



Half Year Report **2011**
JPMorgan Japanese
Investment Trust plc

Half Year Report & Accounts for the six months ended 31st March 2011

J.P.Morgan
Asset Management

Features

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Objective

Capital growth from Japanese investments.

Investment Policy

- To maintain a portfolio almost wholly invested in Japan.
- To use gearing to increase potential returns to shareholders. The Company's gearing policy is to operate within a range of 95% to 115% invested in normal market conditions.
- To invest no more than 15% of its gross assets in any listed company (including investment trusts).

Benchmark

The Tokyo Stock Exchange 1st Section Index (TOPIX) expressed in sterling terms.

Capital Structure

At 31st March 2011, the Company's issued share capital comprised 161,318,078 ordinary shares of 25p each.

Management Company

The Company employs JPMorgan Asset Management (UK) Limited ('JPMAM') to manage its assets.

Half Year Performance

Total returns (includes dividends reinvested)

+9.4%

Return to shareholders¹

+8.9%

Return on net assets²

+5.0%

Benchmark return³

Financial Data

	31st March 2011	30th September 2010	% change
Shareholders' funds (£'000)	323,612	306,106	+5.7
Number of shares in issue	161,318,078	161,458,078	-0.1
Net asset value per share	200.6p	189.6p	+5.8
Share price	172.3p	160.0p	+7.7
Share price discount to net asset value	14.1%	15.6%	
Exchange rate	£1 = ¥132.9	£1 = ¥131.6	-1.0

A dividend of 2.8p per share was paid in the period.

A glossary of terms and definitions is provided on page 16.

¹Source: Morningstar.

²Source: J.P. Morgan.

³Source: Datastream. The Company's benchmark is the Tokyo Stock Exchange 1st Section Index (TOPIX) expressed in sterling terms.

Chairman's Statement



The period covered by this report includes the horrific earthquake and tsunami which devastated so much of Eastern Japan on 11th March. The Directors would like to express their sympathy with all those affected by those terrible events. Japan, however, is a resilient society and the way in which the recovery has begun has been exemplary. Our Manager, J.P. Morgan Asset Management, has a significant Japanese team, based primarily in Tokyo. We were encouraged to see how well the team was supported and noted that they continued to conduct business and meet with clients throughout this testing time. J.P. Morgan as a business and its staff made a significant financial contribution to the relief and recovery efforts.

Performance

Over the six months to 31st March 2011, our benchmark, the Tokyo Stock Exchange First Section (TOPIX) Index, rose by 5.0% in sterling terms. Your Company saw an increase in net assets of 8.9%, an outperformance of 3.9%. Shareholders will be pleased to note that the improvement in performance witnessed in recent years has been continued over the first six months of the current financial year. The Board remains hopeful that this improvement will be sustained.

Further detail on the background against which the Company performed is discussed in the Investment Manager's Report on pages 3 and 4.

Revenue and Dividends

As I emphasise each year in my Chairman's Statement, dividend streams from Japan are unpredictable and dividends we have paid in previous years should not be taken as a guide to future payments. This year it appears likely that the Company will be in a position at least to maintain its final dividend of 2.8p per share although there is some uncertainty as to companies' individual dividend policies following the earthquake.

Discount Management

The Board has guidelines in place with regard to the management of any discount/premium that may develop between the Company's share price and its net asset value per share. The Company repurchased 140,000 Ordinary Shares of 25p each for cancellation on 12th November 2010 during the period under review.

Gearing

The Board of Directors sets the overall strategic gearing policy and guidelines and reviews these at each meeting. As at the date of this report, the Company was 105% geared, having ranged between 97% and 106% during the six months under review.

Prospects

In the Investment Manager's Report on pages 3 and 4 your manager reflects on the implications of the earthquake and tsunami. Although the situation remains unclear, valuations remain low and we are confident in our manager's ability to identify the stocks which will outperform the market over the long term.

Jeremy Paulson-Ellis
Chairman

26th May 2011

Investment Manager's Report



The TOPIX index rose 5.0% in sterling terms during the September 2010 to March 2011 period. The Company continued its trend of improving performance, with the NAV outperforming our benchmark (TOPIX) by 3.9% over the half year. The cumulative outperformance over the last two years is +8.5%. In general terms export manufacturing and commodity companies performed well while defensive and domestic-orientated companies such as the utility companies underperformed.

