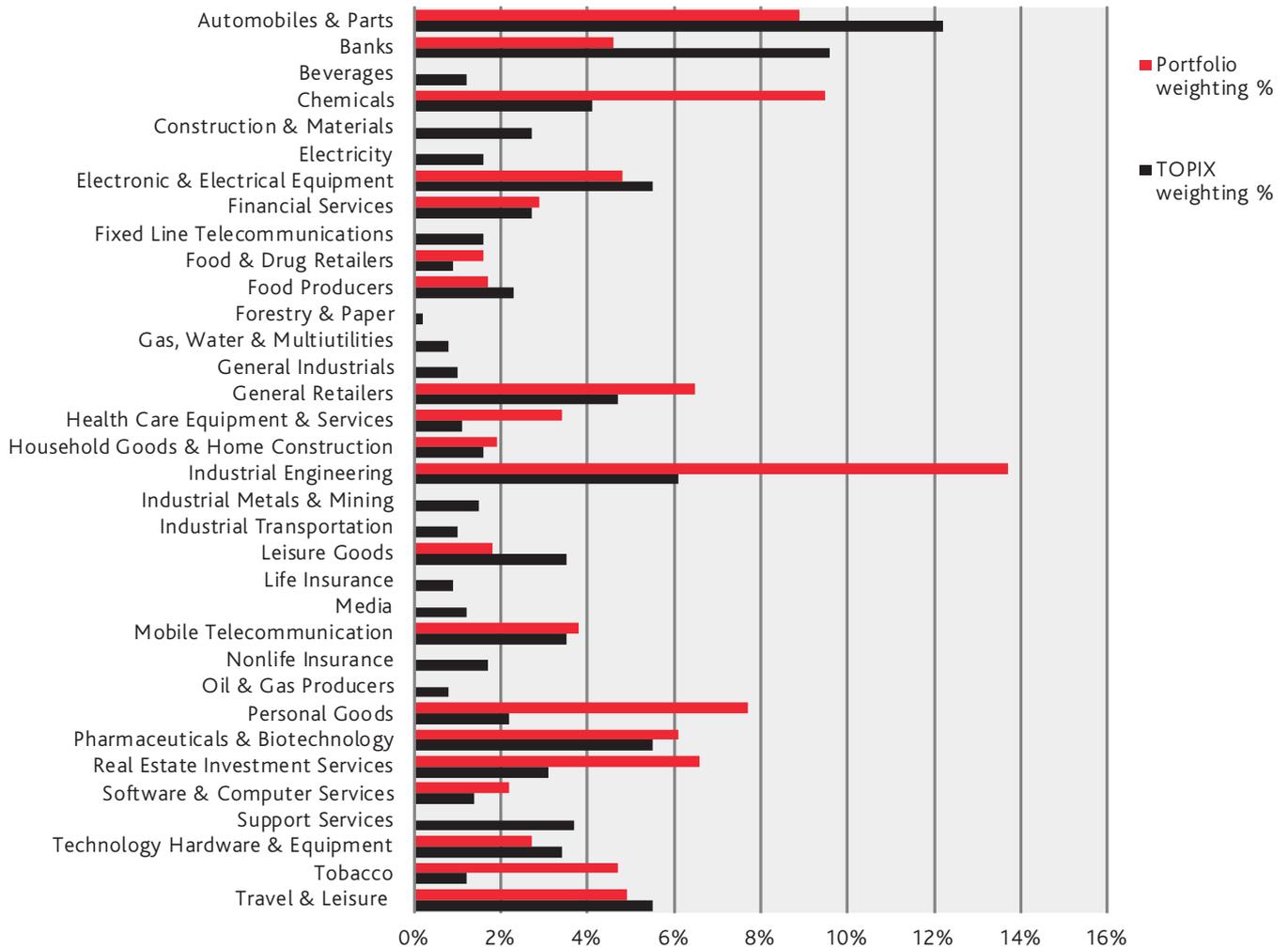
Aberdeen Asset Management Asia Limited
Investment Manager

