

Aberdeen Japan Investment Trust PLC

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.

Half Yearly Report
30 September 2017



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Investment objective

The Company's objective is 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 2017	As at 31 March 2017	% change
Total assets (£'000) ^A	107,723	104,369	3.2
Total equity shareholders' funds (£'000)	96,466	92,168	4.7
Net asset value per share	644.4p	611.4p	5.4
Share price (mid-market)	564.5p	547.5p	3.1
Share price discount to net asset value	12.4%	10.5%	
Dividend paid per share ^B	6.00p	4.20p	
Ongoing charges ^C	1.20%	1.24%	

^A Excludes foreign currency bank loans of £11,257,000 (31 March 2017 – £12,201,000)

^B Dividend for the year ended 31 March 2017 was 6.00p (2016 – 4.20p) per share.

^C Ongoing charges ratio calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses (annualised) divided by the average cum income net asset value throughout the year. The ratio for 30 September 2017 is based on forecast ongoing charges for the year ending 31 March 2018.

	Six months ended 30 September 2017	Year ended 31 March 2017
Total Return^C		
Share price	+4.2%	+58.2%
Net asset value per share	+6.4%	+46.6%
Index	+3.2%	+26.0%

^C Total return represents capital return plus dividends reinvested.

Financial Calendar

22 November 2017	Announcement of unaudited Half-Yearly Financial Report
December 2017	Half-Yearly Report posted to shareholders
May 2018	Announcement of results for the year ending 31 March 2018
June 2018	Annual Report posted to shareholders
10 July 2018	Annual General Meeting

Chairman's Statement

Overview

The outlook at the start of the year was for continuing global political and economic uncertainties including the 'Trump' factor, Brexit, the Middle East, and North Korea. In contrast, so far conditions in Japan have been relatively good with improving economic performance and continuing strength of the Abe government reinforced by the recent general election win. The third quarter produced the seventh consecutive expansion of gross domestic product, its best run in 11 years. Inflation remained subdued, suggesting that the Bank of Japan is likely to maintain its current accommodative monetary policy in contrast to the pattern of gradual tightening elsewhere.

The Japanese market responded strongly to these favourable conditions with the Topix producing an 11.8% total return although the yen weakened giving a 3.2% return in sterling during the half year under review. Your Company's net asset value increased by 6.4% (total return), outperforming the sterling benchmark largely due to the currency hedge, which returned 3.7%. The underlying portfolio performance of 2.7% was slightly below the 3.2% benchmark reflecting the portfolio's mix of high quality companies with more resilient longer term performance. Further details of the portfolio's performance are set out in the Investment Manager's Report on page 4.

The Ordinary Share price's total return rose by 4.2% as the discount to NAV per Ordinary share widened from 10.5% to 12.4% at 30 September 2017. As at 21 November 2017 the discount was 11.9%. Since the change in the mandate, your Company's net asset value performance has been encouraging, posting a sterling outperformance versus the Topix benchmark of 14.2% in total return terms.

Dividend

A final dividend of 6.0p per ordinary share in respect of the year ended 31 March 2017 (2016 – 4.2p) was paid to shareholders on 14 July 2017. This was the level required to maintain investment company status.

Gearing

The Company continued to make use of its capacity to gear through the Yen 1.3 billion fixed term and Yen 800 million floating rate facilities with ING Bank. The Board considers a gearing level of around 10% to be appropriate, although, with stock market fluctuations, this may range between 5% – 15%. Net gearing as at 30 September 2017 reduced from 12.8% at the start of the period to 8.3% partly as a result of short term cash held at the end of September.

Discounts and Share Buybacks

The Board monitors closely the discount level of the Company's shares in relation to the NAV and has in place a mechanism to buy back shares at appropriate levels when to

do so will add value for ongoing investors. During the six month period, 105,394 shares were bought back into treasury at a cost of £579k.

Manager

The recent merger between Aberdeen Asset Management PLC and Standard Life plc has produced the new investment arm of the combined Group, Aberdeen Standard Investments.

