JPMorgan Japanese Investment Trust plc

Invest in the Heart of a Changing Japan

Half Year Report and Financial Statements for the six months ended 31st March 2026

J.P.Morgan
ASSET MANAGEMENT

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JPMorgan Japanese Investment Trust plc ('JFJ' or the 'Company')

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2026 Financial Calendar

Financial year end	**30th Sep**
Half year end	**31st Mar**
Final results announced	**Dec**
Annual General Meeting	**Jan**
Final dividend paid	**Feb**
Half year results announced	**June**

Website

Visit www.jpmjapanese.co.uk for useful information such as daily prices, factsheets and current and historic half year and annual reports.

Stay informed: receive the latest JFJ newsletter

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Contact JFJ

General enquiries about JFJ should be directed to the Company Secretary at jpmam.investment.trusts@jpmorgan.com

Invest in the Heart of Japan

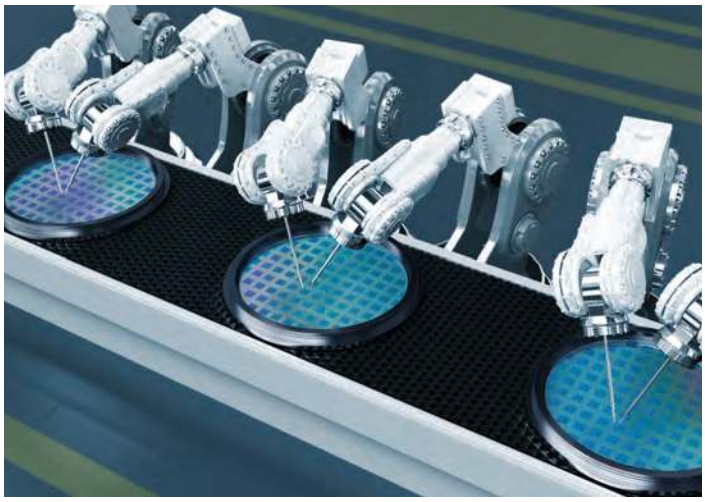
There is a compelling investment opportunity created by Japan's historic departure from decades of economic stagnation toward a revitalised, shareholder-centric model. By targeting high-quality, innovative businesses, the Company provides exposure to the companies at the heart of this transformation – firms that are leveraging a nationwide push for corporate reform, enhanced capital efficiency, and Japan's enduring leadership in global technological advancement to drive long-term value.

Local Insight, Global Strength

The Company is backed by a specialist team of over 20 investment professionals situated on the ground in Tokyo, providing the local presence necessary to navigate a market that remains significantly under-researched by international investors. This deep, local expertise allows the Company to uncover hidden gems and mispriced assets before they reach the wider market, all while leveraging the world-class intellectual capital and sector-specific insights of JPMorgan Asset Management's (JPMAM) extensive global analyst network.

High Quality Growth Companies

The Company employs an unconstrained, high-conviction strategy to capture Japan's most dynamic growth companies, including targeting leaders in global AI infrastructure, semiconductor materials, and industrial automation. By investing across the market-cap spectrum in high-quality firms, the Company manages a concentrated portfolio of 'hidden champions' primed to compound earnings as they spearhead Japan's digital rebirth and the nationwide revolution in corporate governance and capital efficiency.



Largest and Most Liquid Japanese Investment Trust Company

As the largest and oldest closed-end investment trust company dedicated to the Japanese market, the Company offers investors an unparalleled combination of heritage, scale, and sophisticated structural advantages. Its established track record of long-term performance is bolstered by the strategic use of gearing to enhance returns, while its substantial size ensures superior liquidity. With economies of scale enabling lower fees and relatively narrow bid-offer spreads, it is a highly efficient and compelling vehicle for accessing Japan's growth.

The Portfolio Managers

From left to right: Xuming Tao, Miyako Urabe and Nicholas Weindling.

"Japan is in the midst of a number of transformative developments. Of most significance are government initiatives to encourage corporate governance reforms, which have been boosting shareholder returns and supporting the market in recent years.

Our highly experienced Tokyo-based investment analysts are exceptionally well-placed to identify and capture the myriad opportunities generated by the changes afoot in Japan."

50+
Years' experience investing in the region

25+
Investment professionals in Japan

4,000+
Japanese company meetings each year

93%
Active share[1,A]

[1] Active share (on a geared basis) is a measurement of the difference in the Company's portfolio compared to the benchmark index as at 31st March 2026.

[A] Alternative Performance Measure.

Source: J.P. Morgan.

Financial Highlights

Total returns (including dividends reinvested)

	6 Months	1 Year	3 Year Annualised[1]	5 Year Annualised[1]	10 Year Annualised[1]
Return on share price[2,A]	+3.8%	+26.7%	+16.0%	+3.0%	+11.0%
Return on net asset value with debt at fair value[3,A]	+2.0%	+24.5%	+16.4%	+4.2%	+10.2%
Benchmark return[4,A]	+6.7%	+23.4%	+13.3%	+7.6%	+9.3%
Return on net asset value with debt at fair value compared to Benchmark return[A]	–4.7%	+1.1%	+3.1%	–3.4%	+0.9%

[1] Calculated on a geometric basis. All numbers are rounded to one decimal place.

[2] Source: Morningstar.

[3] Source: Morningstar/J.P. Morgan, using cum income net asset value per share with debt at fair value. The fair values of the Company's other financial liabilities such as bank loans are considered to have no material difference to their amortised cost therefore, prior to August 2018, the NAV per share with debt at fair value was the same as the NAV per share with debt at par value.

[4] Source: Morningstar. The Company's benchmark is the TOPIX Index expressed in sterling terms.

[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 30 to 33.

Financial Highlights

Summary of results

	31st March 2026	30th September 2025	% change excluding dividends reinvested	% change including dividend reinvested
Key financial data as at 31st March				
Net asset value per ordinary share:				
– with debt at par value[A]	762.4p	757.9p	+0.6	+1.8
– with debt at fair value[1,A]	772.8p	766.2p	+0.9	+2.0
Share price[2]	703.0p	686.0p	+2.5	+3.8
Share price discount to net asset value per ordinary share[A]				
– with debt at par value[A]	7.8%	9.5%		
– with debt at fair value[A]	9.0%	10.5%		
– 12 month average with debt at fair value[2,A]	8.9%	10.4%		
Exchange rate[3]	£ 1 = ¥ 209.8	£ 1 = ¥ 198.8	–5.5	
Shareholders' funds (£'000)	1,192,720	1,220,124	–2.2	
Total assets (£'000)	1,265,887	1,289,727	–1.8	
Ordinary shares in issue (excluding shares held in Treasury)	156,451,203	160,978,203		
Gearing[4,A]	**15.3%**	**13.5%**		
Ongoing charges[5,A]	**0.57%**	**0.46%**		

[1] The fair value of the Company's ¥13bn senior secured loan notes issued in August 2018 has been calculated using a discount rate based on the yield from a similar dated Japanese Government Bond plus a margin based on the five year average of the AA Barclays Yen Corporate Bond spread.

[2] Source: Morningstar/J.P.Morgan, using net asset value per ordinary share with debt at fair value.

[3] The % change in the exchange rate is based on the weakening of the Yen against Sterling during the year.

[4] Gearing includes market asset exposure through derivative financial instruments (Contracts for Difference 'CFDs').

[5] Following the combination with JPMorgan Japan Small Cap Growth & Income plc (JSGI), the annualised ongoing charge ratio, calculated for the year to 30th September 2025, was 0.46% due to management fee waivers. See the Company's 30th September 2025 Annual Report and Financial Statements for further details regarding the combination.

[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 30 to 33.

Chairman's Statement

Stephen Cohen
Chairman

The Japanese equity market delivered a remarkable performance during the six months leading up to 31st March 2026, even with the late-period volatility caused by the conflict in Iran. Gains were underpinned by the persistent drive for corporate governance reforms and increased mergers and acquisitions activity, which are transforming Japan's corporate landscape, lifting shareholder returns and attracting increasing foreign interest in Japanese equities. Investors also welcomed Prime Minister Takaichi's historic victory in a snap election held in February. The Company's benchmark, the TOPIX Index (in sterling terms), rose by 6.7% over the period.

In the volatile market environment of the last six months, where 'value' stocks yet again outperformed 'growth' stocks, the Company's net asset value ('NAV') total return (with debt at fair value) was only +2.0% in sterling terms, an underperformance of 4.7 percentage points. In contrast to this short-term outcome, longer-term annualised returns remain encouraging. Over the three years ended 31st March 2026 the Company returned +16.4%, versus the benchmark return of +13.3%; and over the ten-year period, the Company outperformed, returning +10.2% versus +9.3% for the benchmark.

The Investment Manager's Report on pages 11 to 15 discusses recent performance and the investment rationale behind recent portfolio activity. It also discusses the outlook for Japanese equities, including the implications of the geopolitical headwinds from the conflict in the Middle East.

