

Aberdeen Japan Investment Trust PLC

Half Yearly Report
for the six months ended 30 September 2014



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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

Financial Highlights

	As at 30 September 2014	As at 30 September 2013	As at 31 March 2014
Total assets ^A (£'000)	69,184	59,878	60,972
Total equity shareholders' funds (£'000)	63,561	54,196	55,148
Net asset value per share	435.6p	371.4p	377.9p
Share price (mid-market)	384.0p	345.8p	327.3p
Share price discount to net asset value	11.8%	6.9%	13.4%
Dividend paid per share ^B	4.50p	4.75p	4.50p

^A Excludes foreign currency bank loans.

^B Dividend for the year ended 31 March 2014 was 4.50p (2013 – 4.75p) per share.

Performance (total return)^C

	Six months ended 30 September 2014	Six months ended 30 September 2013	Year ended 31 March 2014
Share price	+18.8%	–8.8%	–13.7%
Net asset value per share	+16.5%	–9.1%	–7.5%
Composite Index ^D	+7.4%	–2.5%	–5.9%

^C Total return represents capital return plus dividends reinvested.

^D Composite Index represents the MSCI AC Asia Pacific (including Japan) Index (in Sterling terms) up to 7 October 2013 and the TOPIX (in Sterling terms) from 8 October 2013.

Financial Calendar

18 November 2014	Announcement of unaudited Half-Yearly Financial Report
November 2014	Half-Yearly Report posted to shareholders
May 2015	Announcement of results for the year ending 31 March 2015
June 2015	Annual Report posted to shareholders
14 July 2015	Annual General Meeting

Chairman's Statement

Performance

The Company changed to a Japan only mandate on 7 October 2013 and has made a very good start under this new investment objective. Whilst Japan's economic performance has been disappointing, your Company's net asset value on a total return basis has increased by 17.6%, since the change of mandate, compared to a rise in the Topix index of 3.5% in sterling terms for the same period.

Performance has been especially strong in the review period of six months to 30 September 2014, during which the net asset value on a total return basis increased by 16.5%, compared with the gain for the Topix index of 7.4%, all in sterling terms. The share price reached 384.0p on 30 September 2014, a rise of 18.8% on a total return basis reflecting a modest tightening of the discount to 11.8%, down from 13.4% at the 31 March year end. The discount has continued to tighten since the 30 September but your Board is mindful that, despite the relatively good investment performance in the period, the discount at around 6% is in line generally with the peer group.

The Japanese market advanced well over this period which could be partly attributed to the central bank's continued loose monetary policy. Prime Minister Shinzo Abe's economic revival policies have met with resistance, while the weakened Yen – one of the effects of the central bank's quantitative easing – has yet to revive sluggish export growth. However, better earnings, a tight labour market and wage increases suggest that the measures have had some success. In fact, company profits have been growing steadily and there have been consistent upward revisions in profit expectations despite a summer of lacklustre economic activity. Japan's deep-pocketed businesses have also committed to expansion plans, which should help lift the economy onto a steeper growth trajectory. Years of coping with deflation and weak growth have helped Japanese companies become nimble and lean. As a result, the better-run companies, in which the Investment Manager invests, are now efficient cash generators, and business sentiment is generally upbeat.

Further details of this performance and the portfolio are covered in the Investment Manager's report on page 5. Your Board is very pleased to report such positive returns generated largely by the Investment Manager's investment process.

Dividend

A final dividend of 4.5p per ordinary share in respect of the year ended 31 March 2014 (2013 - 4.75p) was paid to shareholders on 18 July 2014. This was a sufficient level to maintain investment company status and reflected a reduction in dividend income in the portfolio following the

change to a Japan only mandate in the latter half of the financial year.

The outlook for the dividend in respect of the 2015 financial year is that it will be significantly lower than the 2014 dividend because it will reflect a full year of income under the new mandate and therefore the lower level of dividend yield in Japan. The dividend will be maintained at a level to reflect the net income of the Company and the minimum requirements to maintain investment company status.

