JPMorgan Japan Small Cap Growth & Income plc

Providing income without compromising on Japanese growth opportunities

Half Year Report & Financial Statements
for the six months ended 30th September 2022

J.P.Morgan
ASSET MANAGEMENT

Key Features

Investment Objective

The Company's objective is to achieve long-term capital growth through investment in small-sized and medium-sized Japanese companies.

Investment Policy

In order to achieve its investment objective and to seek to manage risk, the Company invests in a diversified portfolio of investments almost wholly in Japan, emphasising capital growth rather than income.

To obtain this exposure, investment is permitted in Japanese quoted companies other than the largest 200 measured by market capitalisation, Japanese domiciled unquoted companies, Japanese domiciled companies quoted on a non-Japanese stock exchange and non-Japanese domiciled companies which have at least 75% of their revenues derived from Japan. Investment is also permitted in UK and Japanese government bonds. Borrowings may be utilised to enhance shareholder returns.

Dividend Policy

With effect from 1st April 2018, the Company implemented a dividend policy under which the Company aims to pay, in the absence of unforeseen circumstances, a regular quarterly dividend equal to 1% of the Company's Net Asset Value ('NAV') on the last business day of the preceding financial quarter, being the end of March, June, September and December. Over the year this approximates to 4% of the average NAV. These dividends are paid from a combination of the revenue, capital and other reserves and will fluctuate in line with any rise or fall in the Company's net asset value. The Company's investment objective and investment policy remained unchanged following the change in dividend policy.

Company Name and Ticker

The Company changed its name from JPMorgan Japan Smaller Companies Trust plc to JPMorgan Japan Small Cap Growth & Income plc on 16th December 2020. The Company also changed its London Stock Exchange stock ticker symbol (TIDM) from JPS to JSGI with effect from 17th December 2020.

Benchmark

The Company's benchmark was the S&P Japan SmallCap Net Return Index (in sterling terms) up to 31st March 2021. With effect from 1st April 2021, the benchmark has been changed to the MSCI Japan Small Cap Index (in sterling terms) which has very similar long term performance but is more widely recognised. Comparison of the Company's performance is made with the benchmark as stated, although investors should note that there is no recognised benchmark that closely reflects the Company's stated investment policy.

Capital Structure

As at 31st March 2022, the Company's issued share capital comprised 55,944,560 Ordinary shares of 10p each, of which 1,434,221 were held in Treasury.

Currency

The Company does not currently hedge the currency exposure that arises from having assets and bank debt denominated in Japanese yen.

Management Company

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager ('AIFM') and Company Secretary. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (Japan) Limited through JPMorgan Asset Management (UK) Limited.

Association of Investment Companies ('AIC')

The Company is a member of the AIC and complies with both the AIC Code of Corporate Governance and the Financial Reporting Council's UK Corporate Governance Code.

Website

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

“We look to identify innovative, quality companies which can compound growth over the long-term within the Japan small cap universe. With 25 investment professionals on the ground in Tokyo, we offer expertise and in-depth knowledge in what is a very under-researched and under-appreciated market, allowing us to identify hidden gems with strong competitive positions.”

Miyako Urabe, Portfolio Manager
JPMorgan Japan Small Cap Growth & Income plc

Why invest in JPMorgan Japan Small Cap Growth & Income plc?

Providing income without compromising on Japanese growth opportunities

The Company aims to provide access to the innovative and fast-growing smaller company stocks that are at the core of the new Japanese economy by using a stock selection process based on extensive experience and local knowledge of the market.

- Managed by a Japan-based local team that has both expertise in and long-standing experience of selecting undervalued, high quality smaller companies from across Japan.
- Invests in a changing Japan, with exposure to new products, technologies and markets which are often overlooked by investors.
- Provides access to innovative and fast growing smaller Japanese companies which are transforming the Japanese economy.

Our heritage and our team

JPMorgan first opened its Tokyo office in 1969 and has over 50 years’ experience in Japan in seeking out the most attractively valued Japanese companies.