Gearing

The Board is fully committed to strategic gearing, viewing it as a fundamental mechanism to enhance the Trust's NAV and deliver superior long-term shareholder value. By reviewing leverage at each Board meeting, the Board ensures the portfolio is optimally positioned to amplify investment returns and exploit high-conviction growth opportunities. The Portfolio Managers then manage gearing within the agreed limits of 5% net cash and 20% geared in normal market conditions. As at 31st March 2026, gearing stood at 15.3%, up from 13.5% at the start of the period – a level that reflects the Portfolio Managers' confidence in the outlook for the Japanese market.

The Board considers it prudent that the Company's gearing capacity is funded from a mix of funding sources. In addition to the Company's low-cost, long-term fixed rate borrowings, which benefit from a very competitive average coupon rate of 1.1%, the Company uses Contracts for Difference ('CFDs'). These derivative instruments are a flexible, low-cost and capital-efficient alternative to loan facilities which provide economic exposure to share price movements without owning the underlying shares, thereby providing geared exposure. The Board closely monitors the use of CFDs and their cost-effectiveness as part of its ongoing oversight of gearing.

Discount Management and Share Repurchases

The Board keeps the Company's share price discount to NAV under close review. We recognise that a competitive discount with low volatility is very important for maintaining investor confidence and ensuring the attractiveness of the Company's shares. We are committed to maintaining a competitive discount relative to our peers. By actively managing discount volatility, through our buyback activity, we aim to provide greater certainty for our existing shareholders while enhancing our appeal to new investors.

Over the six months to 31st March 2026, the Company repurchased 4,527,000 shares at an average discount of 8.8%, at a total cost of £33.2 million. The share price discount to NAV (with debt at fair value) ranged between –12.5% and –4.0% (average –8.4%), ending the period at 9.0%, compared with 10.5% at 30th September 2025.

Since 31st March 2026, the Company has repurchased a further 2,415,000 shares at an average discount of 8.3%, at a cost of £18.5 million. Shares are only repurchased when they stand at a discount to prevailing NAV, which is NAV-accretive for continuing shareholders. Repurchased shares may either be cancelled or held in treasury for potential reissue at a premium to NAV.

Revenue and Dividends

The Company's investment objective is to seek capital growth from a portfolio of investment in Japanese companies. Our Portfolio Managers are thus unconstrained by the requirement to achieve

Chairman's Statement

a certain level of income, and this allows them to select the 'best' stocks, rather than those that fit a specific income requirement.

In line with the Board's established practice the majority of revenue available each year is paid as a final dividend rather than as an interim dividend. For the year ended 30th September 2025, the Company paid a dividend of 8.70p per share (2024: 6.75p) on 12th February 2026. This reflects the fact that Japanese companies' dividend payouts and payout ratios have increased meaningfully in recent years, thanks to improved corporate governance, stronger balance sheets, and the growing focus on shareholder returns. The Board hopes to be able to continue its unbroken streak of annual dividend growth since 2020.

The Board

As outlined in the Company's 2025 Annual Report, in line with the Company's commitment to good governance and effective Board succession, I will remain as Chair until the conclusion of the Annual General Meeting (AGM) in January 2027, at which point I will step down. Following a thorough succession planning process, the Board intends to appoint Sally Duckworth, currently Chair of the Audit & Risk Committee, as Board Chair on my departure. Sally brings extensive experience in investment management, governance and Board leadership. It is intended that Thomas Walker will assume the role of Chair of the Audit & Risk Committee at that time.

Also, as previously announced and in line with the Company's Board succession plan, at the beginning of this six month reporting period the Board was pleased to welcome Takashi Maruyama as a Director and at the Company's 2026 AGM, George Olcott retired from the Board. Anna Dingley took up the role of Chair of the Remuneration Committee following George's retirement.

After my departure, the Board will comprise six Directors. The Board keeps its optimal size under regular review, seeking to balance efficiency with the necessary breadth of expertise; it anticipates that the number of Directors will typically fluctuate between four and six as part of its long-term succession strategy. The Board also reaffirms its ongoing commitment to diversity and independence, in line with regulatory requirements and best practice.

Stay Informed

The Company provides email updates featuring regular news and commentary, together with the latest performance information. If you have not already subscribed and would like to receive these communications, you can register via https://web.gim.jpmorgan.com/emea_investment_trust_subscription/welcome?targetFund=JFJ or by scanning the QR code on this page.

Outlook

The case for investing in Japan is stronger than ever. The market's ascent to historic record highs during the period, with the Nikkei 225 exceeding 58,000 for the first time in February 2026, demonstrates that ongoing corporate reforms are delivering tangible results. These structural improvements ensure the market remains attractive for long-term growth portfolios. The Board shares the Portfolio Managers' view that these reforms are still gathering momentum and will continue to lift shareholder returns, and support the market, for the foreseeable future.

Beyond governance, Japan is benefiting from a powerful convergence of structural tailwinds. The rapid adoption of AI and a strategic surge in defence spending are driving industrial innovation. Coupled with the Bank of Japan's successful move towards monetary normalisation and the first significant rise in real wages in decades, these factors continue to encourage foreign investment.

The Board is confident that the Company remains well positioned to maintain its record of long-term capital growth and investment outperformance.

On behalf of the Board, I would like to thank shareholders for their continued support.

Stephen Cohen
Chairman

29th May 2026

Economic and market backdrop

The Japanese market rallied to all-time highs in February 2026 after new Prime Minister Sanae Takaichi led the Liberal Democratic Party to a historic landslide victory in Lower House elections, securing a super-majority of over two-thirds of seats. This was the most decisive result for a single party in Japan's post-war history and guarantees a period of political stability that will allow Takaichi to focus on delivering her agenda of growth and national security.

The period from October 2025 to February 2026 represents a historic bull run for the Japanese equity market, marked by the Nikkei 225 decisively breaching the 50,000-point milestone late in 2025. This surge was initially fuelled by a convergence of structural factors: the surprise election, the continued success of Tokyo Stock Exchange (TSE) governance reforms that forced companies to prioritise shareholder value through record buybacks and the Bank of Japan's decision to normalise policy by hiking rates to 0.75%.

Sadly, these gains proved short-lived, as the 'Great Japanese Re-rating' collided with outbreak of conflict in the Middle East. March was the worst month for the Japanese market since October 2008. Japan is highly dependent on imported energy. Around half of its crude oil is imported from the Middle East, so the closure of the Strait of Hormuz had even greater implications for Japan than for other developed economies. Gasoline subsidies were introduced to mitigate the impact on consumers and the Japanese Yen (Yen) dropped below the Yen160/USD level for the first time since mid-2024. This Yen depreciation came despite short-term interest rates continuing to rise slowly.

The other key news at the end of the period was the announcement of the results of the Shunto Spring wage negotiations. After decades of wage stagnation, wages will increase by over 5% for the third successive year this year, boosting domestic consumption. This confirmed that Japan is now a 'normal' growing economy, which is attractive for foreign investors.

The Japanese market delivered exceptional performance for the majority of the period, with the TOPIX surging by over 27% in the first five months. While the outbreak of conflict in the Gulf triggered a broad global retreat in March, with the TOPIX dropping by roughly 11% in line with major European and Asian benchmarks, it still ended the six-month period up 6.7%. This resilience, even in the face of significant external shocks, underscores the newfound stability and long-term appeal of the Japanese equity market.

Performance in Sterling Terms

Your Company made a modest return of +2.0% in net asset value terms (with debt at fair value), over the review period, lagging its benchmark return of +6.7%. The portfolio returned +24.5% over the 12-month period, outperforming the benchmark return of +23.4%. Longer-term performance remains strong in absolute and relative terms. The cumulative NAV total return (with debt at fair value) over the three-year period to end March 2026 was +57.8%, compared to a benchmark return of +45.4% on the same basis. While NAV total returns of +22.9% over the five-year period trailed the benchmark return of +44.2%, over the ten-year period, the Company's cumulative NAV return was +163.2%, ahead of the equivalent benchmark return of +143.8%.

Nicholas Weindling
Portfolio Manager
23 years industry experience
18 years JPMAM experience

Miyako Urabe
Portfolio Manager
16 years industry experience
11 years JPMAM experience

Xuming Tao
Portfolio Manager
14 years industry experience
5 years JPMAM experience

Investment Managers' Report

Performance attribution

Six months ended 31st March 2026

	%	%
Contributions to total returns		
Benchmark return		**6.7**
Stock selection	(6.7)	
Currency	(0.1)	
Gearing/Cash	1.8	
Investment Manager contribution		**(5.0)**
Portfolio return[A]		**1.7**
Management fee and other expenses	(0.2)	
Share Buy-Back/Issuance	0.3	
Other effects		**0.1**
Return on net assets – debt at par value[A]		**1.8**
Impact of fair value of debt		0.2
Return on net assets – debt at fair value[A]		**2.0**
Return on share price[A]		**3.8**