The first five months of the period were characterised by continuing improvements in the global economy and robust company earnings even in the face of the strong yen. There were positive developments in corporate Japan with the announcement of the merger of two of the largest steel companies (Nippon Steel and Sumitomo Metal Industries) and a string of management buyouts amongst smaller companies.

Portfolio turnover was limited during the period as we saw little reason to change our long-term strategy of focusing on companies with strong competitive advantages that are benefiting from Asian growth. In this respect, holdings such as power tool maker Makita and factory automation related THK and Mitsubishi Electric continued to perform well.

The outlook, however, changed substantially on 11th March as Japan was hit by the catastrophic Great East Japan Earthquake. It is this terrible event that we focus on below.

The Great East Japan Earthquake

The Great East Japan Earthquake struck at 14:45 Japan Standard time on 11th March 2011. The 9.0 magnitude earthquake was the fifth largest earthquake in recorded history. The earthquake triggered an enormous tsunami wave of up to 25 metres high which in some cases travelled 10 kilometres inland. Tragically, at the time of writing there are over 26,000 people reported as dead or missing. The event was followed by a failure of the cooling system at the Fukushima Nuclear Power Plant, which is operated by Tokyo Electric Power. The World Bank subsequently estimated the cost of the damage to be as high as 235 billion US Dollars.

Economic Consequences of the Disaster

- Factories and supply chains were severely hit by the quake and it will take some months for production to normalise. Some factories and plants were completely destroyed. Our core view is that this is a temporary factor which will reduce earnings in the short-term but that long-term competitiveness, in most cases, is not impaired.
- In the immediate aftermath of the earthquake there were power shortages in the Tokyo region with rolling blackouts for the capital. This, alongside the supply chain disruptions, had a severe impact on industrial production and consumption. At the time of writing the situation has improved, but there is still a great deal of uncertainty about the summer months when electricity demand peaks.

Investment Manager's Report continued

- Japan's long-term energy policy will likely be reconsidered. At the most basic level the fact is that twenty percent of the world's nuclear plants are located in the most earthquake prone country. The crisis in Fukushima may eventually lead to changes in energy policy globally. In Japan, the most likely alternative is liquefied natural gas.
- The yen surged to a post-war high of ¥76.25 versus the U.S Dollar following the quake. Shortly afterwards the G7 nations announced coordinated currency intervention for the first time in eleven years. Coordinated intervention has a good track record of stabilising currencies having succeeded four times out of five between 1985 and 2000. Indeed, these interventions have marked fundamental turning points for currencies. Companies with substantial overseas production bases and sales had looked to be relatively unaffected by the quake but significant yen strength would have changed that. We are now more confident that the yen will be at least stable around current levels.
- The crisis has not, as yet, led to the political stalemate being broken. Indeed, one of the major concerns is that taxes will be increased to help pay for reconstruction which may further dampen the outlook for domestic demand.

Valuation

TOPIX currently trades on a price to book ratio of one. The price to earnings ratio is uncertain with cuts to earnings estimates likely in most sectors. Prior to the quake the market traded on 13 times March 2012 and we believe that there will be little impact on earnings on 2013 and beyond. Japan therefore trades at a discount to global markets and, as long as the global economy remains relatively robust, it should be able to rebound from this one time shock.

Outlook and Portfolio Strategy

In the short-term we expect earnings estimates to be cut and companies to issue very conservative guidance for next fiscal year. We are focusing on those companies with strong balance sheets which should be able to rebuild capacity without the need for additional funding. Our long-term strategy remains unchanged and we continue to focus on those companies with strong competitive positions that can grow their earnings outside Japan, particularly in Asia. Our core view remains that valuations are low and that we can invest in companies with strong long-term positions at very attractive valuations.