The team has been managing Japan equities mandates in Tokyo since 1969 and the Company’s current investment team has an average of 13 years’ experience with the firm and 18 years’ experience in the industry. They are supported by JPMorgan Asset Management’s extensive resources around the world.

Our investment approach

A combination of desk-based research and company meetings inform our rating of a company. We evaluate the growth opportunity for the industry overall before considering the company’s competitive positioning and management. This allows us to assess the company’s potential for growth. We then look at financial metrics with a focus on cash flow and balance sheet strength to assess the overall economics of the business. We also consider governance issues such as shareholder returns, management strength and the track record on environmental and social issues. Only then do we consider valuations – we do not buy companies where the short-term valuation looks low if they do not have a strong long-term growth outlook.

4%	25	4000+	400+
Pays 4% of average NAV per annum as dividends	Investment professionals in Japan	Japanese company meetings each year	Approximate number of stocks covered

Contents

Financial highlights

Total returns (including dividends reinvested) to 30th September 2022

	6 Months	3 Years Cumulative	5 Years Cumulative	10 Years Cumulative
Return to shareholders[1,A]	–9.7%	–9.4%	+5.0%	+188.1%
Return on net assets[2,A]	–8.7%	–12.8%	–0.4%	+154.0%
Benchmark return[3]	–0.2%	–3.8%	+1.7%	+130.8%
Dividend per share	7p			

[1] Source: Morningstar.
[2] Source: Morningstar/J.P.Morgan, using net asset value per share.
[3] Source: Morningstar. With effect from 1st April 2021, the benchmark is the MSCI Japan Small Cap Index (in sterling terms). The Company's benchmark was the S&P Japan SmallCap Net Return Index (in sterling terms) up to 31st March 2021.
[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 29 and 30.

Financial Highlights

Summary of results

	30th September 2022	31st March 2021	% change
Shareholders' funds (£'000)	193,880	216,737	–10.5[2]
Ordinary shares in issue[1]	54,510,339	54,510,339	
Net asset value per share	355.7p	397.6p	–10.5[2]
Share price (p)	325.0p	368.0p	–11.7[3]
Share price discount to net asset value per share[A]	8.6%	7.4%	
Ongoing charges (%)[A]	**1.22%**	**1.06%**	
Gearing (%)[A]	**4.8%**	**6.1%**	

[1] Excludes 1,434,221 (31st March 2022: 1,434,221) shares held in Treasury.
[2] Excluding dividends reinvested. Including dividends reinvested, the return is –8.7%.
[3] Excluding dividends reinvested. Including dividends reinvested, the return is –9.7%.
[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 29 and 30.

Chairman's Statement

Alexa Henderson
Chairman

Investment Performance

The Company underperformed its benchmark over the six months to 30th September 2022. The total return on the Company's net assets was –8.7% (in GBP) over the review period, compared to a total return of –0.2% the MSCI Japan Small Cap Index. This amounts to an underperformance of 8.5%. However, it is worth noting that while performance was disappointing in the first three months of the period,it improved in the following three months, delivering a return of 5.4% in NAV terms and outperforming its benchmark by 1.6%.

The half year results are an extension of the poor performance which began in early 2022, and are due to the Company's preference for quality and growth stocks. This focus means the portfolio usually differs significantly from the benchmark, which comprises many low-quality companies with unappealing growth characteristics. It is therefore to be expected that performance will also vary substantially from the benchmark, regardless of market conditions.

Growth stocks have been under sustained selling pressure in all major markets since the beginning of 2022, when Russia's invasion of Ukraine intensified investors' fears about rising inflation and aggressive monetary tightening. A series of hefty interest rate hikes by the US Federal Reserve, the Bank of England and the ECB, accompanied by hawkish rhetoric about the need for further rate increases, took a particular toll on quality and growth-oriented stocks. Japanese growth stocks were not immune to the change in sentiment, despite subdued Japanese inflation, an accommodative central bank and a positive outlook. The Company's performance was therefore negatively impacted. However, the significant improvement in performance in the latter part of the review period is encouraging and the hope is that investors may be beginning to appreciate that the situation in Japan is markedly different from that in other markets.