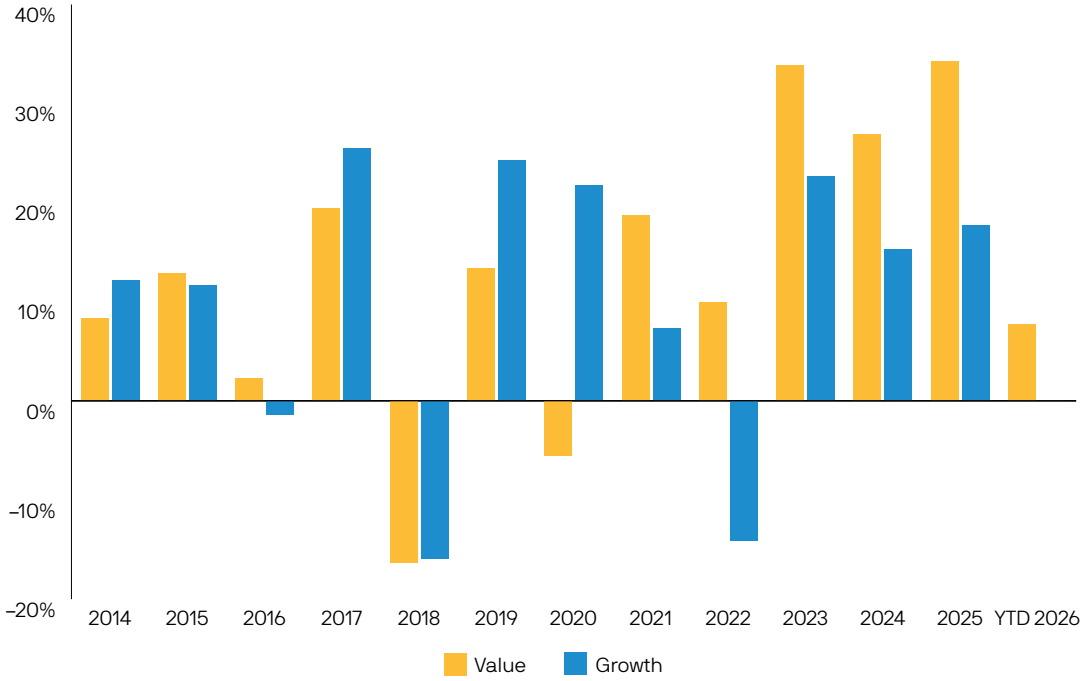
Source: Morningstar/J.P. Morgan. All figures are on a total return basis.
Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark.
[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 30 to 33.

Japan is in the midst of a number of transformative developments. Of most significance are government initiatives to encourage corporate governance reforms, which have been boosting shareholder returns and supporting the market in recent years. In addition, after years of ultra loose monetary policy, the Bank of Japan (BoJ) move towards interest rate normalisation is benefitting rate sensitive businesses particularly the banking sector. Simultaneously the Japanese Stock Exchange through its revised Nippon Individual Savings Account (NISA) scheme is encouraging households to reduce cash savings in favour of higher-yielding equities. This financial evolution is occurring alongside a surge in AI and automation which are generating growth opportunities in the tech sector. At the same time increased defence spending is now seen as an existential necessity. The historically moribund Japanese defence sector has been reinvigorated by geopolitical conflict and the Trump administration's antipathy towards the NATO alliance. This has compelled NATO members and its allies, like Japan, to boost military spending; in Japan's case to a target of nearly 2% of GDP.

These developments mean the investment environment is generally very positive, and we have made substantial changes to the portfolio over the last few years to increase exposure to these trends. However, one factor undermined the Company's relative performance in the six-month review period. The Japanese market is experiencing an ongoing style rotation, which began in 2021 and this has created a headwind for your Company. Its strategy favours Premium and Quality-rated stocks (defined in the glossary of terms and APMs provided on pages 30 to 33), rather than lower quality value stocks, as we believe that such stocks deliver the best long-term performance. However, as the following chart illustrates, Japan's value companies have significantly outperformed growth companies every year since 2021. In the six-month review period value outperformed growth by around 12 percentage points. This performance contrasts with developments in the US market, where AI-related stocks and other growth companies have been the main drivers of market returns over the past five years.

Performance – Value vs Growth



Source: J.P. Morgan Asset Management, Bloomberg.

NB growth is up 0.1% calendar YTD in 2026 so hard to see the bar on the chart.

There are several reasons why value has performed so well in the Japanese market:

- Value companies have responded more enthusiastically than growth businesses to Japan's corporate governance reform efforts, restructuring their businesses and improving capital efficiency and shareholder returns;
- Interest rate rises are driving earnings growth, especially amongst financial names;
- Global growth is strong, and this is boosting the earnings of value cyclicals; and
- Persistent yen weakness is providing Japanese exporters with a significant competitive advantage, and the lower the quality of the exporter, the stronger the benefit.

Meanwhile, quality growth stocks are struggling due to higher starting valuations, strong competition from China and the adverse impact of yen depreciation, which increases costs for companies that need to import products and components into Japan. Software companies have also been subject to recent pressure due to concerns that AI will render their business models obsolete by replicating many software applications, thereby increasing competition and reducing licensing revenues.

Despite the headwinds this style rotation has generated, we are encouraged by the underlying performance of our portfolio holdings. Many are restructuring their business portfolios and strengthening their balance sheets to improve capital efficiency and enhance shareholder returns. Such efforts put these businesses on track to meet our definition of 'Quality', even if they do not yet exhibit all the characteristics we typically seek, and we expect this progress to be reflected in valuations over time. Other holdings are also performing strongly, due in part to their exposure to the AI revolution and rising defence spending, alongside a range of other supportive factors.

Investment Managers' Report

Significant contributors and detractors

The most notable contributors to performance over the six months to 31st March 2026 included **Modec**, one of the top two global operators of floating platform and storage and offloading (FPSO) facilities used in ultra deep-sea oil drilling. Strength in new orders boosted share price performance.

Watchmaker **Seiko Group** delivered strong results thanks to its luxury watch division, which is reaping the benefits of a new management team and the popular Prime Minister Takaichi spotted wearing their watches in the oval office and numerous other occasions! **Advantest**, which tests semiconductor equipment, continued to perform well thanks to AI-related demand.

Key detractors included **Rakuten Bank**, Japan's largest online bank. Rakuten is the only Japanese bank we classify as Quality-rated. Its shares fell sharply following the February 2026 announcement of plans for Rakuten Bank to acquire Rakuten Group's card and securities businesses. The market is concerned about the price Rakuten Bank will have to pay for these assets. Gaming companies **Nintendo** and **Sony** also detracted. Both these Quality-rated stocks were hurt by the rising price of memory chips, which could reduce the profitability of their consoles. Additionally, sales of Nintendo's new console, the Switch 2, have fallen short of expectations. **Sanrio**, the Quality-rated owner of intellectual property such as Hello Kitty, was hurt by concerns that deteriorating Sino-Japan relations may weaken Chinese demand for its products.

Portfolio activity

Our efforts to position the portfolio to benefit from key investment themes such as corporate governance reforms, the AI revolution and increased defence spending continued over the review period. For example, we purchased **Sumitomo Electric**, whose growth is being driven by surging demand for optical devices and cables integral to the adoption of AI tools and the construction of data centres. Additionally, the company has committed to enhancing shareholder returns and improving capital efficiency. The provision of data centre infrastructure is also supporting the earnings of **Mitsubishi Electric**, another recent addition to the portfolio, which is benefiting further from rising demand for robotics, energy systems and defence equipment. The appeal of this company is enhanced by the fact that it is undergoing a major restructuring to improve capital efficiency, including the de-consolidation or sale of its auto parts business. **Japan Tobacco's** strong shareholder returns policy was one reason behind our recent purchase. Furthermore, the company's fundamentals are very positive. It commands a leading market share and enjoys strong pricing power, high margins and robust free cash flow.

During the review period we made several outright sales. Most notably, we sold several companies due to concerns regarding the potential risks AI poses to their software businesses. Disposals included **Hitachi**, **Nomura Research Institute**, **OBIC**, **Rakus** and **Toei Animation**. We closed positions in convenience store operator **Seven & I Holdings** following the withdrawal of a bid for the company, and **Sumitomo Densetsu**, an electrical engineering business, which was the target of a successful takeover bid by Daiwa House. This sale of Sumitomo Densetsu was part of Sumitomo Electric's reorganisation of its subsidiaries.

Portfolio Characteristics - Six Months to 31st March 2026

		'Index'
Price to Earnings Ratio[1] (next 12 months)	18.6x	16.2x
Return on Equity[1]	13.7%	9.7%
Operating Margin[1]	17.4%	14.1%
Active Share[1]	93%	
Gearing – Start/End of period	14.0% – 16.2%	
Turnover (annualised)[1]	38%	

[1] Term is defined in Glossary of Terms and Alternative Performance Measures on pages 30 to 33.

Source: Factset/J.P. Morgan

Outlook

We remain very positive on the outlook for Japanese equities. As we mentioned in the Annual Report, although the market has performed strongly over the past two and a half years, we believe the transformation underway in Japan is still in its early stages. The full impact of corporate governance reforms has yet to be realised and should continue to support corporate balance sheets and dividend payouts. While other Asian markets have been following Japan's lead in adopting corporate reforms, the scale of Japan's efforts and the scope for improvement is unique. Companies hold too much cash and too many cross-shareholdings, and this is weighing on returns on equity (RoE) relative to other major markets. In addition, operating margins are lower in Japan than in Europe and the US. In our view, corporate reform is now entering a new phase in which the rationalisation of companies' business portfolios and balance sheets may lead to long-term improvement in profitability levels that will be a significant market driver for the foreseeable future.