Gearing

The Company's drawings under its bank loan facility remained at Yen 1 billion, equivalent to £5.6 million (£5.8 million at 31 March 2014). A rise in gross assets from £61.0 million at the year end to £69.2 million at 30 September 2014 meant that net gearing as a percentage fell from 9.7% to 8.4%. 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%.

Sterling Hedge

The investment policy provides for the underlying Yen net exposure to be appropriately sterling hedged at levels to be determined periodically by the Board in consultation with the Investment Manager. At 30 September 2014, 49.3% of the portfolio net assets were hedged through forward contracts. The Board considers a level of approximately 50% to be appropriate when looking at the estimated Japan-based revenues earned by portfolio companies and having regard to the Yen denominated gearing. The sterling hedge continued to be positive for the company under this weakening exchange rate scenario and contributed 1.9% of the outperformance over the review period. While currency hedging manages risk, shareholders should be aware that this strategy can also potentially result in lower returns.

Alternative Investment Fund Managers Directive

The Company appointed Aberdeen Fund Managers Limited ("AFML"), following its authorisation by the FCA, to act as the Company's Alternative Investment Fund Manager, entering a new management agreement with AFML and a depositary agreement with AFML and BNP Paribas Securities Services, London Branch on 14 July 2014. Under the management agreement AFML delegates portfolio management services to Aberdeen Asset Management Asia Limited, which continues to act as the Company's Investment Manager.

Ongoing Charges

Your Board actively monitors costs and is committed to keeping these under tight control. There are modest additional costs related to the depositary appointment which

are mostly offset by lower custody charges. However, following a review, it was agreed to revise the basis of the calculation of the management fee from net assets plus debt to net assets with effect from 1 June 2014. The management fee rate remains at 0.95% for net assets up to £50m and 0.75% for net assets above £50m.

Outlook

The global context facing Japan is not encouraging. The end of the US Federal Reserve's quantitative easing programme may unsettle financial markets, given the uncertain outlook. The US and UK are expanding at a healthy pace, but China's economy is moderating and Germany's stumbling growth risks tipping the Eurozone into another recession. Ultimately world trade drives export demand, so what is happening elsewhere will have a significant impact on Japan. Additional stimulus has recently been rolled out with renewed large scale quantitative easing by the Bank of Japan. The announcement by Japan's biggest public pension fund GPIF of an increase in its asset allocation to equities, is also a positive although it may be a while before government led efforts finally turn around the economy. However, time is on Abe's side for now. Although Abe's approval ratings may have waned, his support is relatively high with the opposition DPJ in disarray. The next election is not due for another two years, but speculation is mounting that Abe may call an early election in an attempt to lock in his mandate for a further four years and allow a delay of the planned 2015 sales tax hike.

Meanwhile, the gathering pace of change unfolding across the corporate landscape appears promising. Many Japanese companies have recapitalised with robust balance sheets. Management, too, are increasingly shareholder friendly – the recent jump in share buybacks and higher dividend payouts are a testament to that. There is also greater emphasis on corporate governance, with the more progressive companies appointing external directors. The recent introduction of the stewardship code, similar to the UK's, is also expected to enhance investor engagement with management. The Board remains positive about Japan for these reasons.

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 2014 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

Aberdeen Fund Managers Limited ("AFML") acts as Manager to the Company. The Company's portfolio continues to be managed by Aberdeen Asset Management Asia Limited, company secretarial services provided through AFML's parent company, Aberdeen Asset Management PLC, and accounting and administrative services provided through Aberdeen Asset Managers Limited, all by way of delegation agreements with AFML.

Going Concern

The Company's assets consist mainly 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.

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 have been prepared in accordance with the UK Accounting Standards Board's statement "Half-Yearly Financial Reports"; and the Interim Management Report includes a fair review of the information required by rules 4.2.7R of the UK Listing Authority 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 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 so do). The Half-Yearly

Chairman's Statement continued

Financial Report for the six months ended 30 September 2014 comprises an Interim Management Report in the form of the Chairman's Statement, the Directors' Responsibility Statement and a condensed set of Financial Statements, and has not been audited or reviewed by the auditors pursuant to the APB guidance on Review of Interim Financial Information.