18 November 2015

Sector Analysis

As at 30 September 2015

Sector Breakdown



Yen/Sterling Currency Movement



Investment Portfolio

As at 30 September 2015

Company	Sector	Valuation £'000	Total assets %
Shin-Etsu Chemical Company	Chemicals	4,653	5.7
Keyence Corporation	Electronic & Electrical Equipment	3,890	4.8
Seven & I Holdings Company	General Retailers	3,886	4.8
Japan Tobacco Inc	Tobacco	3,826	4.7
Toyota Motor Corporation	Automobiles & Parts	3,129	3.8
Amada Holdings Company	Industrial Engineering	3,128	3.8
KDDI Corporation	Mobile Telecommunications	3,068	3.8
Nabtesco Corporation	Industrial Engineering	2,968	3.6
Fanuc Corporation	Industrial Engineering	2,862	3.5
East Japan Railway Company	Travel & Leisure	2,763	3.4
Top ten investments		34,173	41.9
Chugai Pharmaceutical Company	Pharmaceuticals & Biotechnology	2,490	3.1
Daito Trust Construction Company	Real Estate Investment Services	2,468	3.0
Astellas Pharma Inc	Pharmaceuticals & Biotechnology	2,415	3.0
Bank Of Yokohama	Banks	2,227	2.7
Canon Inc	Technology Hardware & Equipment	2,176	2.7
Kansai Paint Company	Chemicals	2,143	2.6
Daikin Industries	Industrial Engineering	2,129	2.6
Honda Motor Company	Automobiles & Parts	2,122	2.6
Yahoo Japan Corp	Software & Computer Services	1,749	2.1
Unicharm Corporation	Personal Goods	1,718	2.1
Top twenty investments		55,810	68.4
Pigeon Corp	Personal Goods	1,617	2.0
Mandom Corporation	Personal Goods	1,587	2.0
Aeon Financial Service Company	Financial Services	1,562	1.9
Suruga Bank	Banks	1,541	1.9
Sysmex Corp	Health Care Equipment & Services	1,536	1.9
Makita Corporation	Household Goods & Home Construction	1,508	1.9
Daibiru Corporation	Real Estate Investment Services	1,507	1.8
Shimano Inc	Leisure Goods	1,492	1.8
Mitsubishi Estate Company	Real Estate Investment Services	1,393	1.7
USS Company	General Retailers	1,376	1.7
Top thirty investments		70,929	87.0
Calbee Inc	Food Producers	1,375	1.7
Denso Corp	Automobiles & Parts	1,281	1.6
Asics Corporation	Personal Goods	1,280	1.6
San-A Company	Food & Drug Retailers	1,269	1.5
Resorttrust Inc	Travel & Leisure	1,241	1.5
Asahi Intecc Company	Health Care Equipment & Services	1,232	1.5
Nippon Paint Holdings Company	Chemicals	984	1.2
Japan Exchange Group Inc.	Financial Services	823	1.0
Aisin Seiki Company	Automobiles & Parts	633	0.8
Total investments		81,047	99.4
Net current assets ^A		518	0.6
Total assets		81,565	100.0

^A Excludes short-term foreign currency bank loan of £2,205,000

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

Condensed Statement of Comprehensive Income (unaudited)

	Six months ended 30 September 2015			Six months ended 30 September 2014		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
(Losses)/gains on investments	–	(14,827)	(14,827)	–	7,663	7,663
Income (note 2)	798	–	798	549	–	549
Investment management fee (note 11)	(138)	(208)	(346)	(112)	(168)	(280)
Administrative expenses	(172)	(8)	(180)	(144)	(6)	(150)
Exchange gains	–	512	512	–	1,376	1,376
Net return before finance costs and taxation	488	(14,531)	(14,043)	293	8,865	9,158
Finance costs	(13)	(20)	(33)	(13)	(20)	(33)
Net return on ordinary activities before taxation	475	(14,551)	(14,076)	280	8,845	9,125
Taxation on ordinary activities (note 4)	(80)	–	(80)	(55)	–	(55)
Net return on ordinary activities after taxation	395	(14,551)	(14,156)	225	8,845	9,070
Return per Ordinary share (pence) (note 6)	2.62	(96.54)	(93.92)	1.54	60.62	62.16

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

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

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

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

Condensed Statement of Financial Position (unaudited)

	Note	As at 30 September 2015 £'000	As at 31 March 2015 £'000
Fixed assets			
Investments at fair value through profit or loss		81,047	86,312
Current assets			
Debtors		841	597
Cash at bank and in hand		118	490
		959	1,087
Creditors: amounts falling due within one year			
Foreign currency bank loans	7	(2,205)	–
Other creditors		(441)	(148)
		(2,646)	(148)
Net current (liabilities)/assets		(1,687)	939
Total assets less current liabilities		79,360	87,251
Creditors: amounts falling due after more than one year			
Foreign currency bank loans	7	(7,166)	(7,302)
Net assets		72,194	79,949
Share capital and reserves			
Called-up share capital		1,582	1,459
Capital redemption reserve		2,273	2,273
Share premium		6,657	–
Capital reserve	8	60,112	74,663
Revenue reserve		1,570	1,554
Equity shareholders' funds		72,194	79,949
Net asset value per Ordinary share (pence)	9	456.30	547.91