Nicholas Weindling
Investment Manager

26th May 2011

Twenty Largest Investments

at 31st March 2011

Company	Sector	Valuation £'000	% ¹
Nippon Telegraph and Telephone	Communication	17,106	5.3
Honda Motor	Transportation Equipment	14,638	4.5
Mitsubishi UFJ	Banks	13,605	4.2
Sumitomo Mitsui Financial	Banks	11,651	3.6
Canon	Electric Appliances	10,894	3.4
Mitsubishi	Wholesale	10,234	3.2
Omron	Electric Appliances	9,532	2.9
Mitsui & Co	Wholesale	9,428	2.9
Sumitomo Electric	Nonferrous Metals	9,129	2.8
Asahi Glass	Glass & Ceramics	8,369	2.6
Orix	Other Financing Business	8,367	2.6
Sumitomo Corporation	Wholesale	8,282	2.5
JS	Metal Products	7,249	2.2
Toyota Motor	Transportation Equipment	7,120	2.2
Suzuki Motor	Transportation Equipment	6,829	2.1
Sumitomo Realty & Development	Real Estate	6,793	2.1
Sumitomo Heavy Industries	Machinery	6,703	2.1
Softbank	Communication	6,700	2.1
Kyocera	Electric Appliances	6,577	2.0
Japan Tobacco	Foods	6,382	2.0
Total²		185,588	57.3

¹Based on total assets less current liabilities of £323.6m.

²At 30th September 2010, the value of the twenty largest investments amounted to £156.1m representing 51.0% of total assets less current liabilities.

Sector Analysis

at 31st March 2011

	at 31st March 2011		at 30th September 2010	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
Processing	59.0	47.0	55.9	46.0
Electric Appliances	14.6	14.8	15.6	15.0
Transportation Equipment	13.0	10.1	12.5	10.0
Wholesale	12.3	5.7	9.5	5.2
Communication	9.3	5.8	11.7	5.8
Machinery	7.2	5.4	3.3	4.7
Services	2.6	1.7	1.7	1.7
Precision Instruments	–	1.4	1.0	1.5
Other Products	–	2.1	0.6	2.1
Basic	18.6	16.5	17.6	15.8
Consumer	11.8	11.6	14.0	11.9
Other Consumer	4.8	7.4	7.7	7.7
Retail Trade	3.5	3.5	3.9	3.5
Other Financing Business	3.5	0.7	2.4	0.7
Financial	8.3	13.0	8.4	12.9
Assets	2.3	8.2	4.1	8.3
Real Estate	2.0	2.3	–	2.3
Other Assets	0.3	5.9	4.1	6.0
Utilities	–	3.7	–	5.1
	100.0	100.0	100.0	100.0

Based on the total portfolio of investments of £339.0m (2010: £300.5m).

Income Statement

for the six months ended 31st March 2011

	(Unaudited) Six months ended 31st March 2011			(Unaudited) Six months ended 31st March 2010			(Audited) Year ended 30th September 2010		
	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	–	20,285	20,285	–	38,668	38,668	–	8,318	8,318
Net foreign currency gains/(losses)	–	204	204	–	(512)	(512)	–	(3,862)	(3,862)
Income from investments	3,714	–	3,714	2,727	–	2,727	6,132	–	6,132
Other interest receivable and similar income	1	–	1	–	–	–	6	–	6
Gross return	3,715	20,489	24,204	2,727	38,156	40,883	6,138	4,456	10,594
Management fee	(217)	(866)	(1,083)	(198)	(792)	(990)	(403)	(1,613)	(2,016)
Other administrative expenses	(263)	–	(263)	(250)	–	(250)	(505)	–	(505)
Net return on ordinary activities before finance costs and taxation	3,235	19,623	22,858	2,279	37,364	39,643	5,230	2,843	8,073
Finance costs	(69)	(277)	(346)	(35)	(141)	(176)	(75)	(301)	(376)
Net return on ordinary activities before taxation	3,166	19,346	22,512	2,244	37,223	39,467	5,155	2,542	7,697
Taxation	(260)	–	(260)	(191)	–	(191)	(429)	–	(429)
Net return on ordinary activities after taxation	2,906	19,346	22,252	2,053	37,223	39,276	4,726	2,542	7,268
Return per share (note 3)	1.80p	11.99p	13.79p	1.25p	22.72p	23.97p	2.91p	1.56p	4.47p

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

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 Total column represents all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ('STRGL'). For this reason a STRGL has not been presented.