Other supportive factors are also at work in the Japanese market, creating opportunities for the precisely the kind of high-quality, innovative companies we own. Perhaps the most notable trend is the modernisation and expansion of Japan's defence capabilities. Like the UK and many European countries, Japan can no longer depend on the military support of the US. Prime Minister Takaichi wants to increase military spending significantly and possibly change Japan's pacifist constitution. Export restrictions on military hardware are also being lifted. These developments mean defence is likely to be one of Japan's strongest growth areas over the next decade.

These developments have captured the attention of international investors, especially as valuations remain attractive relative to global peers - Japanese equities are still trading at a meaningful discount to the US despite the strong market gains seen in recent years. In 2019 Warren Buffet's Berkshire Hathaway initiated a widely publicised investment in five highly diversified Japanese conglomerates, giving it exposure to many sectors including energy, metals, food, and logistics. Berkshire Hathaway has since built its Japanese exposure, including the recent purchase of a stake in Tokio Marine, Japan's largest non-life insurer, which the Company also holds. The company's Japanese investments now comprise its single largest position outside the US. Another consequence of increased foreign interest is the surge in merger and acquisition (M&A) activity, especially unsolicited bids, which is injecting further dynamism into the market.

As ever, there are risks to monitor. We are keeping a close eye on the negative effects of AI on software companies and other sectors vulnerable to disruption. We are also watching events in the Middle East. Japan is a major energy importer and roughly half its petroleum imports transit the Strait of Hormuz, although petrol subsidies are currently protecting consumers from the full impact of global oil price rises., Higher input costs are also a risk to large swathes of the Japanese stock market, but in the longer run, the outbreak of conflict with Iran may speed up the restart of Japan's nuclear facilities. Meantime these nascent energy price pressures further complicate the BoJ's task, as it seeks to balance the need to hike rates further to suppress inflation and support the yen against the risk of damaging already fragile economic growth.

Our highly experienced Tokyo-based investment analysts are exceptionally well-placed to identify and capture the myriad opportunities generated by the changes afoot in Japan. The team's on-the-ground location at the heart of this market allows it to uncover insights and investment ideas often overlooked by foreign-based analysts. We view this as a significant competitive advantage, which, allied with the high quality of our portfolio holdings, leaves us confident in the Company's ability to continue delivering capital growth and sustained outperformance for shareholders over the long term. We look forward to reporting on our progress as Japan's exciting transformation unfolds.

Thank you for your investment.

Nicholas Weindling
Miyako Urabe
Xuming Tao
Portfolio Managers

29th May 2026

Sector Analysis

Stock market sector analysis

	31st March 2026		30th September 2025	
	Asset Exposure %[1]	Benchmark %	Asset Exposure %[1]	Benchmark %
Industrials	32.7	27.8	29.7	25.8
Consumer Discretionary	26.7	15.2	22.6	17.2
Financials	15.8	16.7	17.2	15.5
Information Technology	10.1	12.3	15.3	12.4
Consumer Staples	7.4	5.4	7.0	5.6
Materials	5.6	5.5	4.6	5.0
Health Care	5.2	6.0	5.4	5.8
Real Estate	4.2	2.1	1.0	2.2
Communication Services	4.1	6.3	8.8	8.3
Energy	3.5	1.2	1.9	0.9
Utilities	—	1.5	—	1.3
Total	**115.3**	**100.0**	**113.5**	**100.0**

[1] Based on the Asset Exposure (total exposure from direct portfolio investments and through derivative financial instruments) expressed as a percentage of Net Assets.

List of investments

At 31st March 2026

Company	Asset Exposure[1] £000	%[1]	Fair Value[3] £'000	%[3]
Industrials				
Mitsubishi Electric	62,689	5.3	62,689	5.1
IHI (shares and long CFD)	48,758	4.1	24,211	2.0
ITOCHU (shares and long CFD)	46,383	3.9	38,741	3.1
Taisei	35,590	3.0	35,590	2.9
Nichias	32,807	2.7	32,807	2.7
Secom (shares and long CFD)	31,758	2.7	26,792	2.2
Kinden	23,918	2.0	23,918	1.9
Mitsui E&S	21,565	1.8	21,565	1.7
Namura Shipbuilding	20,272	1.7	20,272	1.7
Recruit	15,775	1.3	15,775	1.3
Sanwa	14,438	1.2	14,438	1.2
Hikari Tsushin	12,805	1.1	12,805	1.1
Japan Elevator Service	10,590	0.9	10,590	0.9
Japan Engine (shares and long CFD)	6,420	0.5	3,065	0.2
Daiei Kankyo	5,848	0.5	5,848	0.5
	389,616	**32.7**	**349,106**	**28.5**
Consumer Discretionary				
ASICS	56,229	4.7	56,229	4.6
Sumitomo Electric Industries (shares and long CFD)	49,799	4.2	40,548	3.3
Fast Retailing	44,557	3.7	44,557	3.6
Seiko	38,959	3.3	38,959	3.2
Sony	36,551	3.1	36,551	3.0
Ryohin Keikaku (shares and long CFD)	28,598	2.4	17,004	1.4
Sanrio	24,150	2.0	24,150	1.9
Niterra	21,964	1.8	21,964	1.8
Suzuki Motor	11,681	1.0	11,681	1.0
Tamron	5,853	0.5	5,853	0.5
	318,341	**26.7**	**297,496**	**24.3**
Financials				
Mitsubishi UFJ Financial (shares and long CFD)	98,198	8.3	72,871	5.9
Rakuten Bank (shares and long CFD)	32,597	2.7	30,971	2.5
Japan Exchange (shares and long CFD)	28,827	2.4	25,129	2.1
Tokio Marine (long CFD)	21,233	1.8	(848)	(0.1)
SBI	7,111	0.6	7,111	0.6
	187,966	**15.8**	**135,234**	**11.0**
Information Technology				
Advantest	52,675	4.4	52,675	4.3
Maruwa (shares and long CFD)	19,278	1.6	11,970	1.0
Keyence	12,160	1.0	12,160	1.0
Megachips	11,212	1.0	11,212	0.9
NEC	9,794	0.8	9,794	0.8
Nohmi Bosai	8,221	0.7	8,221	0.7
Otsuka	7,624	0.6	7,624	0.6
	120,964	**10.1**	**113,656**	**9.3**