Condensed Statement of Changes in Equity (unaudited)

Six months ended 30 September 2015

	Capital					
	Share capital	redemption reserve	Share premium	Capital reserve	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2015	1,459	2,273	–	74,663	1,554	79,949
Issue of ordinary shares	123	–	6,657	–	–	6,780
Return on ordinary activities after taxation	–	–	–	(14,551)	395	(14,156)
Dividend paid (note 5)	–	–	–	–	(379)	(379)
Balance at 30 September 2015	1,582	2,273	6,657	60,112	1,570	72,194

Six months ended 30 September 2014

	Capital					
	Share capital	redemption reserve	Share premium	Capital reserve	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2014	1,459	2,273	–	49,745	1,671	55,148
Return on ordinary activities after taxation	–	–	–	8,845	225	9,070
Dividend paid (note 5)	–	–	–	–	(657)	(657)
Balance at 30 September 2014	1,459	2,273	–	58,590	1,239	63,561

Condensed Statement of Cash Flows (unaudited)

	Six months ended 30 September 2015 £'000	Six months ended 30 September 2014 £'000
Return on ordinary activities before finance costs and taxation	(14,043)	9,158
Adjustments for:		
Losses/(gains) on investments	14,827	(7,663)
Expenses taken to capital reserve	8	6
Foreign exchange movements	(512)	(1,376)
(Increase)/decrease in accrued income	(61)	43
Increase in other debtors	(6)	–
Increase/(decrease) in other creditors	3	(10)
Overseas withholding tax suffered	(70)	(55)
Net cash inflow from operating activities	146	103
Net cash outflow from servicing of finance	(33)	(33)
Net cash (outflow)/inflow from financial investment	(9,828)	43
Net cash (outflow)/inflow before financing	(9,715)	113
Financing		
Equity dividends paid	(379)	(657)
Issue of Ordinary shares	6,780	–
Drawdown of bank loan	2,054	–
Net cash inflow/(outflow) from financing	8,455	(657)
Decrease in cash	(1,260)	(544)
Reconciliation of net cash flow to movements in net debt		
Decrease in cash as above	(1,260)	(544)
Increase in borrowings	(2,054)	–
Change in net debt resulting from cash flows	(3,314)	(544)
Foreign exchange movements	873	588
Movement in net debt in the period	(2,441)	44
Opening net debt	(6,812)	(5,351)
Closing net debt	(9,253)	(5,307)
Represented by:		
Cash at bank and in hand	118	316
Debt falling due within one year	(2,205)	(5,623)
Debt falling due after one year	(7,166)	–
Closing net debt	(9,253)	(5,307)

Notes to the Financial Statements

1. Accounting policies – Basis of accounting

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

These condensed financial statements are the first since FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) came into effect for accounting periods beginning on or after 1 January 2015. An assessment of the impact of adopting FRS 102 has been carried out and found that no restatement of balances as at the transition date, 1 January 2014, or comparative figures in the Condensed Statement of Financial Position or the Condensed Statement of Comprehensive Income is considered necessary.

The interim financial statements have been prepared using the same accounting policies as the preceding annual financial statements.

	Six months ended 30 September 2015 £'000	Six months ended 30 September 2014 £'000
2. Income		
Income from investments		
Overseas dividends	798	549
Total income	798	549

3. Transaction costs

During the period expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. Expenses incurred in acquiring investments have been expensed through capital and are included within administration expenses in the Condensed Statement of Comprehensive Income, whilst expenses incurred in disposing of investments have been expensed through capital and are included within (losses)/gains on investments in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 30 September 2015 £'000	Six months ended 30 September 2014 £'000
Purchases	9	5
Sales	7	5
	16	10

4. Taxation

The taxation charge for the period represents withholding tax suffered on overseas dividend income.