Reconciliation of Movements in Shareholders' Funds

Six months ended 31st March 2011 (Unaudited)	Called up share capital £'000	Other reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th September 2010	40,365	166,791	8,597	84,386	5,967	306,106
Repurchase and cancellation of the Company's own shares	(35)	–	35	(229)	–	(229)
Net return on ordinary activities	–	–	–	19,346	2,906	22,252
Dividends appropriated in the period	–	–	–	–	(4,517)	(4,517)
At 31st March 2011	40,330	166,791	8,632	103,503	4,356	323,612

Six months ended 31st March 2010 (Unaudited)	Called up share capital £'000	Other reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th September 2009	42,463	166,791	6,499	94,033	5,891	315,677
Repurchase and cancellation of the Company's own shares	(2,076)	–	2,076	(12,045)	–	(12,045)
Net return on ordinary activities	–	–	–	37,223	2,053	39,276
Dividends appropriated in the period	–	–	–	–	(4,650)	(4,650)
At 31st March 2010	40,387	166,791	8,575	119,211	3,294	338,258

Year ended 30th September 2010 (Audited)	Called up share capital £'000	Other reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th September 2009	42,463	166,791	6,499	94,033	5,891	315,677
Repurchase and cancellation of the Company's own shares	(2,098)	–	2,098	(12,189)	–	(12,189)
Net return on ordinary activities	–	–	–	2,542	4,726	7,268
Dividends appropriated in the year	–	–	–	–	(4,650)	(4,650)
At 30th September 2010	40,365	166,791	8,597	84,386	5,967	306,106

Balance Sheet

at 31st March 2011

	(Unaudited) 31st March 2011 £'000	(Unaudited) 31st March 2010 £'000	(Audited) 30th September 2010 £'000
Fixed assets			
Investments held at fair value through profit or loss	339,049	358,574	300,515
Current assets			
Debtors	3,229	6,447	2,439
Cash and short term deposits	19,241	34,141	3,259
	22,470	40,588	5,698
Creditors: amounts falling due within one year	(37,907)	(60,904)	(107)
Net current (liabilities)/assets	(15,437)	(20,316)	5,591
Total assets less current liabilities	323,612	338,258	306,106
Net assets	323,612	338,258	306,106
Capital and reserves			
Called up share capital	40,330	40,387	40,365
Other reserve	166,791	166,791	166,791
Capital redemption reserve	8,632	8,575	8,597
Capital reserves	103,503	119,211	84,386
Revenue reserve	4,356	3,294	5,967
Shareholders' funds	323,612	338,258	306,106
Net asset value per share (note 4)	200.6p	209.4p	189.6p

Cash Flow Statement

for the six months ended 31st March 2011

	(Unaudited) Six months ended 31st March 2011 £'000	(Unaudited) Six months ended 31st March 2010 £'000	(Audited) Year ended 30th September 2010 £'000
Net cash inflow from operating activities (note 5)	1,524	1,241	3,072
Net cash outflow from returns on investments and servicing of finance	(324)	(176)	(381)
Net cash (outflow)/inflow from capital expenditure and financial investment	(18,311)	27,388	51,288
Dividend paid	(4,517)	(4,650)	(4,650)
Net cash inflow/(outflow) from financing	37,646	(13,266)	(69,575)
Increase/(decrease) in cash for the period	16,018	10,537	(20,246)
Reconciliation of net cash flow to movement in net debt			
Net cash movement	16,018	10,537	(20,246)
Loans (drawn down)/repaid in the period	(38,009)	–	56,165
Exchange movements	337	(512)	(3,862)
Movement in net funds/debt in the period	(21,654)	10,025	32,057
Net funds/(debt) at the beginning of the period	3,259	(28,798)	(28,798)
Net (debt)/funds at the end of the period	(18,395)	(18,773)	3,259
Represented by:			
Cash and short term deposits	19,241	34,141	3,259
Debt falling due within one year	(37,636)	(52,914)	–
Net (debt)/funds at the end of the period	(18,395)	(18,773)	3,259

Notes to the Accounts

for the six months ended 31st March 2011

1. Financial statements

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

The figures and financial information for the year ended 30th September 2010 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included 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

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in January 2009.