The Board do not expect any significant change in the investment approach or management of our Investment Manager, Aberdeen Investment Management Kabushiki Kaisha, and believes satisfactory arrangements are in place for the continued effective investment management and successful performance of the Company.

Outlook

Having tracked global stock markets higher throughout 2017, Japanese equities seem well-placed to maintain positive momentum. While sentiment has been upbeat, as a long-term investor, your Investment Manager remains a little more cautious over lingering global political concerns, including simmering Middle-eastern tensions, and an increasingly belligerent North Korea. So far, markets appear to have shrugged off these events, preferring instead to focus on positive macroeconomic drivers. But any escalation of uncertainty could undermine this optimism and trigger a return to safer assets.

Against this background, your Company's holdings are well-placed to make further gains. Higher demand for Japanese exports, along with improving domestic consumption, should keep the economy on its growth trajectory, and improve the outlook for corporate earnings. Prime Minister Abe's successful snap-election gamble, which saw his coalition maintain its two thirds Lower House majority, is also expected to give renewed momentum to the expansionary policies of Abenomics. All of which is further underpinned by the synchronised recovery in the global economy that appears to have taken root. These factors all augur well for Japanese equity markets.

The Investment Manager's bottom-up stock picking approach and on-the-ground presence remains a key strength, as it provides greater opportunity for unearthing quality and value in the current market, which remains under-researched despite its size. Given the generally positive economic situation, expectations for healthy earnings growth and greater adherence to corporate governance best practices, the case for investing in Japan remains compelling.

Neil Gaskell
Chairman

22 November 2017

Investment Manager's Review

Overview

Japanese equities posted double-digit gains in local currency terms in the half year under review, and 3.2% in sterling as the yen weakened relative to the pound. However, the cheaper yen fuelled a stock market rally that saw it outpace its global peers. Leading the charge was the export sector, which should benefit from improved trade competitiveness and a positive translation effect on overseas earnings.

Meanwhile, the domestic economy has continued to extend its growth streak, its longest in more than a decade albeit at a rather languid pace. Even though the economy was at full employment, both wage growth and inflation stayed subdued for the bulk of the year, with consumers still reluctant to spend. Unsurprisingly, the Bank of Japan held monetary policy steady and maintained its asset purchases. In the broader context, this goes against the grain: other major central banks are either thinking of or already normalising interest rates, and many seem to be approaching an end to their quantitative easing.

Portfolio review

For the six months in review, the portfolio's net asset value (NAV) total return per share rose by 2.7% excluding the hedge effect reflecting the portfolio's underlying holdings, which are made up of high-quality, well-run companies. A key example is Shin-Etsu Chemical, the leading global manufacturer of silicon wafers, the raw material that is used to make semiconductors. With the convergence of several major trends, such as electric and autonomous vehicles, as well as a greater interconnectivity between everyday objects known as The Internet of Things, these wafers are set to become even more ubiquitous. Shin-Etsu's market dominance should allow it to dictate prices. Its PVC and silicone businesses are also being buttressed by solid structural trends.

The recent market rally has rewarded companies rather indiscriminately during the period. In particular, the rise in share prices has lifted the technology sector, and within that, the internet, semiconductor, as well as factory automation segments. Some of your Company's underlying holdings have also been beneficiaries of this incoming tide, including reduction-gear maker Nabtesco and sensor company Keyence. Both companies, however, have robust corporate fundamentals as well, posting excellent results that are driven by rising demand for automation. It must be noted that we do not subscribe to a thematic style to investing. We prefer instead, a bottom-up, buy-and-hold approach. Hence, we are somewhat cautious of current valuations.

Among the portfolio's other holdings, detractors included Japan Tobacco, which saw its shares face pressure from competing novel nicotine products that continued to take market share from its domestic cigarette sales. The company

launched its own product in the key Tokyo market in June and aims to expand sales nationwide by year-end. Also costing the portfolio was Seven & i, which reported results that met our expectations. However, its shares were dented by unexpectedly weaker-than-expected food sales at Ito-Yokado, an area that was supposed to have driven the unit's growth.