Given the Investment Managers' conviction that good quality companies with strong growth prospects will always outperform in the long run, it is arguably more meaningful to assess performance over a longer timeframe, and on this basis, the portfolio has performed strongly. Over the 10 years ended 30th September 2022, the Company achieved an average annualised return of 9.8%, outpacing the benchmark return of 8.7%.

The Company's investment performance is explained in depth in the Investment Managers' Report, along with details of portfolio activity over the past six months. The managers also outline the themes they expect will drive Japan's equity markets over the short term and beyond.

Dividend Policy and Discount Management

The Company's revised dividend policy has now been in place for four years. As a reminder, in the absence of unforeseen circumstances, this dividend policy aims to pay a regular dividend equal to 1% of the Company's NAV on the last business day of the preceding financial quarter, being the end of March, June, September and December. Over the year, this would approximate to 4% of the average NAV. This dividend is paid from other reserves.

For the year ended 31st March 2022, quarterly dividends paid totalled 20.3p per share (2021: 21.9p). For the half year ended 30th September 2022, the Board has declared two dividends of 3.4 pence and 3.6 pence for the quarters ended 30th June and 30th September 2022 respectively. Two further dividends will be declared on the first business day after 31st December 2022 and 31st March 2023. The Company currently offers an attractive dividend yield of 4.9% based on the last four dividend payments and the share price at 325p.

The Company's discount stood at 8.6% at 30th September 2022, a moderate increase from the 7.4% reported at the Company's year end, 31st March 2022. This widening is broadly in line with the experience of many other investment trusts over this period. The Company did not repurchase any shares during the period under review. However, the Board continues to monitor the discount closely and is prepared to repurchase shares to narrow the discount when it considers this is appropriate and taking account of market conditions. At the time of writing, the discount stood at 9.91%.

Chairman's Statement

Gearing/Borrowing

The Managers seek, at times, to enhance investment returns for shareholders by borrowing money to buy more assets ('gearing'), subject to their view on prevailing market conditions. The Company's investment policy permits such tactical gearing within a range of 10% net cash to 25% geared. However, the Board requires the Managers to operate in the narrower range of 5% net cash to 15% geared in normal market conditions. The Company's gearing is discussed regularly by the Board and the Managers, and the gearing level is reviewed by the Directors at each Board meeting. During the six months to end September 2022, the Company's gearing level ranged between 4.6% to 11.5%, ending the half year at 4.8% (end March 2022: 6.1%).

The Company's revolving credit facility of Yen 4.0 billion (with an option to increase available credit to Yen 6.0 billion) with Scotiabank matured in October 2022. I am pleased to report that the Company has agreed a new Yen 4 billion, 2 year revolving credit facility with ING Bank.

Outlook

Despite the headwinds generated by the concerns and geo-political uncertainties currently pervading global financial markets, the Board shares the Investment Managers' conviction that the prospects for Japanese small cap companies remain strong over the long term. Japan is undergoing significant technological and structural changes which will bolster growth and productivity well into the future. Innovative and dynamic small cap companies are ideally placed to thrive in this environment and they are already leading the way in a variety of niche markets. Yet these vibrant sectors of the market are still under-researched, and thus overlooked, by many investors, often to their detriment.

The Board believes that the Investment Managers' focus on quality and growth, supported by JPMorgan's extensive, global and Tokyo-based research resources, mean that the Company is ideally placed to identify and capitalise on the opportunities available amongst Japan's small cap businesses. Whilst we are disappointed with the recent underperformance, we therefore share the Investment Managers' confidence in the Company's capacity to continue to deliver attractive returns and outperformance, combined with a regular income, to shareholders over the longer term.

Alexa Henderson
Chairman
23rd November 2022

Investment Managers' Report

Miyako Urabe
Investment Manager

Xuming Tao
Investment Manager

Naohiro Ozawa
Investment Manager

Performance and market review

Over the six months to September 2022, the Company underperformed its benchmark, the MSCI Japan Small Cap Index (in GBP terms), by 8.5%, delivering a return of –8.7% on a net asset value (NAV) basis (in GBP terms), compared to the benchmark return of –0.2%. Performance was particularly weak in the April-June quarter, before it improved in the July-September quarter, with the Company NAV delivering a return of 5.4%, outperforming its benchmark by 1.6% during the quarter.