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

The accounting policies applied to these half year accounts are consistent with those applied in the accounts for the year ended 30th September 2010.

3. Return per share

	(Unaudited) Six months ended 31st March 2011 £'000	(Unaudited) Six months ended 31st March 2010 £'000	(Audited) Year ended 30th September 2010 £'000
Return per share is based on the following:			
Revenue return	2,906	2,053	4,726
Capital return	19,346	37,223	2,542
Total return	22,252	39,276	7,268
Weighted average number of shares in issue	161,350,386	163,824,770	162,661,550
Revenue return per share	1.80p	1.25p	2.91p
Capital return per share	11.99p	22.72p	1.56p
Total return per share	13.79p	23.97p	4.47p

4. Net asset value per share

Net asset value per share is calculated by dividing the funds attributable to ordinary shareholders by the number of ordinary shares in issue at 31st March 2011 of 161,318,078 (31st March 2010: 161,548,078 and 30th September 2010: 161,458,078),

Notes to the Accounts continued

5. Reconciliation of total net return on ordinary activities before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) Six months ended 31st March 2011 £'000	(Unaudited) Six months ended 31st March 2010 £'000	(Audited) Year ended 30th September 2010 £'000
Total net return on ordinary activities before finance costs and taxation	22,858	39,643	8,073
Less capital return before finance costs and taxation	(19,623)	(37,364)	(2,843)
Increase in net debtors and accrued income	(585)	(55)	(116)
Overseas withholding taxation	(260)	(191)	(429)
Management fee charged to capital	(866)	(792)	(1,613)
Net cash inflow from operating activities	1,524	1,241	3,072

List of Investments

at 31st March 2011

Company	Sector	Valuation £'000	Percentage %
Nippon Telegraph and Telephone	Communication	17,106	5.05
Honda Motor	Transportation Equipment	14,638	4.32
Mitsubishi UFJ	Banks	13,605	4.01
Sumitomo Mitsui Financial	Banks	11,651	3.44
Canon	Electric Appliances	10,894	3.21
Mitsubishi	Wholesale	10,234	3.02
Omron	Electric Appliances	9,532	2.81
Mitsui & Co	Wholesale	9,428	2.78
Sumitomo Electric	Nonferrous Metals	9,129	2.69
Asahi Glass	Glass & Ceramics	8,369	2.47
Orix	Other Financing Business	8,367	2.47
Sumitomo Corporation	Wholesale	8,282	2.44
JS	Metal Products	7,249	2.14
Toyota Motor	Transportation Equipment	7,120	2.10
Suzuki Motor	Transportation Equipment	6,829	2.01
Sumitomo Realty & Development	Real Estate	6,793	2.00
Sumitomo Heavy Industries	Machinery	6,703	1.98
Softbank	Communication	6,700	1.98
Kyocera	Electric Appliances	6,577	1.94
Japan Tobacco	Foods	6,382	1.88
Marubeni	Wholesale	6,332	1.87
Shin-etsu Chemical	Chemicals	5,935	1.75
Asahi Breweries	Foods	5,641	1.66
Fujifilm	Chemicals	5,505	1.62
Kansai Paint	Chemicals	5,485	1.62
Itochu	Wholesale	5,359	1.58
Rakuten	Services	5,325	1.57
NTT Docomo	Communication	5,319	1.57
Mitsubishi Electric	Electric Appliances	5,239	1.55
Murata Manufacturing	Electric Appliances	5,200	1.53
Nissin Kogyo	Transportation Equipment	5,136	1.51
Don Quijote	Retail Trade	5,070	1.50
Makita	Machinery	4,961	1.46