Key portfolio activity included the sale of auto-components supplier Aisin Seiki after a period of outperformance and even though it retains a robust position in automatic transmissions. We re-invested the proceeds in a handful of new names that offer greater potential. Among these was cosmetics company Shiseido, under the leadership of its new president, Masahiko Uotani. Since his appointment, the company has achieved significant progress in restructuring the business. He has tackled underperforming brands and implemented cost-structure reforms. Notably, he has put in place an incentive-based pay structure that aligns the interests of the executives with that of the firm and its shareholders.

Another new holding was Stanley Electric, one of the world's largest automotive-lighting manufacturers. The company is poised to benefit from an industry-wide structural shift, from halogen to LED headlamps, driven by rising demand for energy-efficiency. Its unique in-house LED manufacturing capabilities enables the company to stay cost efficient which in turn, improves its profitability.

We also introduced leading local furniture and home-furnishings retailer Nitori Holdings. Its vertically-integrated operation allows it to achieve superior profit margins and this enabled the company to chalk up 30 consecutive years of sales and profit growth. And yet, there is still more scope for this largely domestic business to build on the accomplishments. The management aims to accelerate earnings momentum by expanding its stores in urban centres, while trying to replicate its success in key overseas markets such as China.

Finally, we also started building a position in leading automotive chip-maker Renesas Electronics, which is well-positioned to benefit from the very trends that are buoying Shin-Etsu, including vehicle electrification, self-driving cars, and The Internet of Things. Unlike Shin-Etsu, however, its competitive advantage lies in the cutting-edge technology of miniaturised microcontrollers, which improves energy consumption and enhances memory size, while its analogue semiconductor technology is used across a broad range of applications.

Outlook

Looking ahead, the Japanese stockmarket appears likely to be underpinned by positive global economic growth and firming

Investment Manager's Review continued

oil prices. However, we prefer to remain a little more circumspect because investors appear to have ignored a raft of broader worries on the external front. These include a White House in turmoil, rising protectionism, the start of monetary policy normalisation, with the Bank of England the latest to jump on the bandwagon, as well as other geopolitical uncertainties, from the secessionist movement in Spain to the simmering spat between the US and North Korea.

Meanwhile, company fundamentals remain firm. Given a rather benign backdrop, the portfolio's underlying holdings should be able to maintain their lead in their respective markets, surmount any short-term challenges, particularly with the help of able leadership and backed by solid balance sheets, and should continue to prosper.