The portfolio has a quality and growth bias, and focuses on long-term growth stories with strong business models. The underperformance over the six month period was mainly an extension of the difficult period which began at the start of 2022, when Russia's invasion of Ukraine drove geo-political tensions to their highest level in decades and exacerbated global inflation pressures by driving up energy and commodity prices. Investors were also surprised by central banks' very aggressive response to inflation. The sudden sharp rise in interest rates in the US, UK and Europe had an especially adverse impact on the valuations of technology and other high growth stocks in all major markets, as higher rates reduce the value of these companies' future cash flows.

While inflation pressures have been much more subdued in Japan than other major economies, and the Bank of Japan has so far shown no signs of tightening its ultra-loose monetary policy stance, Japanese growth stocks were also caught up in this sell-off.

The widening interest rate differentials between Japan and the US induced further weakening of the yen against the US dollar over the review period, although the yen remained relatively stable against sterling, which came under pressure as the British government struggled with a series of political scandals that eventually unseated the Prime Minister, Boris Johnson.

Our investment strategy looks beyond such short-term market fluctuations and adopts a long-term perspective, based on the view that excess returns take time to accumulate, especially for smaller cap stocks. The Company's long term performance track record of strong outright gains and outperformance suggests that this approach is merited and pays off for patient investors.

Spotlight on stocks and sectors

During the six months under review, both stock selection and sector allocation had negative impacts on performance.

At the stock level, the top detractors from returns included **MEC, Taiyo Yuden** and **Tosho**. Companies involved in semiconductor supply chains and suppliers of other electronic components performed poorly over the period due to macroeconomic uncertainty and concerns over ongoing supply constraints. However, we continue to see great potential for these companies over the longer term, with structural growth underpinned by Japan's digitalisation drive, the advent of 5G technologies and the burgeoning demand for Internet of Things (IoT).

- **MEC** is the global leader in the manufacture of advanced adhesion enhancer products, which are used in printed circuit boards. These products improve the adhesion between the wiring and insulating materials in the semiconductor package. Despite its recent disappointing performance, we expect MEC to enjoy future revenue growth as advances in semiconductor miniaturisation increase demand for their products.
- **Taiyo Yuden** is benefiting from technological innovation in the automotive industry. It manufactures products such as multi-layer ceramic capacitors (MLCCs), which are used in many electronic devices, with demand from vehicle manufacturers increasing especially rapidly. The automotive industry is undergoing significant technological innovations including the rapid development of electric vehicles, autonomous driving and so-called 'connected cars' that use mobile internet technology. All these advances will translate into huge potential markets for several Japanese manufacturers such as Taiyo Yuden, which provide high quality MLCCs.
- In a completely different sector of the market, **Tosho** operates sports gyms targeted at beginners. Tosho is the most efficiently run gym operator in Japan, offering simple, competitively-priced facilities while keeping staffing costs relatively low. The company originated in the Chubu region near Nagoya, but there is ample scope for expansion into other major urban areas such as Kanto and Kansai, where the population and addressable markets are considerably larger. The business

has been heavily impacted by COVID, hence its poor recent performance, but we expect a recovery and fresh demand for Tosho's services over the medium term.

The major positive contributors to returns over the review period included **Nippon Gas, Capcom** and **Yamato Kogyo**.