Neil Gaskell

Chairman

17 November 2014

Investment Manager's Report

Market Review

Japanese equities rallied during the six months to end September 2014, largely on the back of the yen's depreciation, a key theme during the review period. Additionally, optimism over the cabinet's plan to lower corporate taxes and anticipation that Japan's biggest public pension fund, GPIF, would increase its exposure to domestic equities also inspired investor confidence.

Market gains were pared, however, owing to anxieties over the impact of the consumption tax hike implemented in April, which led to a series of disappointing data releases. In particular, GDP for the June-quarter shrank by 1.7% from a quarter earlier, as core machinery orders and industrial output softened. Exports also fell, widening the trade deficit in turn.

The currency's weakness appeared to be a double-edged sword for local companies. On one hand, it contributed to the improved outlook among large manufacturers in the September-quarter. On the other, those that relied on the domestic economy did poorly. For example, the services sector suffered a loss in confidence, while small and medium enterprises were affected by higher import costs, which resulted in a greater number of bankruptcies. We will be keeping an eye on this still unfolding trend, as well as other significant political developments. In particular, Prime Minister Abe reshuffled and replaced two-thirds of his cabinet, as the administration attempts to regain momentum for third-arrow reforms.

Portfolio Review

During the review period, the portfolio's net asset value total return per share rose by 16.5% in sterling terms, outperforming the Topix index's total return of 7.4%, largely driven by positive stock selection.

Share buybacks were key to supporting the stock prices of certain holdings. Machine tool manufacturer Amada was the top contributor, boosted by a buyback equivalent to 3.5% of outstanding shares, the retirement of treasury shares amounting to 2.5% of outstanding stock and an increase to year-end dividends. It also posted solid full-year net profits, which nearly tripled thanks to higher corporate capital spending in Japan and the US. Daito Trust Construction was also boosted by a buyback of up to 1.71 million shares, which brought overall shareholder returns to around 80% of net profits. The company declared a commemorative dividend of ¥20 per share in fiscal year ending March 2015.

Elsewhere, Nippon Paint's share price rose on the back of expectations that its largest shareholder Wuthelam Holdings would top up its existing share holdings; it also posted solid results. Meanwhile, Shin-Etsu Chemical benefited from good

demand for silicon wafers. In the health care sector, Astellas Pharma's shares outperformed on brisk demand for its prostate cancer drug Xtandi, while Chugai Pharmaceutical's stock rose on the company's solid drug pipeline as well as strong royalty income from Roche. In the consumer sector, Unicharm did well after it launched a new line of diapers in China. Snackmaker Calbee rose after it reported solid second-quarter results, supported by robust demand for its snack foods in Japan and North America. Furthermore, membership-based resorts operator Resorttrust gained on anticipation of healthy sales from the launch of new premium condominiums, as well as medical resorts. Baby products maker Pigeon also outperformed after announcing positive sales of higher-margin baby bottles in China. Against this, holdings in Yahoo Japan and FCC pared gains. Yahoo Japan was hurt by concerns over the growth of its core advertising business, while FCC's shares fell after it lowered its forecast on the back of higher-than-expected startup costs at a new plant in the US.

In portfolio activity, we introduced air conditioning equipment manufacturer Daikin Industries and Suruga Bank. Daikin has a solid global presence, particularly in China, where it leverages its environmentally-friendly range. Suruga Bank is a regional lender that pursues a deliberate strategy of lending to those that have difficulties gaining access to credit through 'traditional' commercial banking channels. Through its unique customer focus where it sees limited competition, Suruga Bank earns the highest margins in the industry. The bank has a good track record of keeping credit costs low, thanks to its proprietary automated screening system.

Against this, we sold Takeda on the back of concerns over ongoing lawsuits against the company for its diabetes drug, Actos, as well as increasing threats to its current drug portfolio from generic manufacturers.