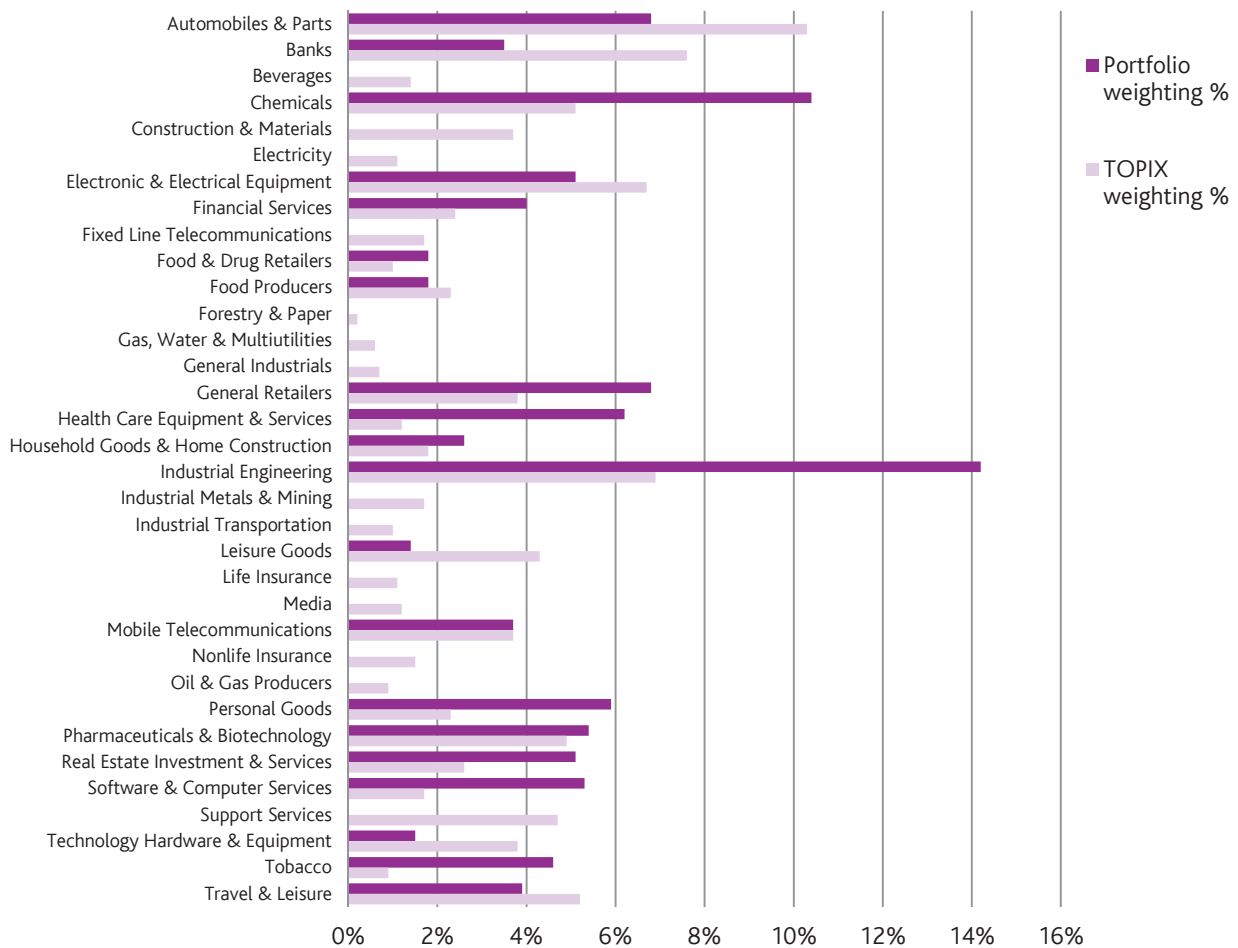
Aberdeen Investment Management Kabushiki Kaisha
Investment Manager