- **Nippon Gas** supplies liquefied petroleum gas (LPG) to households and businesses. The company is transforming into a platform intended to provide software services to micro enterprises in the very traditional, highly-fragmented LPG industry, which currently uses very little technology. Nippon Gas is also launching an online gas smart meter service that will significantly reduce the time and manpower costs involved in meter readings, which are presently done manually by meter readers visiting individual sites.
- **Capcom** develops and publishes video games, including Street Fighter, Monster Hunter, and Resident Evil (Biohazard). The earnings of gaming companies have become notably steadier over the past few years, especially for those with large and varied catalogues of games, which represent very valuable intellectual property. This is the case because digital downloads of games are rising steadily and selling games in this way is more profitable, as distribution is much easier than marketing games in boxes, via traditional retail outlets. Online gaming also opens the way for additional ongoing revenue streams via the sale of in game merchandise. Companies like Capcom, with several popular titles, will benefit as this shift to digital downloads continues.
- **Yamato Kogyo** is a steel producer which uses electric arc furnaces, rather than conventional blast furnaces, in its manufacturing process. Electric arc furnaces emit only around one sixth to a quarter of the greenhouse gases produced by conventional blast furnaces, and Yamato Kogyo is one of the largest Japanese steelmakers using this technology. It also has joint venture operations and subsidiaries in the United Stated, Thailand and several other countries. The company has performed very well and is likely to see further increases in demand for its products as construction and manufacturing companies strive to reduce the carbon footprint of their steel inputs.

With respect to sector allocation, top detractors to relative performance included our overweight position in the software and services and semiconductors and semiconductor equipment sectors. As discussed above, tech companies were the worst affected by this year's global equity market sell-off, and share price declines have been exacerbated by profit taking after a long period of very strong (in some cases remarkable) performance. However, we continue to believe that digitalisation remains an area of significant growth potential in Japan, considering the still low penetration of digital services such as e-commerce, digital advertising and cashless payments, and we remain overweight sectors exposed to this growth. While we do see competition heating up in some areas, we intend to remain focused on companies that are leaders in their respective fields.

The portfolio's gearing, which averaged 6% over the period, also negatively impacted returns over the six month period.

About our investment philosophy

The Company aims to provide shareholders with access to the innovative and fast-growing smaller companies at the core of the Japanese economy. Our investment approach favours quality and structural growth, and we target companies (other than Japan's largest 200) which we believe can compound earnings growth over the long term, supported by sustainable competitive advantages, good management teams and sound capital allocation. We believe the strong and durable market positioning of such businesses will allow them to substantially increase their intrinsic value over time. We avoid stocks that have no clear differentiation and those that operate in industries plagued by excess supply and structural decline. Our focus on quality and growth means that the portfolio tends to benefit from the ability to invest the portfolio into stocks with different weightings to that of the benchmark, which provides a potential source for additional return, enhancing the Company's scope to outperform over the long term.

Our stock selection is based on fundamental analysis, 'on-the-ground' knowledge and extensive contact with the management teams of prospective and current portfolio companies. The Company is managed by a team of three, supported by over 20 Tokyo-based investment professionals. Their knowledge of the local market provides us with significant strength in identifying investment opportunities in small cap companies - a sector of the market which is under-researched and overlooked by many investors.

The starting point in our bottom-up investment process is our Strategic Classification framework, where we address the key question 'Is this a business that we want to own?'. Through this process we assign a rating of Premium, Quality or Trading to each stock based on its fundamentals, governance and the sustainability of its revenues over the long term. We aim to maximise our exposure to Premium and Quality companies, and where possible, we invest from an early stage in order to benefit fully as companies realise their growth potential.

This patient perspective is key to generating excess returns over the long term, although the portfolio's focus on quality and growth means it tends to struggle during value rallies. Having said that, the Company does not target 'growth at any price'. We always strive to acquire shares at a reasonable price. To this end, we use a five-year expected return framework to consider whether a stock's price is at an attractive level. We believe it is also important to construct a well-balanced, diversified portfolio, to minimise exposure to unintended risks. The Company's prospective and current portfolio holdings include a broad range of sectors, including not only IT hardware and software, but materials, chemicals, construction, machinery and consumer goods and services.