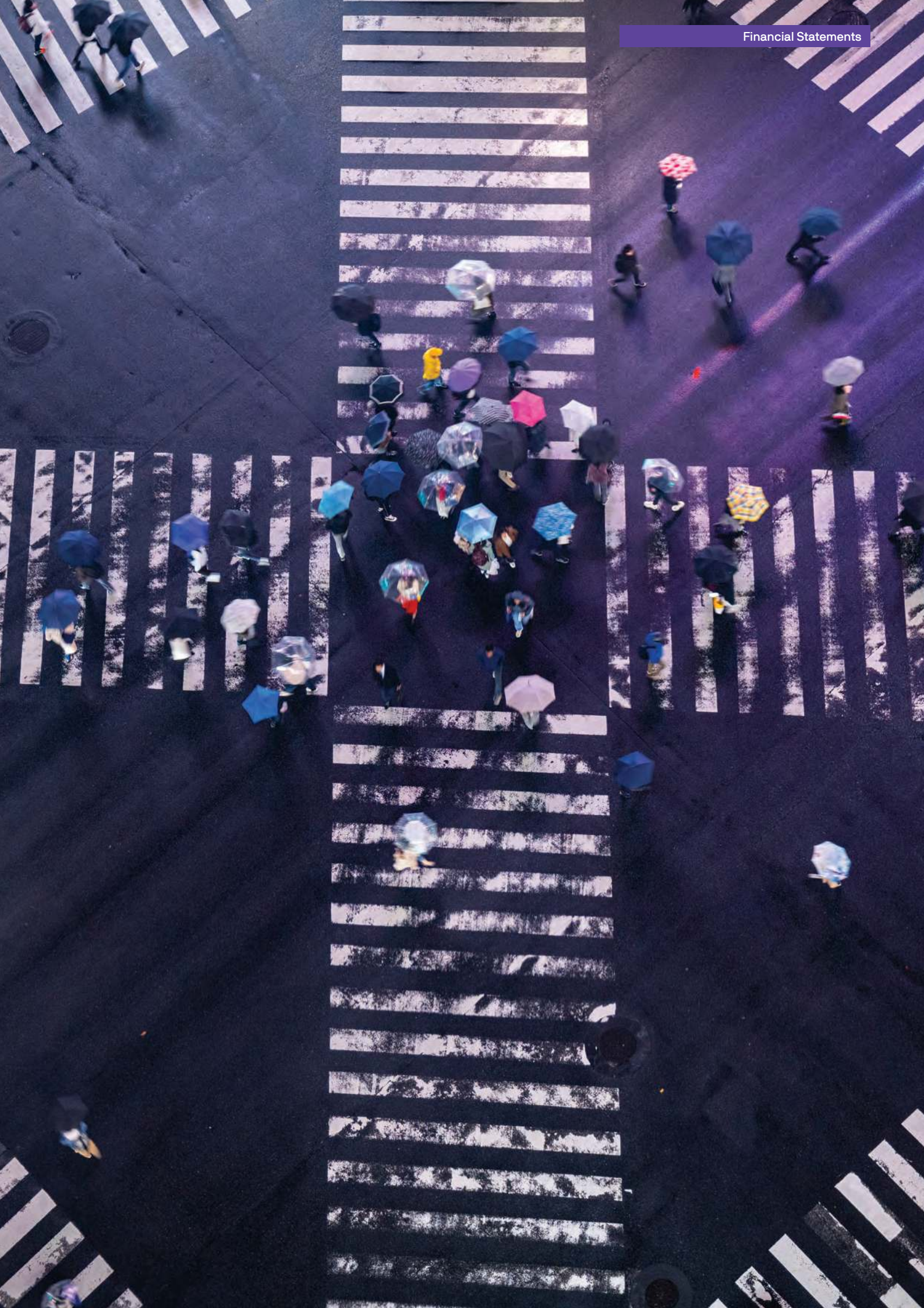
List of investments

Company	Asset Exposure[1] £000	%[1]	Fair Value[3] £'000	%[3]
Consumer Staples				
Japan Tobacco (shares and long CFD)	45,364	3.8	32,548	2.7
Kao	18,602	1.6	18,602	1.5
Lifedrink	9,850	0.8	9,850	0.8
Genky DrugStores	8,789	0.7	8,789	0.7
Ariake Japan (shares and long CFD)	5,507	0.5	2,744	0.2
	88,112	**7.4**	**72,533**	**5.9**
Materials				
Nippon Sanso	27,648	2.3	27,648	2.3
Yamato Kogyo	20,174	1.7	20,174	1.6
ARE	9,344	0.8	9,344	0.8
Osaka Soda	5,503	0.4	5,503	0.4
Takasago International	4,458	0.4	4,458	0.4
	67,127	**5.6**	**67,127**	**5.5**
Health Care				
Hoya (shares and long CFD)	47,021	4.0	43,604	3.6
Kissei Pharmaceutical (shares and long CFD)	11,189	0.9	8,195	0.7
As One	4,026	0.3	4,026	0.3
	62,236	**5.2**	**55,825**	**4.6**
Real Estate				
Sumitomo Realty & Development	49,538	4.2	49,538	4.0
	49,538	**4.2**	**49,538**	**4.0**
Communication Services				
Nintendo	24,632	2.1	24,632	2.0
SoftBank (shares and long CFD)	17,117	1.4	10,793	0.9
Capcom	7,298	0.6	7,298	0.6
	49,047	**4.1**	**42,723**	**3.5**
Energy				
MODEC	42,102	3.5	42,102	3.4
	42,102	**3.5**	**42,102**	**3.4**
Gross Asset Exposure[2]/Portfolio Fair Value[3]	**1,375,049**	**115.3**	**1,225,340**	**100.0**
Total investments held at fair value through profit or loss			**1,233,600**	
Derivative financial instrument assets			598	
Derivative financial instrument liabilities			(8,858)	
Portfolio Fair Value (including CFDs)[3]			**1,225,340**	**100.0**
Net current assets/(liabilities) (excluding derivative financial instrument assets and liabilities)			29,069	
Creditors: amounts falling due after more than one year			(61,689)	
Net Assets			**1,192,720**	

[1] Asset Exposure comprises the market exposure of the investment portfolio held through both direct investments and derivative financial instruments (CFDs). This is expressed as a percentage of Net Assets.

[2] Gross Asset Exposure comprises market exposure to investments held directly of £1,233,600,000 plus market exposure to investments held through long CFDs of £141,449,000.

[3] Portfolio Fair Value refers to the fair value of investments held both directly and via CFDs (excluding derivatives utilised for hedging purposes). For CFDs, this is calculated as the difference between the initial contract price of the CFD and the market value of the underlying investment, which is presented as derivative financial assets or derivative financial liabilities. This is expressed as a percentage of Portfolio Fair Value.



Condensed Statement of Comprehensive Income

	(Unaudited) Six months ended 31st March 2026			(Unaudited) Six months ended 31st March 2025			(Audited) Year ended 30th September 2025		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss[1]	—	17,087	17,087	—	3,155	3,155	—	190,198	190,198
(Losses)/gains on derivative financial instruments	—	(5,121)	(5,121)	—	7,223	7,223	—	36,165	36,165
Net foreign currency exchange gains[2]	—	970	970	—	2,207	2,207	—	3,317	3,317
Income from investments	10,749	—	10,749	9,134	53	9,187	17,970	64	18,034
Income from derivative instruments	1,355	—	1,355	1,065	—	1,065	1,889	—	1,889
Interest receivable and similar income	181	—	181	125	—	125	256	—	256
Gross return	**12,285**	**12,936**	**25,221**	**10,324**	**12,638**	**22,962**	**20,115**	**229,744**	**249,859**
Management fee[3]	(292)	(2,626)	(2,918)	(91)	(814)	(905)	(357)	(3,217)	(3,574)
Other administrative expenses	(668)	—	(668)	(630)	—	(630)	(1,332)	—	(1,332)
Net return before finance costs and taxation	**11,325**	**10,310**	**21,635**	**9,603**	**11,824**	**21,427**	**18,426**	**226,527**	**244,953**
Finance costs	(94)	(844)	(938)	(83)	(744)	(827)	(176)	(1,581)	(1,757)
Net return before taxation	**11,231**	**9,466**	**20,697**	**9,520**	**11,080**	**20,600**	**18,250**	**224,946**	**243,196**
Taxation	(1,075)	—	(1,075)	(913)	—	(913)	(1,797)	—	(1,797)
Net return after taxation	**10,156**	**9,466**	**19,622**	**8,607**	**11,080**	**19,687**	**16,453**	**224,946**	**241,399**
Return per ordinary share (note 3)	**6.38p**	**5.95p**	**12.33p**	**5.32p**	**6.85p**	**12.17p**	**10.15p**	**138.75p**	**148.90p**

[1] Includes foreign currency gains or losses on investments.

[2] Foreign currency gains are due to Yen denominated loan notes and bank loans.

[3] During the year to 30th September 2025, the Manager waived its management fee in lieu of its contribution towards the total costs associated with the Company's combination with JSGI. Further details on the Manager's Contribution can be found in the 30th September 2025 Annual Report and Financial Statements.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period. During the year ended 30th September 2025, the Company acquired the assets of JPMorgan Japan Small Cap Growth & Income plc (JSGI) following a scheme of reconstruction.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The net return after taxation represents the profit for the period and also the total comprehensive income.

The notes on pages 24 to 26 form an integral part of these financial statements.

Condensed Statement of Changes in Equity

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve[1] £'000	Other reserve[1] £'000	Capital reserves[1] £'000	Revenue reserve[1] £'000	Total £'000
Six months ended 31st March 2026 (Unaudited)							
At 30th September 2025	**46,153**	**138,549**	**8,650**	**166,791**	**833,079**	**26,902**	**1,220,124**
Buyback of ordinary shares into Treasury	—	—	—	—	(33,171)	—	(33,171)
Net return after taxation	—	—	—	—	9,466	10,156	19,622
Dividend paid in the period (note 4)	—	—	—	—	—	(13,855)	(13,855)
At 31st March 2026	**46,153**	**138,549**	**8,650**	**166,791**	**809,374**	**23,203**	**1,192,720**
Six months ended 31st March 2025 (Unaudited)							
At 30th September 2024	**40,312**	**—**	**8,650**	**166,791**	**641,289**	**21,561**	**878,603**
Buyback of ordinary shares into Treasury	—	—	—	—	(17,711)	—	(17,711)
Issue of ordinary shares in respect of the combination with JSGI[2]	5,841	138,713	—	—	—	—	144,554
Costs in relation to issue of ordinary shares	—	(164)	—	—	—	—	(164)
Net return after taxation	—	—	—	—	11,080	8,607	19,687
Dividend paid in the period (note 4)	—	—	—	—	—	(11,112)	(11,112)
At 31st March 2025	**46,153**	**138,549**	**8,650**	**166,791**	**634,658**	**19,056**	**1,013,857**
Year ended 30th September 2025 (Audited)							
At 30th September 2024	**40,312**	**—**	**8,650**	**166,791**	**641,289**	**21,561**	**878,603**
Buyback of ordinary shares into Treasury	—	—	—	—	(33,156)	—	(33,156)
Issue of ordinary shares in respect of the combination with JSGI[2]	5,841	138,713	—	—	—	—	144,554
Costs in relation to issue of ordinary shares	—	(164)	—	—	—	—	(164)
Net return after taxation	—	—	—	—	224,946	16,453	241,399
Dividend paid in the year (note 4)	—	—	—	—	—	(11,112)	(11,112)
At 30th September 2025	**46,153**	**138,549**	**8,650**	**166,791**	**833,079**	**26,902**	**1,220,124**

[1] The Capital redemption reserve is not distributable under the Companies Act 2006.

The Other reserve of £166,791,000 was created during the year ended 30th September 1999, following a cancellation of the share premium account, and forms part of the Company's distributable reserves.

In accordance with the Company's Articles of Association and with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the Capital reserves may be used as distributable profits for all purposes and, in particular, the buyback by the Company of its ordinary shares and for payments of dividends.