22 November 2017

Sector Analysis

As at 30 September 2017

Sector Breakdown



Yen/Sterling Currency Movement



Investment Portfolio

As at 30 September 2017

Company	Sector	Valuation £'000	Total assets %
Shin-Etsu Chemical Company	Chemicals	5,723	5.3
Keyence Corporation	Electronic & Electrical Equipment	5,338	5.0
Japan Tobacco Inc	Tobacco	4,831	4.4
Fanuc Corporation	Industrial Engineering	4,294	4.0
Seven & I Holdings Company	General Retailers	4,256	4.0
Nabtesco Corporation	Industrial Engineering	4,158	3.9
Yahoo Japan Corporation	Software & Computer Services	3,910	3.6
KDDI Corporation	Mobile Telecommunications	3,865	3.6
Amada Holdings Company	Industrial Engineering	3,759	3.5
Sysmex Corporation	Health Care Equipment & Services	3,371	3.1
Top ten investments		43,505	40.4
Chugai Pharmaceutical Company	Pharmaceuticals & Biotechnology	2,873	2.6
Pigeon Corporation	Personal Goods	2,810	2.6
Daikin Industries	Industrial Engineering	2,787	2.6
Daito Trust Construction Company	Real Estate Investment & Services	2,781	2.5
Makita Corporation	Household Goods & Home Construction	2,778	2.5
Suruga Bank	Banks	2,569	2.4
East Japan Railway Company	Travel & Leisure	2,539	2.4
Japan Exchange Group Inc	Financial Services	2,235	2.1
Asahi Intecc Company	Health Care Equipment & Services	2,111	2.0
Mandom Corporation	Personal Goods	2,104	2.0
Top twenty investments		69,092	64.1
Honda Motor Company	Automobiles & Parts	2,083	1.9
Denso Corporation	Automobiles & Parts	2,072	1.9
Aeon Financial Service Company	Financial Services	1,944	1.8
San-A Company	Food & Drug Retailers	1,907	1.8
Calbee Inc	Food Producers	1,896	1.8
Kansai Paint Company	Chemicals	1,875	1.8
Nippon Paint Holdings Company	Chemicals	1,859	1.7
SCSK Corporation	Software & Computer Services	1,737	1.6
Daibiru Corporation	Real Estate Investment & Services	1,661	1.6
Shionogi & Company	Pharmaceuticals & Biotechnology	1,628	1.5
Top thirty investments		87,754	81.5
Resorttrust Inc	Travel & Leisure	1,613	1.5
Renesas Electronics Corporation	Technology Hardware & Equipment	1,579	1.5
USS Company	General Retailers	1,562	1.4
Stanley Electric Company	Automobiles & Parts	1,544	1.4
Shiseido Company	Chemicals	1,468	1.4
Shimano Inc	Leisure Goods	1,437	1.3
Toyota Motor Corporation	Automobiles & Parts	1,422	1.3
Nitori Holdings Company	General Retailers	1,384	1.3
Asics Corporation	Personal Goods	1,276	1.2
Astellas Pharma Inc	Pharmaceuticals & Biotechnology	1,251	1.2
Top forty investments		102,290	95.0
Concordia Financial Group	Banks	1,141	1.0
Mani	Health Care Equipment & Services	1,080	1.0
Mitsubishi Estate Company	Real Estate Investment & Services	971	0.9
Total investments		105,482	97.9
Net current assets^A		2,241	2.1
Total assets		107,723	100.0

^A Excludes bank loans of £11,257,000

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

Board Report

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 risk
- Investment risk
- Reputation
- Regulatory compliance risk
- Performance risk
- Share price and discount risk

The principal risks have not changed since the publication of the 2017 Annual Report and Accounts. Further details of the remaining risks are provided on pages 9 to 10 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

22 November 2017

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 2017 comprises the Chairman's Statement, Investment Manager's Review, the Board Report (including the Directors' Responsibility Statement) and the condensed set of Financial Statements.

Neil Gaskell
Chairman

22 November 2017

Condensed Statement of Comprehensive Income (unaudited)

	Six months ended 30 September 2017			Six months ended 30 September 2016		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments	–	952	952	–	20,031	20,031
Income (note 2)	878	–	878	968	–	968
Investment management fee (note 11)	(163)	(244)	(407)	(148)	(222)	(370)
Administrative expenses	(166)	(6)	(172)	(170)	(3)	(173)
Exchange gains/(losses)	–	4,667	4,667	–	(9,959)	(9,959)
Net return before finance costs and taxation	549	5,369	5,918	650	9,847	10,497
Finance costs	(20)	(30)	(50)	(24)	(36)	(60)
Net return before taxation	529	5,339	5,868	626	9,811	10,437
Taxation (note 4)	(88)	–	(88)	(97)	–	(97)
Net return after taxation	441	5,339	5,780	529	9,811	10,340
Return per Ordinary share (pence) (note 6)	2.94	35.59	38.53	3.39	62.96	66.35

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 2017 £'000	As at 31 March 2017 £'000
Fixed assets			
Investments at fair value through profit or loss		105,482	102,793
Current assets			
Debtors		615	865
Cash at bank and in hand		3,222	1,007
		3,837	1,872
Creditors: amounts falling due within one year			
Foreign currency bank loans	7	(11,257)	(12,201)
Other creditors		(1,596)	(296)
		(12,853)	(12,497)
Net current liabilities		(9,016)	(10,625)
Net assets		96,466	92,168
Share capital and reserves			
Called-up share capital		1,582	1,582
Share premium		6,656	6,656
Capital redemption reserve		2,273	2,273
Capital reserve	8	83,894	79,137
Revenue reserve		2,061	2,520
Equity shareholders' funds		96,466	92,168
Net asset value per Ordinary share (pence)	9	644.43	611.41