	Six months ended 30 September 2015 £'000	Six months ended 30 September 2014 £'000
5. Dividends		
2014 final dividend – 4.50p	–	657
2015 final dividend – 2.60p	379	–
	379	657

	Six months ended 30 September 2015 £'000	Six months ended 30 September 2014 £'000
6. Return per Ordinary share		
Based on the following figures:		
Revenue return	395	225
Capital return	(14,551)	8,845
Total return	(14,156)	9,070
Weighted average number of Ordinary shares in issue	15,072,064	14,591,572

		As at 30 September 2015 £'000	As at 31 March 2015 £'000
7. Foreign currency bank loan			
Falling due within one year		2,205	–
Falling due after more than one year		7,166	7,302
		9,371	7,302
Short term Japanese Yen loan	Amount £'000	2,205	–
	JPY'000	400,000	–
	Interest rate (%)	0.8336	–
Long term Japanese Yen loan	Amount £'000	7,166	7,302
	JPY'000	1,300,000	1,300,000
	Interest rate (%)	0.8975	0.8975

The short term loan is drawn down from the JPY800,000,000 one year facility with ING Bank entered into in August 2015.

The long term loan is drawn down from the JPY1,300,000,000 three year facility with ING Bank entered into in January 2015.

8. Capital reserve

The capital reserve figure reflected in the Balance Sheet includes investment holdings gains of £5,334,000 (31 March 2015, £21,832,000).

Notes to the Financial Statements *continued*

	As at 30 September 2015	As at 31 March 2015
9. Net asset value per Ordinary share		
Attributable net assets (£'000)	72,194	79,949
Number of Ordinary shares in issue	15,821,572	14,591,572
Net asset value per Ordinary share (p)	456.30	547.91

10. Fair value hierarchy

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following classifications:

Class A: quoted prices for identical instruments in active markets;

Class B: prices of recent transactions for identical instruments; and

Class C: valuation techniques using observable and unobservable market data.

The financial assets and liabilities measured at fair value in the Condensed Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

	Note	Class C				Total £'000
		Class A £'000	Class B £'000	Observable Inputs £'000	Unobservable Inputs £'000	
As at 30 September 2015						
Financial assets at fair value through profit or loss						
Quoted equities	a)	81,047	–	–	–	81,047
Total		81,047	–	–	–	81,047
Financial liabilities at fair value through profit or loss						
Foreign exchange forward contracts	b)	–	–	(289)	–	(289)
Net fair value		81,047	–	(289)	–	80,758

	Note	Class C				Total £'000
		Class A £'000	Class B £'000	Observable Inputs £'000	Unobservable Inputs £'000	
As at 31 March 2015						
Financial assets at fair value through profit or loss						
Quoted equities	a)	86,312	–	–	–	86,312
Foreign exchange forward contracts	b)	–	–	73	–	73
Net fair value		86,312	–	73	–	86,385

a) Quoted equities and preference shares

The fair value of the Company's investments in quoted equities has been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Class A are actively traded on recognised stock exchanges.

b) Foreign exchange forward contracts

The fair value of the Company's investment in foreign exchange forward contracts has been determined in relation to models using observable market inputs and hence are categorised in Fair Value Class C – Observable inputs.

11. Transactions with the Manager

The Company has agreements with Aberdeen Fund Managers Limited ("AFML" or the "Manager") for the provision of investment management, secretarial, accounting and administration and promotional activity services.

The management fee is payable monthly in arrears at a rate of 0.95% per annum of the value of the Company's net assets up to £50 million decreasing to 0.75% of the value of the Company's net assets over and above £50 million. The investment management fee is chargeable 40% to revenue and 60% to capital. During the period £346,000 (30 September 2014 – £280,000) of investment management fees were earned by the Manager, with a balance of £53,000 (30 September 2014 – £48,000) being payable to AFML at the period end.

The promotional activities fee is based on a current annual amount of £47,000 (30 September 2014 – £42,000 per annum), payable quarterly in arrears. During the period £24,000 (30 September 2014 – £21,000) of fees were earned, with a balance of £12,000 (30 September 2014 – £11,000) being payable to AFML at the period end.

- 12.** The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 – 436 of the Companies Act 2006. The financial information for the six months ended 30 September 2015 and 30 September 2014 has not been reviewed or audited by the Company's independent auditor.

The information for the year ended 31 March 2015 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the independent auditor on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006.

- 13.** This Half-Yearly Report was approved by the Board on 18 November 2015.

Directors' Responsibility Statement

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

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

The Half-Yearly Financial Report for the six months ended 30 September 2015 comprises the Chairman's Statement, the Directors' Responsibility Statement and the condensed set of Financial Statements.