Outlook

Several developments, notably the Federal Reserve's move to normalise monetary policy, have put investors on tenterhooks. Compounding the situation is the state of the global economy, which appears to be losing steam, weighed down by fragilities in Europe and rising geopolitical concerns. That would hurt Japanese exports. Further risks to the economic and corporate earnings outlook include weak consumption, which is taking longer to recover, compared to the previous tax hike in 1997, while worries over the economic impact of a sustained weakness in the yen remain.

At the time of writing, the resignations of high-profile ministers, a sudden economic slowdown and the growing possibility of snap elections complicate key policy decisions ahead, including whether to proceed with the unpopular sales tax hike. Nevertheless, we believe the

Investment Manager's Report continued

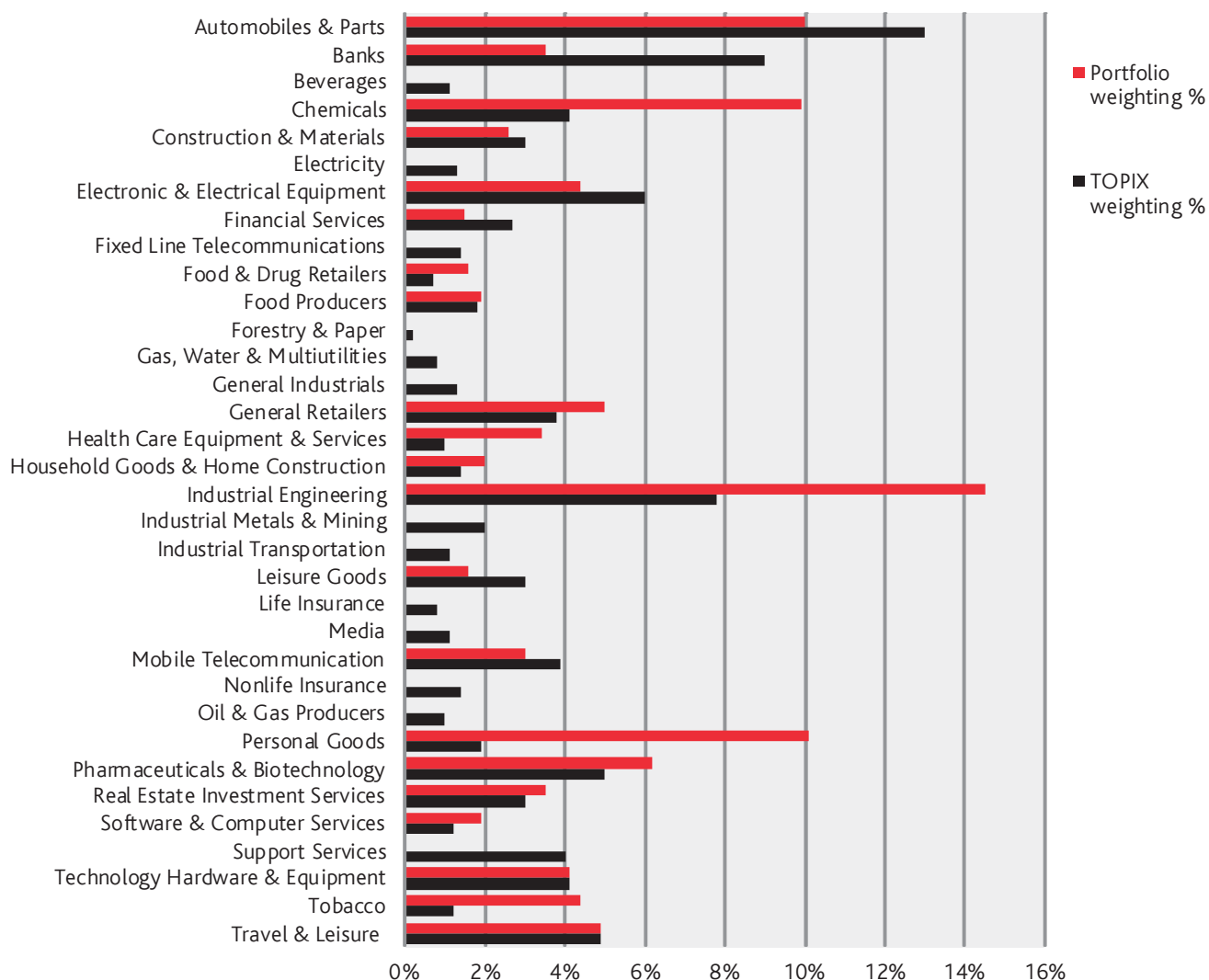
macro uncertainty has strengthened the justification for our stock picking approach, as we focus on screening for well-managed companies with solid balance sheets and healthy growth prospects. These defensive characteristics should enable them to weather the current economic headwinds.