Condensed Statement of Changes in Equity (unaudited)

Six months ended 30 September 2017

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2017	1,582	6,656	2,273	79,137	2,520	92,168
Purchase of Ordinary shares to be held in treasury	–	–	–	(582)	–	(582)
Return after taxation	–	–	–	5,339	441	5,780
Dividend paid (note 5)	–	–	–	–	(900)	(900)
Balance at 30 September 2017	1,582	6,656	2,273	83,894	2,061	96,466

Six months ended 30 September 2016

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2016	1,582	6,656	2,273	67,162	2,050	79,723
Purchase of Ordinary shares to be held in treasury	–	–	–	(64)	–	(64)
Return after taxation	–	–	–	9,811	529	10,340
Dividend paid (note 5)	–	–	–	–	(655)	(655)
Balance at 30 September 2016	1,582	6,656	2,273	76,909	1,924	89,344

Condensed Statement of Cash Flows (unaudited)

	Six months ended 30 September 2017 £'000	Six months ended 30 September 2016 £'000
Net return before finance costs and taxation	5,918	10,497
Adjustments for:		
Gains on investments	(952)	(20,031)
Realised (gains)/losses on foreign exchange transactions	(749)	1,920
Decrease in other creditors	(5)	(9)
Expenses taken to capital reserve	6	3
Overseas withholding tax	(88)	(97)
Decrease/(increase) in accrued income	179	(24)
Decrease in other debtors	11	5
Net cash inflow/(outflow) from operating activities	4,320	(7,736)
Investing activities		
Purchase of Investments	(11,700)	(3,091)
Sales of investments	11,264	11,974
Expenses allocated to capital	(6)	(3)
Net cash (outflow)/inflow before financing	(442)	8,880
Financing activities		
Bank and loan interest paid	(51)	(51)
Equity dividends paid	(900)	(655)
Proceeds from issue of Ordinary shares	–	–
Purchase of own shares to treasury	(582)	(64)
Movement in bank loans outstanding	–	–
Net cash outflow from financing	(1,533)	(770)
Increase in cash	2,345	374
Analysis of changes in cash during the year		
Opening balance	1,007	897
Effect of exchange rate fluctuations on cash held	(130)	191
Increase in cash as above	2,345	374
Closing balance	3,222	1,462

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.

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

	Six months ended 30 September 2017 £'000	Six months ended 30 September 2016 £'000
2. Income		
Income from investments		
Overseas dividends	878	968
Total income	878	968

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 gains on investments in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 30 September 2017 £'000	Six months ended 30 September 2016 £'000
Purchases	6	2
Sales	3	4
	9	6

4. Taxation

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

	Six months ended 30 September 2017 £'000	Six months ended 30 September 2016 £'000
5. Dividends		
2016 final dividend – 4.20p	–	655
2017 final dividend – 6.00p	900	–
	900	655

	Six months ended 30 September 2017 £'000	Six months ended 30 September 2016 £'000
6. Return per Ordinary share		
Based on the following figures:		
Revenue return	441	529
Capital return	5,339	9,811
Total return	5,780	10,340
Weighted average number of Ordinary shares in issue	15,002,929	15,584,722
Total net return per share (p)	38.53	66.35

	As at 30 September 2017 £'000	As at 31 March 2017 £'000
7. Foreign currency bank loan		
Falling due within one year	11,257	12,201
Falling due after more than one year	0	0
	11,257	12,201
Short term Japanese Yen loans		
Amount £'000	2,649	2,871
JPY'000	400,000	400,000
Interest rate (%)	0.7500	0.7603
Amount £'000	8,608	9,330
JPY'000	1,300,000	1,300,000
Interest rate (%)	0.8975	0.8975

The short term loan is made up of the drawn down amount from the JPY800,000,000 one year rolling credit facility with ING Bank originally entered into in August 2015 and 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 Consolidated Statement of Financial Position includes investment holdings gains of £29,283,000 (31 March 2017 – £31,894,000).