List of Investments continued

at 31st March 2011

Company	Sector	Valuation £'000	Percentage %
Ibiden	Electric Appliances	4,666	1.38
Nippon Electric Glass	Glass & Ceramics	4,396	1.30
Kubota	Machinery	4,003	1.18
THK	Machinery	3,678	1.08
saka Securities Exchange	Other Financing Business	3,664	1.08
Familymart	Retail Trade	3,552	1.05
Nippon Sheet Glass	Glass & Ceramics	3,479	1.03
CyberAgent	Services	3,423	1.01
Musashi Seimitsu	Transportation Equipment	3,206	0.95
Tokyo Electron	Electric Appliances	3,189	0.95
JX Holdings	Oil & Coal Products	3,176	0.93
NSK	Machinery	3,165	0.93
Fanuc	Electric Appliances	3,127	0.92
Nitori	Retail Trade	3,077	0.90
Shionogi	Pharmaceutical	2,911	0.86
Nippon Paint	Chemicals	2,881	0.85
Nihon Parkerizing	Chemicals	2,580	0.76
Mazda Motor	Transportation Equipment	2,500	0.74
Furukawa Electric	Nonferrous Metals	2,416	0.71
DTS	Communication	2,296	0.68
Canon Marketing	Wholesale	2,039	0.60
Komatsu	Machinery	1,986	0.58
Nitto Denko	Chemicals	1,925	0.57
Nissan Motor	Transportation Equipment	1,828	0.54
Daido Metal	Transportation Equipment	1,646	0.49
Daiwa Securities	Securities & Commodity Futures	1,633	0.48
Astellas Pharma	Pharmaceutical	1,456	0.43
Nomura	Securities & Commodity Futures	1,347	0.40
NOK	Transportation Equipment	1,024	0.30
Yokogawa Electric	Electric Appliances	1,008	0.30
Kintetsu World Express	Warehousing & Harbor Transportation	951	0.28
Shiseido	Chemicals	652	0.19
Isuzu Motors	Transportation Equipment	74	0.02
Total Portfolio		339,049	100.0

Interim Management Report

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

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into five broad categories: investment and strategy; market risk; accounting, legal and regulatory; corporate governance and shareholder relations; operational and financial.

Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 30th September 2010.

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

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly Financial Reports'; and
- (ii) the half year management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

For and on behalf of the Board

Jeremy Paulson-Ellis
Chairman

26th May 2011

Glossary of Terms and Definitions

Return to shareholders

Total return to the investor, on a mid-market price to mid-market price basis, assuming that all dividends received were reinvested, without transaction costs, in the shares of the Company at the time the shares were quoted ex-dividend.

Return on net assets

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested in the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

In accordance with industry practice, dividends payable which have been declared but which are unpaid at the balance sheet date are deducted from the NAV when calculating the total return on net assets.

Benchmark return

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

Share price discount/premium to net asset value

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

Information about the Company

Financial Calendar

Financial year end	30th September
Final results announced	November
Half year end	31st March
Half year results announced	May
Half year Management Statements announced	January and July
Dividend on shares paid	December
Annual General Meeting	December

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. It is the largest UK investment trust specialising in Japan. The Company adopted its current name in December 2006.

Directors

Jeremy Paulson-Ellis (Chairman)
Alan Barber
Andrew Fleming
David Pearson
Keith Percy

Company Numbers

Company registration number: 223583
London Stock Exchange ISIN code: 0174002
Bloomberg code: JFJ LN
Reuters code: JFJ.L

Market Information

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

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman, The Independent and on the JPMorgan website at www.jpmmjapanese.co.uk, where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmmjapanese.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP. These products are all available on the online wealth manager service, J.P. Morgan WealthManager+ available at www.jpmmorganwealthmanagerplus.co.uk

Manager and Company Secretary

JPMorgan Asset Management (UK) Limited

Company's Registered Office

Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ
Telephone number: 0207 742 6000

For company secretarial and administrative matters please contact Chris Cordrey at the above address.

Registrars

Equiniti
Reference 1090
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0871 384 2317

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1090. Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk.

Independent Auditors

Begbies Chettle Agar
Chartered Accountants and Statutory Auditors
Epworth House
25 City Road
London EC1Y 1AR

Brokers

Collins Stewart Europe Limited
88 Wood Street
London EC2V 7QR

Savings Product Administrators

For queries on the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP, call the JPMorgan Helpline on Freephone 0800 20 40 20 or +44 (0)20 7742 9995.

aic

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Investment Companies

A member of the AIC

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