Aberdeen Asset Management Asia Limited
Investment Manager
17 November 2014

Sector Analysis

As at 30 September 2014

Sector Breakdown



Yen/Sterling Currency Movement

---- This line represents the date of investment mandate change.



Investment Portfolio

As at 30 September 2014

Company	Sector	Valuation £'000	Total assets %
Shin-Etsu Chemical Company	Chemicals	3,779	5.5
Fanuc Corporation	Industrial Engineering	3,359	4.9
Keyence Corporation	Electronic & Electrical Equipment	2,999	4.3
Japan Tobacco Inc	Tobacco	2,942	4.2
Nabtesco Corporation	Industrial Engineering	2,829	4.1
Canon Inc	Technology Hardware & Equipment	2,747	4.0
Seven & I Holdings Company	General Retailers	2,442	3.5
Amada Company	Industrial Engineering	2,246	3.2
Toyota Motor Corporation	Automobiles & Parts	2,205	3.2
East Japan Railway Company	Travel & Leisure	2,137	3.1
Top ten investments		27,685	40.0
Unicharm Corporation	Personal Goods	2,133	3.1
Chugai Pharmaceutical Company	Pharmaceuticals & Biotechnology	2,098	3.0
Astellas Pharma Inc	Pharmaceuticals & Biotechnology	2,092	3.0
KDDI Corporation	Mobile Telecommunications	2,004	2.9
Honda Motor Company	Automobiles & Parts	1,893	2.8
Daito Trust Construction Company	Construction & Materials	1,732	2.5
Pigeon Corp	Personal Goods	1,708	2.5
Kansai Paint Company	Chemicals	1,665	2.4
Mandom Corporation	Personal Goods	1,652	2.4
Bank Of Yokohama	Banks	1,620	2.3
Top twenty investments		46,282	66.9
Makita Corporation	Household Goods & Home Construction	1,370	2.0
Asics Corporation	Personal Goods	1,358	2.0
Calbee Inc	Food Producers	1,326	1.9
Daikin Industries	Industrial Engineering	1,321	1.9
Yahoo Japan Corp	Software & Computer Services	1,291	1.9
Nippon Paint Company	Chemicals	1,247	1.8
Mitsubishi Estate Company	Real Estate Investment Services	1,192	1.7
Daibiru Corporation	Real Estate Investment Services	1,189	1.7
Resorttrust Inc	Travel & Leisure	1,154	1.7
Asahi Intecc Company	Health Care Equipment & Services	1,139	1.6
Top thirty investments		58,869	85.1
Sysmex Corp	Health Care Equipment & Services	1,138	1.6
Shimano Inc	Leisure Goods	1,109	1.6
San-A Company	Food & Drug Retailers	1,051	1.5
Denso Corp	Automobiles & Parts	988	1.5
Aeon Financial Service Company	Financial Services	978	1.4
USS Company	General Retailers	908	1.3
FCC Company	Automobiles & Parts	881	1.3
Aisin Seiki Company	Automobiles & Parts	777	1.1
Suruga Bank	Banks	711	1.0
Total investments		67,410	97.4
Net current assets ^A		1,774	2.6
Total assets		69,184	100.0