Neil Gaskell
Chairman

18 November 2015

How to Invest in Aberdeen Japan Investment Trust PLC

Direct

Investors can buy and sell shares in Aberdeen Japan Investment Trust PLC directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Many have online facilities. Alternatively, for Retail clients, shares may be bought directly through Aberdeen's Investment Plan for Children, Investment Trust Share Plan and Investment Trust ISA.

Suitable for Retail/NMPI Status

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

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

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

Aberdeen's Investment Plan for Children

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

Aberdeen Investment Trust Share Plan

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

Aberdeen Investment Trust ISA

Aberdeen offers a stocks and shares ISA which allows an investment of up to £15,240 in the tax year 2015/16.

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

Nominee Accounts and Voting Rights

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

ISA Transfer

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

Note

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

How to Invest in Aberdeen Japan Investment Trust PLC continued

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

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

Trust Information

If investors would like details of Aberdeen Japan Investment Trust PLC or information on Aberdeen's Children's Plan, Share Plan, ISA or ISA transfers please contact:

Aberdeen Investment Trust
PO Box 11020
Chelmsford
Essex CM99 2DB
Telephone: 0500 00 00 40
E-mail: inv.trusts@aberdeen-asset.com

Details are also available on www.invtrusts.co.uk

Terms and Conditions for Aberdeen managed savings products can also be found under the Literature section of the website www.invtrusts.co.uk.

Literature Request Service

For literature and application forms for Aberdeen's investment trust products, please contact:

Telephone: 0500 00 40 00
Email: aam@lit-request.com

Registrar

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

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Tel: 0871 664 0300
(Calls cost 12p per minute plus network extras. Lines are open 8.30 am - 5.30 pm, Monday - Friday)

Tel International: +44 208 639 3399
E-mail: ssd@capitaregistrars.com
Website: www.capitaregistrars.com

Keeping You Informed

The Company's share price appears under the heading 'Investment Companies' in the Financial Times.

For internet users, detailed data on Aberdeen Japan Investment Trust PLC, including price, performance information and a monthly fact sheet is available from the Trust's website (www.aberdeenjapan.co.uk) and the TrustNet website (www.trustnet.co.uk). Alternatively you can call 0500 00 00 40 for trust information.

Pre-investment Disclosure Document (PIDD)

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

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

Online dealing providers

Investor information

There are a number of other ways in which you can buy and hold shares in this investment trust.

Online dealing

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

AJ Bell You Invest
Alliance Trust Savings
Barclays Stockbrokers
Charles Stanley Direct
Halifax Share Dealing
Hargreave Hale
Hargreaves Lansdown
Idealing
Interactive Investor
Selftrade
The Share Centre
Stocktrade
TD Direct

Discretionary private client stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Wealth Management Association at www.thewma.co.uk

Financial advisers

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

Regulation of stockbrokers

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

Telephone: 0800 111 6768

Website: www.fca.org.uk/firms/systems-reporting/register/search

Email: register@fca.org.uk

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

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

These callers/senders do not work for Aberdeen and any third party making such offers/claims has no link with Aberdeen. Aberdeen Asset Management does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact Aberdeen's investor services centre using the details on the 'Contact Us' page.

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

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

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

Corporate Information

Directors

Neil Gaskell, Chairman
Karen Brade
Sir Andrew Burns
Kevin Pakenham

Manager, Secretary and Registered Office

Alternative Investment Fund Manager *

Aberdeen Fund Managers Limited
Bow Bells House
1 Bread Street
London EC4M 9HH
(Registered in England and Wales with Company Registration
Number: 00740118)
(* appointed as required by EU Directive 2011/61/EU).

Website: www.aberdeen-asset.com

Investment Manager

Aberdeen Asset Managers Asia Limited

Secretary and Registered Office

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

Company Registration Number

03582911

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

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

Website

www.aberdeenjapan.co.uk

Depositary

BNP Paribas Securities Services, London Branch

Independent Auditor

KPMG LLP

Lawyers

Maclay Murray Spens
One London Wall
London EC2Y 5AB

Bankers

ING N. V. London Branch

Stockbrokers

JPMorgan Securities Limited
25 London Wall
London EC2Y 5AJ

Points of Contact

Manager

Customer Services Department: 0500 00 00 40
(open Monday - Friday, 9am - 5pm)
Email: inv.trusts@aberdeen-asset.com

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Tel: 0871 664 0300
(Calls cost 12p per minute plus network extras. Lines are
open 8.30 am - 5.30 pm, Monday - Friday)

Tel International: +44 208 639 3399
E-mail: ssd@capitaregistrars.com
Website: www.capitaregistrars.com