	As at 30 September 2017	As at 31 March 2017
9. Net asset value per Ordinary share		
Attributable net assets (£'000)	96,466	92,168
Number of Ordinary shares in issue	14,969,203	15,074,597
Net asset value per Ordinary share (p)	644.43	611.41

Notes to the Financial Statements continued

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:

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

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:

		Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 30 September 2017	Note				
Financial assets at fair value through profit or loss					
Quoted equities	a)	105,482	–	–	105,482
Foreign exchange forward contracts	b)	–	42	–	42
Net fair value		105,482	42	–	105,524

		Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 31 March 2017	Note				
Financial assets at fair value through profit or loss					
Quoted equities	a)	102,793	–	–	102,793
Foreign exchange forward contracts	b)	–	119	–	119
Net fair value		102,793	119	–	102,912

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 Level 1 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 Level 2.

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 £407,000 (30 September 2016 – £370,000) of investment management fees were earned by the Manager, with a balance of £69,000 (30 September 2016 – £64,000) being payable to AFML at the period end.

The promotional activities fee is based on a current annual amount of £72,000 (30 September 2016 – £62,000 per annum), payable quarterly in arrears. During the period £34,000 (30 September 2016 – £29,000) of fees were earned, with a balance of £18,000 (30 September 2016 – £16,000) being payable to AFML at the period end.

12. Segmental information

The company is engaged in a single segment of business, which is to invest in equity securities and debt instruments. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based on the Company as one segment.

13. Subsequent events

Following the period end, the Company purchased a further 20,000 Ordinary shares at a cost of £119,000. As at the date of this report there were 14,949,203 Ordinary shares in issue and 872,369 Ordinary shares held in treasury.

- 14.** 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 2017 and 30 September 2016 has not been reviewed or audited by the Company's independent auditor.

The information for the year ended 31 March 2017 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.

- 15.** This Half-Yearly Report was approved by the Board on 22 November 2017.

Investor Information

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%) where applicable 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%) where applicable 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 £20,000 in the tax year 2017/18.

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%) where applicable 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.

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: 0808 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: 0808 00 40 00
Email: aam@lit-request.com

Registrar (for direct shareholdings)

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

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

Tel: 0871 664 0300
(UK calls cost 10p per minute plus network extras. Lines are open 9.00 am - 5.30 pm, Monday – Friday excluding public holidays)

Tel International: ++44 (0) 371 664 0300
E-mail: enquiries@linkgroup.co.uk
Website: www.linkassetsservices.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 0808 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 Youinvest
Alliance Trust Savings
Barclays Stockbrokers / Smart Investor
Charles Stanley Direct
Equiniti / Shareview
Halifax Share Dealing
Hargreave Hale
Hargreaves Lansdown
iDealing
Interactive Investor / TD Direct
Selftrade
The Share Centre
Stocktrade

Investor Information continued

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 Personal Investment Management & Financial Advice Association at www.pimfa.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
Kevin Pakenham
Sir David Warren

Manager, Secretary and Registered Office

Alternative Investment Fund Manager *

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

Authorised and regulated by the Financial Conduct Authority

Website: www.aberdeen-asset.com

Investment Manager

Aberdeen Investment Management Kabushiki Kaisha

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

Legal Entity Identifier ("LEI")

5493007LN438OBLNLM64

Website

www.aberdeenjapan.co.uk

Depository

BNP Paribas Securities Services, London Branch

Independent Auditor

KPMG LLP

Lawyers

Dentons UKMEA LLP
One Fleet Place
London EC4M 7WS

Bankers

ING N. V. London Branch

Stockbrokers

JPMorgan Securities Limited
25 London Wall
London EC2Y 5AJ

Points of Contact

Manager

Customer Services Department: 0808 00 00 40
(open Monday - Friday, 9am - 5pm)
Email: inv.trusts@aberdeen-asset.com

Registrars

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

Tel: 0871 664 0300
(Calls cost 10p per minute plus network extras. Lines are open 9.00 am - 5.30 pm, Monday - Friday)

Tel International: +44 (0) 371 664 0300

E-mail: enquiries@linkgroup.co.uk

Website: www.linkassetservices.com