^A Excludes bank loans of £5,623,000

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

Income Statement

	Six months ended 30 September 2014 (unaudited)			Six months ended 30 September 2013 (unaudited)			Year ended 31 March 2014 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	–	7,663	7,663	–	(6,498)	(6,498)	–	(8,876)	(8,876)
Income (note 2)	549	–	549	1,157	–	1,157	1,710	–	1,710
Investment management fee (note 3)	(112)	(168)	(280)	(237)	–	(237)	(227)	(162)	(389)
Administrative expenses (note 4)	(144)	(6)	(150)	(203)	(2)	(205)	(466)	(19)	(485)
Exchange gains	–	1,376	1,376	–	386	386	–	3,698	3,698
Net return before finance costs and taxation	293	8,865	9,158	717	(6,114)	(5,397)	1,017	(5,359)	(4,342)
Finance costs	(13)	(20)	(33)	(36)	–	(36)	(55)	(27)	(82)
Net return on ordinary activities before taxation	280	8,845	9,125	681	(6,114)	(5,433)	962	(5,386)	(4,424)
Taxation on ordinary activities (note 6)	(55)	–	(55)	(30)	–	(30)	(87)	–	(87)
Net return on ordinary activities after taxation	225	8,845	9,070	651	(6,114)	(5,463)	875	(5,386)	(4,511)
Return per Ordinary share (pence)(note 8)	1.54	60.62	62.16	4.46	(41.90)	(37.44)	6.00	(36.91)	(30.91)

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 Income Statement.

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

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

Balance Sheet

		As at 30 September 2014 (unaudited) £'000	As at 30 September 2013 (unaudited) £'000	As at 31 March 2014 (audited) £'000
	Note			
Fixed assets				
Investments at fair value through profit or loss		67,410	59,241	59,796
Current assets				
Debtors		1,585	272	840
Cash at bank and in hand		316	577	473
		1,901	849	1,313
Creditors: amounts falling due within one year				
Foreign currency bank loans	9	(5,623)	(5,682)	(5,824)
Other creditors		(127)	(212)	(137)
		(5,750)	(5,894)	(5,961)
Net current liabilities		(3,849)	(5,045)	(4,648)
Net assets		63,561	54,196	55,148
Share capital and reserves				
Called-up share capital		1,459	1,459	1,459
Capital redemption reserve		2,273	2,273	2,273
Capital reserve	10	58,590	49,017	49,745
Revenue reserve		1,239	1,447	1,671
Equity shareholders' funds		63,561	54,196	55,148
Net asset value per Ordinary share (pence)	11	435.60	371.42	377.94

Reconciliation of Movements in Shareholders' Funds

Six months ended 30 September 2014 (unaudited)

	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'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 7)	–	–	–	(657)	(657)
Balance at 30 September 2014	1,459	2,273	58,590	1,239	63,561

Six months ended 30 September 2013 (unaudited)

	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2013	1,459	2,273	55,131	1,489	60,352
Return on ordinary activities after taxation	–	–	(6,114)	651	(5,463)
Dividend paid (note 7)	–	–	–	(693)	(693)
Balance at 30 September 2013	1,459	2,273	49,017	1,447	54,196

Year ended 31 March 2014 (audited)

	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2013	1,459	2,273	55,131	1,489	60,352
Return on ordinary activities after taxation	–	–	(5,386)	875	(4,511)
Dividend paid (note 7)	–	–	–	(693)	(693)
Balance at 31 March 2014	1,459	2,273	49,745	1,671	55,148