As at 31st March 2026, the £809,374,000 Capital reserves comprise net gains on the sale of investments amounting to £461,924,000, a gain from the revaluation of investments still held totalling £312,688,000 and an exchange gain on the foreign currency loans of £34,762,000. The £34,762,000 of capital reserves, resulting from the exchange gain on the foreign currency loan, is not distributable. The remaining Capital reserves, totalling £774,612,000, are subject to fair value movements, to the extent they represent realised profits, may not be readily realisable at short notice, and therefore may not be entirely distributable.

The investments are subject to financial risks, therefore Capital reserves (arising on investments sold) and Revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

[2] During the year to 30th September 2025, the Company acquired the assets of JPMorgan Japan Small Cap Growth & Income plc (JSGI), following a scheme of reconstruction ('Combination').

The notes on pages 24 to 26 form an integral part of these financial statements.

Condensed Statement of Financial Position

	(Unaudited) At 31st March 2026 £'000	(Unaudited) At 31st March 2025 £'000	(Audited) At 30th September 2025 £'000
Fixed assets			
Investments held at fair value through profit or loss	1,169,554	834,776	1,042,303
Investments on loan held at fair value through profit or loss	64,046	199,094	174,115
Total investments held at fair value through profit or loss	**1,233,600**	**1,033,870**	**1,216,418**
Current assets			
Derivative financial assets	598	592	7,952
Debtors	9,637	12,185	7,071
Cash at bank	22,052	40,740	58,286
Amounts held with clearing houses and brokers	—	11	—
	32,287	**53,528**	**73,309**
Creditors: amounts falling due within one year	(2,620)	(1,266)	(1,450)
Derivative financial liabilities	(8,858)	(5,194)	(3,020)
Net current assets	**20,809**	**47,068**	**68,839**
Total assets less current liabilities	**1,254,409**	**1,080,938**	**1,285,257**
Creditors: amounts falling due after more than one year	(61,689)	(67,081)	(65,133)
Net assets	**1,192,720**	**1,013,857**	**1,220,124**
Capital and reserves			
Called up share capital	46,153	46,153	46,153
Share premium account	138,549	138,549	138,549
Capital redemption reserve	8,650	8,650	8,650
Other reserve	166,791	166,791	166,791
Capital reserves	809,374	634,658	833,079
Revenue reserve	23,203	19,056	26,902
Total equity shareholders' funds	**1,192,720**	**1,013,857**	**1,220,124**
Net asset value per ordinary share (note 5)	**762.4p**	**620.6p**	**757.9p**

The notes on pages 24 to 26 form an integral part of these financial statements.

Condensed Statement of Cash Flows

	(Unaudited) Six months ended 31st March 2026 £'000	(Unaudited) Six months ended 31st March 2025 £'000	(Audited) Year ended 30th September 2025 £'000
Cash flows from operating activities			
Net return before finance costs and taxation	21,635	21,427	244,953
Adjustment for:			
Net gains on investments held at fair value through profit or loss	(17,087)	(3,155)	(190,198)
Net losses/(gains) on derivative financial instruments	5,121	(7,223)	(36,165)
Net foreign currency exchange gains	(970)	(2,207)	(3,317)
Dividend income	(10,749)	(9,187)	(18,034)
Interest and stock lending income	(181)	(6)	(256)
Income from derivative financial instruments	(1,355)	(1,065)	(1,889)
Realised (losses)/gains on foreign exchange transactions	(2,478)	632	(454)
(Increase)/decrease in other debtors	(62)	(75)	24
(Decrease)/increase in accrued expenses	(24)	(16)	13
Net cash outflow from operations before dividends and interest	(6,150)	(875)	(5,323)
Dividends received	7,690	8,025	16,786
Interest and stock lending income received	181	6	256
Net cash inflow from operating activities	**1,721**	**7,156**	**11,719**
Purchases of investments	(290,825)	(187,697)	(380,539)
Sales of investments	289,736	261,576	463,846
Net settlement of derivative financial instruments	8,853	11,825	31,233
Income from derivative financial instruments received	835	—	1,102
Amounts held at clearing houses and brokers	—	(11)	—
Interest paid on CFDs	(580)	(198)	(584)
Costs paid in respect of the combination with JSGI	—	(882)	(882)
Net cash inflow from investing activities	**8,019**	**84,613**	**114,176**
Dividend paid (note 4)	(13,855)	(11,112)	(11,112)
Net cash acquired following the combination with JSGI	—	5,895	5,895
Costs in relation to issue of ordinary shares	—	(164)	(164)
Buyback of ordinary shares into Treasury	(31,767)	(17,418)	(33,712)
Repayment of bank loan	—	(50,958)	(50,958)
Interest paid	(348)	(780)	(1,305)
Net cash outflow from financing activities	**(45,970)**	**(74,537)**	**(91,356)**
(Decrease)/increase in cash and cash equivalents	**(36,230)**	**17,232**	**34,539**
Cash and cash equivalents at start of period/year	58,286	23,497	23,497
Foreign currency exchange movements	(4)	11	250
Cash and cash equivalents at end of period/year	**22,052**	**40,740**	**58,286**
Cash and cash equivalents consist of:			
Cash at bank	22,052	40,740	58,286
Total	**22,052**	**40,740**	**58,286**

The notes on pages 24 to 26 form an integral part of these financial statements.

Notes to the Condensed Financial Statements

For the six months ended 31st March 2026

1. Financial statements

The information contained within the financial statements in this half year report has not been audited or reviewed by the Company's auditor.

The information contained within the financial statements in this half year report does not constitute statutory accounts as defined by sections 434 and 436 of the Companies Act 2006 and has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 30th September 2025 are extracted from the latest published financial statements of the Company. The financial statements for the year ended 30th September 2025 have been delivered to the Registrar of Companies including the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC'), has been applied in preparing this condensed set of financial statements for the six months ended 31st March 2026.

The condensed financial statements are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP') including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in July 2022.

All of the Company's operations are of a continuing nature.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these condensed financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these condensed financial statements. This conclusion takes into account the Director's assessment of the risks faced by the Company as detailed in the Interim Management Report on page 28.

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 30th September 2025.

3. Return per ordinary share

	(Unaudited) Six months ended 31st March 2026 £'000	(Unaudited) Six months ended 31st March 2025 £'000	(Audited) Year ended 30th September 2025 £'000
Return per ordinary share is based on the following:			
Revenue return	10,156	8,607	16,453
Capital return	9,466	11,080	224,946
Total return	**19,622**	**19,687**	**241,399**
Weighted average number of ordinary shares in issue during the period/year	159,169,560	161,744,627	162,120,253
Revenue return per ordinary share	6.38p	5.32p	10.15p
Capital return per ordinary share	5.95p	6.85p	138.75p
Total return per ordinary share	**12.33p**	**12.17p**	**148.90p**

4. Dividends paid

	(Unaudited) Six months ended 31st March 2026		(Unaudited) Six months ended 31st March 2025		(Audited) Year ended 30th September 2025	
	Pence	£'000	Pence	£'000	Pence	£'000
Dividend paid						
Final dividend in respect of prior year	8.70	13,855	6.75	11,112	6.75	11,112

All dividends paid in the period have been funded from the revenue reserve (2025: same).

No interim dividend has been declared in respect of the six months ended 31st March 2026 (2025: nil).

5. Net asset value per ordinary share

The net asset value per ordinary share and the net asset value attributable to the ordinary shares at the period end are shown below. These were calculated using 156,451,203 (31st March 2025: 163,370,203 & 30th September 2025: 160,978,203) ordinary shares in issue at the period end (excluding shares held in Treasury).

	(Unaudited) Six months ended 31st March 2026 Net asset value attributable		(Unaudited) Six months ended 31st March 2025 Net asset value attributable		(Audited) Year ended 30th September 2025 Net asset value attributable	
	£'000	pence	£'000	pence	£'000	pence
Net asset value – debt at par value	1,192,720	762.4	1,013,857	620.6	1,220,124	757.9
¥13 billion senior secured loan notes:						
Add: amortised cost	61,689	39.4	67,081	41.1	65,133	40.5
Less: fair value	(45,354)	(29.0)	(55,461)	(34.0)	(51,895)	(32.2)
Net asset value – debt at fair value	**1,209,055**	**772.8**	**1,025,477**	**627.7**	**1,233,362**	**766.2**

6. Fair valuation of instruments

The fair value hierarchy disclosures required by FRS 102 are given below:

	(Unaudited) Six months ended 31st March 2026		(Unaudited) Six months ended 31st March 2025		(Audited) Year ended 30th September 2025	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,233,600	—	1,033,870	—	1,216,418	—
Level 2[1]	598	(8,858)	592	(5,194)	7,952	(3,020)
Total	**1,234,198**	**(8,858)**	**1,034,462**	**(5,194)**	**1,224,370**	**(3,020)**

[1] Consists of the fair value of derivative financial instruments (long CFDs), calculated as the difference between the initial contract price of the CFD and the market value of the underlying investment, and is presented as derivative financial assets or derivative financial liabilities in the Condensed Statement of Financial Position.