We believe that well-run companies, which exhibit behaviour that respects the environment and the interests of their shareholders, customers, employees and other stakeholders, are most likely to deliver sustainable, long-term returns. Such environmental, social and governance ('ESG') considerations are thus integral to our investment process and a key driver of our quest to generate financial returns. ESG factors influence our decisions both at the portfolio construction stage and thereafter once companies are held in the portfolio, when ongoing engagement with managers can be effective in encouraging them to realise and maintain acceptable ESG standards. Our long-term holding in Litalico, Japan's top provider of support services for disabled workers, is one example of the way in which ESG considerations influence our investment decisions, as this company is at the forefront of Japan's efforts to improve employee well-being and workplace diversity.

Trends and themes

While our investment decisions are based on company-specific factors, there are also structural, long-term trends and themes that underlie our stock selection.

Our investment themes include:

- **Changing demographics**: Japan's ageing and declining population is creating significant challenges for Japanese policymakers. The government is committed to tackling these issues through regulatory reforms and digitalisation, and this is providing opportunities for innovative smaller companies working to improve the quality of life for the elderly by, for example, reducing the need for face-to-face medical consultations. The telemedicine company, Medley, is an example of our holding that benefits from such innovation.
- **Improving labour productivity via digitalisation**: Japan's ageing population is also leading to a contraction in labour supply, and digitalisation is a key part of the solution to this problem, as it raises labour productivity. The government wants to encourage the adoption of digitalisation across the economy, and to this end it has established an agency which is focused on digitalising the operations of national and local governments, as well as Japan's education and healthcare systems. Portfolio holdings Rakus, a software company supplying business services such as digital invoicing and expense management systems, and Infomart, which provides business to business services to the food industry, are examples of our holdings that benefit from this long term trend.
- **Technological innovation**: While certain areas of the Japanese economy such as financial services lag other markets in terms of their technological sophistication, Japanese manufacturers are world class. The country is a leading global supplier of factory automation equipment, robots and electronics parts and materials, presenting attractive investment opportunities for portfolio companies such as MEC and specialist chemicals producer C. Uyemura that operate in niche technology markets.

- **De-carbonisation**: The Japanese government's commitment to reduce carbon emissions to net zero by 2050 has galvanised efforts to transition the economy to renewable energy sources and take other necessary steps to mitigate climate change. Some smaller Japanese companies possess unique technologies related to the production of electric vehicles, solar and wind power and other forms of clean energy, and we continue our search for companies such as Canadian Solar Infrastructure Fund and Hirano Tecseed, a producer of specialist machinery, that are well-positioned to benefit from the global push towards carbon neutrality.
- **Overseas growth**: The Asian region is experiencing rapid structural growth. Japanese luxury goods producers and other strong brands such as our investments in Milbon and Casio Computer are likely to continue experiencing strong demand from new customers in China, India and other increasingly prosperous Asian countries.
- **Corporate governance**: Japan's corporate sector is making a concerted effort to strengthen governance standards via the appointment of more independent, external directors to company boards, enhanced shareholder returns and tighter internal controls and disclosure rules. There is, however, room for further improvement, and we engage in regular dialogues with portfolio companies and potential investments on this broad theme, on the view that the market is likely to keep rewarding companies that upgrade their governance practices.

Positioning the portfolio for future success

The upside of recent market volatility is that it has provided us with opportunities to purchase quality, long-term growth stories at especially attractive valuations. **Kyushu Railway, Sangetsu** and **JGC** are three names which we have added to the portfolio during the past six months:

- **Kyushu Railway** is a railway operator in the Kyushu region of Japan. It also has non-railway businesses such as real estate leasing and hotels. Railway companies have been negatively impacted by COVID, but we anticipate steady growth over the mid-to-long-term, supported by the return of inbound tourism as well as support from shareholder returns while valuations are not demanding.
- **Sangetsu** is Japan's top domestic wallpaper company. While the market is mature, comprising an oligopoly of three companies, Sangetsu has been consistently expanding its market share which currently stands at over 50%. The pricing environment has also been improving recently, and the market's number two player has followed Sangetsu's lead in hiking prices. The company also has a solid balance sheet with a net cash position, and has committed to a total payout ratio of approximately 100% over its three year mid-term plan period.
- **JGC** is an engineering company which constructs large scale liquefied natural gas (LNG) projects. Gas is considered to be the main transition fuel while globally there has been underinvestment in LNG production and storge facilities in the past few years, and many companies have either scaled back or exited the industry. This suggests to us that the medium-term outlook for LNG is favourable and we expect JGC to enjoy strong demand in the foreseeable future.