Cash Flow Statement

	Six months ended 30 September 2014 (unaudited) £'000	Six months ended 30 September 2013 (unaudited) £'000	Year ended 31 March 2014 (audited) £'000
Return on ordinary activities before finance costs and taxation	9,158	(5,397)	(4,342)
Adjustments for:			
(Gains)/losses on investments	(7,663)	6,498	8,876
Expenses taken to capital reserve	6	2	19
Foreign exchange movements	(1,376)	(386)	(3,698)
Decrease/(increase) in accrued income	43	71	(138)
Decrease in other debtors	–	10	17
Decrease/(increase) in other creditors	(10)	25	(49)
Decrease in performance fee creditor	–	(43)	(43)
Overseas withholding tax suffered	(55)	(20)	(87)
Stock dividends included in investment income	–	(14)	(31)
Net cash inflow from operating activities	103	746	524
Net cash outflow from servicing of finance	(33)	(36)	(82)
Net cash inflow/(outflow) from financial investment	43	74	(2,860)
Equity dividends paid	(657)	(693)	(693)
Net cash (outflow)/inflow before financing	(544)	91	(3,111)
Financing			
Loan repaid	–	(5)	(571)
Net cash outflow from financing	–	(5)	(571)
Decrease/(increase) in cash	(544)	86	(3,682)
Reconciliation of net cash flow to movements in net debt			
Decrease/(increase) in cash as above	(544)	86	(3,682)
Decrease in borrowings	–	5	571
Change in net debt resulting from cash flows	(544)	91	(3,111)
Foreign exchange movements	588	386	3,342
Movement in net debt in the period	44	477	231
Opening net debt	(5,351)	(5,582)	(5,582)
Closing net debt	(5,307)	(5,105)	(5,351)
Represented by:			
Cash at bank and in hand	316	577	473
Debt falling due within one year	(5,623)	(5,682)	(5,824)
Closing net debt	(5,307)	(5,105)	(5,351)

Notes to the Accounts

1. Accounting policies – Basis of accounting

The financial statements have been prepared in accordance with applicable UK Accounting Standards, with pronouncements on Half-Yearly Reporting issued by the Accounting Standards Board and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The financial statements have been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

The financial statements and the net asset value per share figures have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP).

The half-yearly financial statements have been prepared using the same accounting policies as the preceding annual accounts.

	Six months ended 30 September 2014 £'000	Six months ended 30 September 2013 £'000	Year ended 31 March 2014 £'000
2. Income			
Income from investments			
UK dividend income	–	115	97
Overseas dividends	549	1,028	1,582
Stock dividends	–	14	31
Total income	549	1,157	1,710

3. Investment management fee

The Manager waived management fees amounting to £127,000 during the year to 31 March 2014 as part of an agreement with the Company in relation to costs associated with the change in investment mandate.

The management fee is payable at a rate of 0.95% per annum of the value of the Company's assets up to £50 million decreasing to 0.75% of the value of the Company's assets over and above £50 million. With effect from 1 June 2014 the asset basis for the calculation of the management fee was changed from net assets plus debt to net assets.

4. Administrative expenses

The administrative expenses for the year to 31 March 2014 include £177,000 of costs relating to the change in investment mandate. The Manager waived management fees amounting to £127,000 during the year as part of an agreement with the Company in relation to these costs (see note 3), resulting in a net administrative cost of the mandate change to the Company of approximately £50,000.

5. 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 Income Statement, whilst expenses incurred in disposing of investments have been expensed through capital and are included within gains/(losses) on investments in the Income Statement. The total costs were as follows:

Notes to the Accounts continued

	Six months ended 30 September 2014 £'000	Six months ended 30 September 2013 £'000	Year ended 31 March 2014 £'000
Purchases	5	2	14
Sales	5	2	60
	10	4	74

6. Taxation

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

	Six months ended 30 September 2014 £'000	Six months ended 30 September 2013 £'000	Year ended 31 March 2014 £'000
7. Dividends			
2013 final dividend – 4.75p	–	693	693
2014 final dividend – 4.50p	657	–	–
	657	693	693

	Six months ended 30 September 2014 £'000	Six months ended 30 September 2013 £'000	Year ended 31 March 2014 £'000
8. Return per Ordinary share			
Based on the following figures:			
Revenue return	225	651	875
Capital return	8,845	(6,114)	(5,386)
Total return	9,070	(5,463)	(4,511)
Weighted average number of Ordinary shares in issue	14,591,572	14,591,572	14,591,572