Notes to the Condensed Financial Statements

7. Analysis of changes in net debt

	At 30th September 2025 £'000	Cash flows £'000	Foreign currency exchange movements £'000	Other non-cash transactions[1] £'000	At 31st March 2026 £'000
Cash and cash equivalents					
Cash at bank	58,286	(36,230)	(4)	—	22,052
	58,286	(36,230)	(4)	—	22,052
Borrowings					
Debt due after one year	(65,133)	—	3,452	(8)	(61,689)
	(65,133)	—	3,452	(8)	(61,689)
Net debt	**(6,847)**	**(36,230)**	**3,448**	**(8)**	**(39,637)**

[1] Other non-cash transactions include amortisation adjustment.

Interim Management Report

The Company is required to make the following disclosures in its half year report.

Principal and Emerging Risks and Uncertainties

The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. With the assistance of JPMF, the Audit & Risk Committee has drawn up a risk matrix, which identifies the key risks to the Company. These are reviewed and noted by the Board. The Board believes that the principal and emerging risks and uncertainties faced by the Company fall into the following broad categories:

- Market and Economic Risks – including market volatility and external factors, discount widening and lack of investor demand, liquidity risks.
- Trust Specific Risks – including poor strategy selection, poor execution of strategy, gearing and loan covenants risk, change in portfolio manager, statutory and regulatory compliance risk, cybercrime.
- Geopolitical Risks – including natural disasters and climate change risk.

Information on each of these areas is given on pages 40 to 42 of the Strategic Report within the Annual Report and Financial Statements for the year ended 30th September 2025.

Related Parties Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company during the period.

Going Concern

In accordance with The Financial Reporting Council's guidance on going concern and liquidity risk, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

The Board has, in particular, considered the impact of heightened market volatility since the conflict between the USA, Israel and Iran caused the closure of the Strait of Hormuz and the Russian invasion of Ukraine, the persistent inflationary environment, rising interest rates and other geopolitical risks, and does not believe the Company's going concern status is affected. The Company's assets, the vast majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly under all stress test scenarios reviewed by the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. Furthermore, the Company's key third party suppliers, including its Manager are not experiencing any operational difficulties which would adversely affect their services to the Company.

Accordingly, having assessed the principal and emerging risks and other matters, the Directors believe that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least 12 months from the date of the approval of this half yearly financial report.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

(i) the condensed set of financial statements contained within the interim financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of the affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 31st March 2026, as required by the UK Listing Authority Disclosure Guidance and Transparency Rule ('DTR') 4.2.4R; and

(ii) the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

For and on behalf of the Board

Stephen Cohen
Chairman

29th May 2026

Glossary of Terms and Alternative Performance Measures ('APMS') (Unaudited)

Alternative Performance Measure (APM)

Alternative Performance Measures (APMs) are numerical measures of current, historical or future financial performance, financial position or cash flow that are not GAAP measures. APMs are intended to supplement the information in the financial statements, providing useful industry-specific information that can assist shareholders to better understand the performance of the Company. Where a measure is labelled as an APM, a definition and reconciliation to a GAAP measure is set out below.

Return on Share Price (APM)

Total return to shareholders, on a last traded price to last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Total return calculation	Page	Six months ended 31st March 2026	
Opening share price (p)	6	686.0	(a)
Closing share price (p)	6	703.0	(b)
Total dividend adjustment factor[1]		1.012572	(c)
Adjusted closing share price (p) (d = b x c)		711.8	(d)
Total return on share price (e=(d/a)–1)		**+3.8%**	(e)

[1] The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the last traded price quoted at the ex-dividend date.

Return on Net Assets with Debt at Par Value (APM)

The Company's debt (senior secured loan notes) is valued in the Condensed Statement of Financial Position (on page 22) at amortised cost, which is materially equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as 'Debt at Par Value'.

Total return calculation	Page	Six months ended 31st March 2026	
Opening cum-income NAV per ordinary share with debt at par value (p)	6	757.9	(a)
Closing cum-income NAV per ordinary share with debt at par value (p)	6	762.4	(b)
Total dividend adjustment factor[1]		1.011598	(c)
Adjusted closing cum-income NAV per ordinary share with debt at par value (d = b x c)		771.2	(d)
Total return on net assets with debt at par value (e=(d/a)–1)		**+1.8%**	(e)

[1] The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV at the ex-dividend date.

Return on Net Assets with Debt at Fair Value (APM)

The current replacement or market value of the debt, which assumes it is repaid and renegotiated under current market conditions, is often referred to as the 'Debt at Fair Value'. The difference between fair and par values of the debt is subtracted from the NAV to derive the NAV with debt at fair value. The fair value of the ¥13 billion senior secured loan notes issued by the Company has been calculated using discounted cash flow techniques, using the yield from similar dated gilt plus a margin based on the five year average for the AA Barclays yen Corporate Bond spread.

The net asset value with debt at fair value is shown in note 5 on page 25.

Glossary of Terms and Alternative Performance Measures ('APMS') (Unaudited)

Total return calculation	Page	Six months ended 31st March 2026	
Opening cum-income NAV per ordinary share with debt at fair value (p)	6	766.2	(a)
Closing cum-income NAV per ordinary share with debt at fair value (p)	6	772.8	(b)
Total dividend adjustment factor[1]		1.011469	(c)
Adjusted closing cum-income NAV per ordinary share with debt at fair value (p) (d = b x c)		781.7	(d)
Total return on net assets with debt at fair value (e=(d/a)–1)		**+2.0%**	(e)

[1] The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV at the ex-dividend date.

Benchmark total return

Total return on the benchmark, on a closing-market value to closing-market value basis, assuming that all dividends received were reinvested, without transaction costs, in the shares of the underlying companies at the time the shares were quoted ex-dividend.

The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not follow or 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

Gearing/(net cash) (APM)

Gearing represents the excess amount above shareholders' funds of total investments and exposure to derivative financial instruments, expressed as a percentage of the net assets. If the amount calculated is negative, this is shown as a 'net cash' position.

Gearing calculation	Page	At 31st March 2026 £'000	At 30th September 2025 £'000	
Total investments held at fair value through profit or loss[1]	22	1,233,600	1,216,418	(a)
Asset exposure through derivative financial instruments (long CFDs)[2]		141,449	168,116	(b)
Gross asset exposure (c=a+b)		1,375,049	1,384,534	(c)
Net assets	22	1,192,720	1,220,124	(d)
Gearing (e = (c/d) – 1)		**15.3%**	**13.5%**	(e)

[1] Includes Investments on Loan as shown on the Condensed Statement of Financial Position on page 22.

[2] Asset exposure through derivative financial instruments is the market exposure from CFDs which adds leverage or gearing to the portfolio.

Glossary of Terms and Alternative Performance Measures ('APMS') (Unaudited)

Ongoing Charges (APM)

The ongoing charges represent the Company's management fee and all other operating expenses excluding finance costs payable, expressed as a percentage of the average of the daily cum-income net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

Ongoing charges calculation	Page	Six months ended 31st March 2026 £'000	Year ended 30th September 2025 £'000	
Management fee due		2,918	5,093	(a)
Less: Management fee waived[1]		–	(1,519)	
Management fee paid	20	2,918	3,574	(b)
Other administrative expenses	20	668	1,332	(c)
Total management fee and other administrative expenses		3,586	4,906	(d)
Average daily cum-income net assets		1,265,540	1,070,536	(e)
Ongoing charges (f = ((a+c) x 2)/e)		**0.57%**		(f)
Ongoing charges including management fee waiver[1] (g = d/e)			**0.46%**	(g)
Ongoing charges excluding management fee waiver[1] (h = ((a+c)/e)			**0.60%**	(h)

[1] Management fee waived in lieu of costs associated to the combination with JPMorgan Japan Small Cap Growth & Income plc.

Share Price Discount to Net Asset Value ('NAV') per Ordinary Share (APM)

If the share price of an investment trust is lower than the NAV per ordinary share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per ordinary share.

The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at a premium. The discount or premium is calculated by taking the share price minus the net asset value per ordinary share, divided by the net asset value per ordinary share.

Discount calculation – NAV with debt at par value	Page	At 31st March 2026 £'000	At 30th September 2025 £'000	
Share price (p)	6	703.0	686.0	(a)
Net assets value per ordinary share with debt at par value (p)	6	762.4	757.9	(b)
Share price discount to NAV with debt at par value (c = (a –b)/b)		**(7.8)%**	**(9.5)%**	(c)

Discount calculation – NAV with debt at fair value	Page	At 31st March 2026 £'000	At 30th September 2025 £'000	
Share price (p)	6	703.0	686.0	(a)
Net assets value per ordinary share with debt at fair value (p)	6	772.8	766.2	(b)
Share price discount to NAV with debt at fair value (c = (a –b)/b)		**(9.0)%**	**(10.5)%**	(c)

Glossary of Terms and Alternative Performance Measures ('APMS') (Unaudited)

Other terms used in this document:

Active Share – This measures the percentage of a portfolio that differs from a benchmark index. A higher active share indicates that the portfolio is more actively managed and deviates more from the index. It is calculated by summing the absolute differences between the portfolio and benchmark weights for each security, then dividing by two.

Asset Exposure – is the market exposure of the investments in the portfolio and exposure through derivative financial instruments, excluding derivatives used for hedging (eg forward currency contracts). This indicates the exposure the Company has to a portfolio holding through both direct and indirect investment.

Challenged – Companies where the economics are below the cost of capital and unlikely to recover on a sustainable basis, or where there are significant concerns around duration and/or governance.

Contract for Difference (CFD) – A financial derivative that allows investors to speculate on the price movement of an asset without actually owning the underlying asset. In a CFD, the buyer and seller agree to exchange the difference in the value of the asset from the time the contract is opened to the time it is closed. If the asset's price increases, the seller pays the buyer the difference, and if the price decreases, the buyer pays the seller. CFDs are commonly used for trading in markets such as stocks, commodities, and currencies.

When holding a long CFD position on an equity, the investor is typically entitled to receive a notional amount equivalent to any dividends paid on the underlying shares during the holding period. This is recorded as derivative income in the Company's accounts.

The investor pays a financing charge (interest) on the notional exposure value of the CFD position, reflecting the cost of leverage provided by the counterparty. This interest is recognised as a finance cost in the Company's accounts.

Forward Price to Earnings Ratio (P/E) – This is a financial metric that measures the price of a company's stock relative to its expected earnings over the next 12 months. A higher forward P/E ratio might indicate that investors expect higher growth in the future, while a lower ratio could suggest lower growth expectations or that the stock is undervalued.

Operating Margin – This is a profitability ratio that shows what percentage of a portfolio's revenue is left over after covering ongoing expenses.

Portfolio Fair Value – refers to the fair value of investments held both directly and via derivative financial instruments (CFDs). For CFDs, this is calculated as the difference between the initial contract price of the CFD and the market value of the underlying investment, which is presented as derivative financial assets or derivative financial liabilities on the Condensed Statement of Financial Position.

Premium – Companies that have a sustainable advantage that allows for durable growth and sustained excess financial returns. These are best-in-class companies on an absolute basis.

Quality – Companies where we assess that intrinsic value can be created at a rate above a suitable cost of capital with acceptable risks, and that is unlikely to change within the forecast horizon.

Return on Equity (ROE) – is a financial metric used to assess the profitability of a company in relation to its equity. When applied to a portfolio of investments, ROE can help evaluate how effectively the investments are generating returns relative to the equity invested in them.

Standard – Companies that are not challenged, but where our confidence in their long-term value creation is lower than for quality or premium companies.

Turnover – This typically refers to the rate at which the assets within a portfolio are bought and sold by the fund manager. It is typically expressed as a percentage and provides insight into the Company's trading activity.

Investing in JPMorgan Japanese Investment Trust plc

You can invest in JPMorgan Japanese Investment Trust plc through the following:

1. Via a third party provider

Third party providers include:

AJ Bell Investcentre
Barclays Smart investor
Charles Stanley Direct
Fidelity Personal Investing
Halifax Share Dealing
Hargreaves Lansdown
interactive investor

Please note this list is not exhaustive and the availability may vary depending on the provider. These are third party providers and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each provider's privacy and cookie policies as well as their platform charges structure.

The Board encourages all of its shareholders to exercise their rights and notes that many specialist platforms provide shareholders with the ability to receive company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the Association of Investment Companies' ('AIC') website at www.theaic.co.uk/aic/shareholder-voting-consumer-platforms for information on which platforms support these services and how to utilise them.

2. Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at unbiased.co.uk

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the Financial Conduct Authority (FCA) adviser charging and commission rules, visit fca.org.uk

Investment and pension scams are often sophisticated and difficult to spot

FCA FINANCIAL CONDUCT AUTHORITY

Be a ScamSmart Investor

Be a ScamSmart investor and spot the warning signs

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they're only making the offer available to you or even ask you to not tell anyone else about it

How to avoid investment and pension scams

1. **Reject unexpected offers**
   Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.
2. **Check the FCA Warning List**
   Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.
3. **Get impartial advice**
   Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report the firm or scam to us by contacting our **Consumer Helpline** on **0800 111 6768** or using our reporting form using the link below.

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk

Be ScamSmart and visit www.fca.org.uk/scamsmart

Information about the Company

Investment Policy and Objective

The Company's objective is to deliver capital growth to shareholders through investment in Japanese companies. To achieve this goal and manage risk, the Company invests in a diversified portfolio of listed Japanese companies or in securities that offer exposure to Japan.

Dividend Policy

The Board's dividend policy is to pay out the majority of revenue available each year as a final dividend. The Board hopes to be able to continue its unbroken streak of annual dividend growth since 2020.

Listing and Benchmark

The Company is listed on the London Stock Exchange.

The Company's benchmark is the Tokyo Stock Exchange Index ('TOPIX'). Performance is measured against this benchmark, with net dividends reinvested and expressed in sterling terms.

Gearing Policy

The Board determines the Company's capital structure and gearing policy with input from the Manager. The Board's gearing policy is that the Company will remain invested in the range of 5% net cash to 20% geared, under normal market conditions. The Company makes use of long term borrowings and can use CFDs.

Capital Structure

As at 31st March 2026, the Company's issued share capital comprised 156,451,203 Ordinary shares of 25p each, of which 28,161,985 were held in Treasury.

No shares were issued during the year or since the year end.

Share Issuance and Buyback Policy

The Directors have authority on behalf of the Company to buyback shares in the market either for cancellation or into Treasury and to sell Treasury shares or issue new Ordinary shares for cash.

Share buybacks are only undertaken at a discount to NAV, ensuring value accretion for continuing shareholders. Shares held in Treasury may be re-sold at a premium to NAV, providing flexibility in capital management.

Recognition and Awards – 2025

AJ Bell Award – Japan Active Equity Category:

The Company was honoured with the AJ Bell Award in the Japan Active Equity category, recognising our strong performance and active management approach within the Japanese equity market.

Investment Week Award – Single Country Developed Market:

We are also proud to have received the Investment Week Award for Single Country Developed Market, further acknowledging our expertise and success in navigating developed market equities.

These accolades are a testament to the dedication and expertise of our investment team, as well as the continued support of our shareholders. We remain committed to maintaining the highest standards of investment management and delivering long-term value.

Information about the Company

Financial Conduct Authority ('FCA') Regulation of 'non-mainstream pooled investments', MiFID II 'complex investments'

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust. The Company's ordinary shares are not considered to be 'complex instruments' under the FCA's 'Appropriateness' rules and guidance in the COB sourcebook.

Consumer Duty Value Assessment

The Manager has conducted an annual value assessment on the Company in line with FCA rules set out in the Consumer Duty regulation. The assessment focuses on the nature of the product, including benefits received and its quality, limitations that are part of the product, expected total costs to clients and target market considerations. Within this, the assessment considers quality of services, performance of the Company (against both benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Company), and also considers whether all consumers, including vulnerable consumers, are able to receive fair value from the product. The Manager has concluded that the Company is providing value based on the above assessment.

Task Force on Climate-related Financial Disclosures

The Company, as a closed ended investment fund, is currently exempt from complying with the Task Force on Climate-related Financial Disclosures (TCFD). However, in accordance with the requirements of the TCFD, the Investment Manager published its UK TCFD Report for the Company in respect of the year ended 31st December 2024.

The report discloses estimates of the portfolio's climate-related risks and opportunities according to the FCA Environmental, Social and Governance Sourcebook and the TCFD Recommendations. The report is available on the Company's website under the ESG documents section.

Information about the Company

History

The Company was formed in 1927 as The Capital & National Trust Limited. It was a general investment trust until 1982, when its shareholders approved a change of name to The Fleming Japanese Investment Trust plc and the adoption of a policy of specialising in investment in Japan. The Company adopted its current name in December 2006 and is a constituent of the FTSE 250 Index.

Directors

Stephen Cohen *(Board Chairman, Chairman of Nomination Committee and Management Engagement Committee)*
Sally Macdonald *(Senior Independent Director)*
Sally Duckworth *(Audit & Risk Committee Chair)*
Anna Dingley *(Chairman of Remuneration Committee)*
Lord Jonathan Kestenbaum
Thomas Walker
Takashi Maruyama

Company Numbers

Company registration number: 223583
London Stock Exchange number: 0174002
ISIN: GB0001740025
Bloomberg code: JFJ LN

Market Information

The Company's unaudited net asset value ('NAV') is published daily via the London Stock Exchange.

Website

The Company's website can be found at www.jpmjapanese.co.uk and includes useful information about the Company, such as daily prices, factsheets and current and historic half year and annual reports.

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf.

aic
The Association of Investment Companies
A member of the AIC

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

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London EC4Y 0JP
Telephone: 0800 20 40 20 or +44 1268 44 44 70
email: jpmam.investment.trusts@jpmorgan.com

For company secretarial and administrative matters, please contact Priyanka Vijay Anand at the above address.

Depositary

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London EC4V 4LA

The Depositary has appointed JPMorgan Chase Bank, N.A. as the Company's custodian.

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Rd
Bristol
BS99 6ZZ
United Kingdom

Telephone + 44 (0) 370 707 1512
Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday

Shareholders can manage their shareholding online by visiting Investor Centre at www.investorcentre.co.uk, Shareholders just require their Shareholder Reference Number ('SRN'), which can be found on any communications previously received from Computershare.

Independent Auditors

Ernst & Young LLP
Statutory Auditor
Atria One
144 Morrison Street
Edinburgh EH3 8EB

Broker

Investec Bank plc
30 Gresham Street
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