		As at 30 September 2014 £'000	As at 30 September 2013 £'000	As at 31 March 2014 £'000
9. Foreign currency bank loan				
Foreign currency bank loan		5,623	5,682	5,824
US Dollar	Amount £'000	–	4,296	–
	USD'000	–	6,956	–
	Interest rate (%)	–	1.16	–
Japanese Yen	Amount £'000	5,623	1,386	5,824
	JPY'000	1,000,000	220,300	1,000,000
	Interest rate (%)	1.13	1.16	1.10

The bank loan is drawn down from the £10,000,000 multi-currency facility with Standard Chartered Bank.

10. Capital reserve

The capital reserve figure reflected in the Balance Sheet includes investment holdings gains of £6,163,000 (30 September 2013 – £16,572,000; 31 March 2014 – losses of £718,000).

	As at 30 September 2014	As at 30 September 2013	As at 31 March 2014
11. Net asset value per Ordinary share			
Attributable net assets (£'000)	63,561	54,196	55,148
Number of Ordinary shares in issue	14,591,572	14,591,572	14,591,572
Net asset value per Ordinary share (p)	435.60	371.42	377.94

12. Related party disclosures

There were no related party transactions during the period.

- 13.** 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 2014 and 30 September 2013 has not been audited.

The information for the year ended 31 March 2014 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditor on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006.

This report has not been reviewed or audited by the Company's auditor.

- 14.** This Half-Yearly Report was approved by the Board on 17 November 2014.

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. Alternatively, for retail clients, shares can be bought directly from Aberdeen through the Investment Plan for Children, Investment Trust Share Plan and Investment Trust Individual Savings Account ("ISA").

Suitable for Retail

The Company's Ordinary shares are intended for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who seek capital growth from investment in Japanese markets 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 securities issued by Aberdeen Japan Investment Trust PLC can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products (NMPs) and intends to continue to do so for the foreseeable future.

The Company's securities are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers Limited ("AAM") 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 (subject to the eligibility criteria as stated within the terms and conditions), including parents, grandparents and family friends. 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 entry. 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 AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Investment Trust Share Plan

AAM 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 entry. 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 AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Investment Trust ISA

An investment of up to £15,000 in Aberdeen Japan Investment Trust PLC can be made through the Aberdeen Investment Trust ISA in the tax year 2014/15.

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 deducted on 31 March (or the last business day in March) 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. 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.

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.

Literature Request Service

For literature and application forms for AAM's investment trust products, go online at www.invtrusts.co.uk or please contact:

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

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

Keeping You Informed

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

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).

Contact Us

For any administrative queries relating to the Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex
CM99 2DB

Telephone: 0500 00 00 40

Registrar

If you have an administrative query relating to a registered holding, 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 10p 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

Investor Warning

Aberdeen is aware that some investors have received telephone calls from people purporting to work for Aberdeen, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for Aberdeen and any third party making such offers has no link with Aberdeen. Aberdeen never makes these types of offers and does not 'cold-call' investors in this way. If investors 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 provided.

The information above 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.

Corporate Information

Directors

Neil Gaskell, Chairman
Karen Brade
Sir Andrew Burns
Kevin Pakenham

Alternative Investment Fund Manager *

Aberdeen Fund Managers Limited
Bow Bells House
1 Bread Street
London EC4M 9HH

Website: www.aberdeen-asset.com

(Registered in England and Wales with Company Registration Number: 00740118)

(* appointed as required by EU Directive 2011/61/EU).

Investment Manager

Aberdeen Asset Managers Asia Limited
(a subsidiary of Aberdeen Asset Management PLC which is authorised and regulated by the Financial Conduct Authority)

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

Depository

BNP Paribas Securities Services, London Branch

Independent Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Lawyers

Maclay Murray Spens
One London Wall
London EC2Y 5AB

Bankers

Standard Chartered Bank
1 Basinghall Avenue
London EC2V 5DD

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 10p 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



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