To fund these and other acquisitions, we closed our position in **Money Forward**, one of the top cloud accounting service providers for mid- and small-sized enterprises. We still expect demand for cloud accounting services to rise over time, but we have been disappointed by Money Forward's bigger than expected losses and mounting uncertainty about when it will become profitable. We also trimmed and took some profit on our holding in **Yamato Kogyo** after its strong performance, as mentioned above. Similarly, we took some profit in IT service company **DTS** after significant outperformance.

Over the review period, annualised portfolio turnover was around 25%, which is similar to the level of the previous financial year. Our ongoing bias towards quality and growth is evidenced by the fact that the portfolio has a higher return on equity (ROE) and higher growth in earnings per share (EPS) than the overall market. In turn, the portfolio's forward price to earnings ratios tend to be at a premium versus the benchmark's, although we believe paying the higher price is justified for the higher earnings growth.

Investment Managers' Report

Outlook and strategy

While there have been some concerns in Japan about cost pressures from global inflation and a weaker yen, in contrast to developments in other developed economies, to date there are few signs of inflation in either wages or rents. As a result, the Bank of Japan currently maintains its loose monetary policy stance. The political environment also remains stable. Following July's upper house election, no further elections are due in Japan for three years. Meanwhile, we expect Prime Minister Fumio Kishida to continue to pursue the policies and reforms implemented by the previous two Prime Ministers, including the implementation of structural reforms such as digitalisation and decarbonisation. The Japanese government lifted its ban on inbound tourism in October 2022 – a major policy shift after nearly two and a half years of strict COVID restrictions, and one that will be welcomed across the tourism and hospitality sectors. The government is also planning to launch a nationwide travel discount programme which was temporarily suspended at the onset of the pandemic.

Regardless of the economic concerns and geo-political uncertainties currently overshadowing global financial markets, we remain optimistic about the long-term outlook for Japanese small cap companies. Japanese businesses typically have large cash positions and stronger balance sheets than their peers in other countries. And the average valuations of Japanese companies remain reasonable, both lower than historical averages and below those of their counterparts in other major markets. As importantly, the pandemic has given added impetus to some positive long term structural trends developing in the Japanese economy, especially the application of technology and digitalisation in multiple areas of economic activity. These trends are set to underpin growth, productivity and corporate earnings for many years to come. In sharp contrast to other developed economies, Japan's smaller and more entrepreneurial companies are at the forefront of this innovation, and are therefore ideally positioned to prosper over the longer term.

We believe that it is always important to focus on the best of these businesses – good quality companies with leading market positions and the potential for structural growth. In a part of the market where sellside coverage is patchy at best, JPMorgan's large team of Tokyo-based analysts puts the Company in a favourable position to identify exciting investment opportunities amongst smaller companies, and thus to capitalise on the long-term structural changes playing out in Japan.

It is clear from the portfolio's sector allocations that it differs substantially from the benchmark. This often leads to significant oscillations in relative performance, as we have seen to our detriment over the last six months and in some previous periods. However, we believe our investment approach is capable of weathering this volatility and any short-term shifts in sentiment driven by economic roadblocks or geopolitical developments, just as it has done in the past. This leaves us confident that the Company will deliver positive returns and relative outperformance to patient investors over the longer term.

Miyako Urabe
Xuming Tao
Naohiro Ozawa
Investment Managers

23rd November 2022

Twenty Largest Investments

Twenty largest investments

As at 30th September 2022

Company	Sector	Valuation £'000	%[1]
Raito Kogyo	Construction	7,864	3.9
Milbon	Chemicals	5,172	2.5
Mitsui Fudosan Logistics Park	Real Estate	4,658	2.3
Taiyo Yuden	Electric Appliances	4,625	2.3
Nippon Gas	Retail Trade	4,572	2.2
Capcom	Information & Communication	4,556	2.2
Square Enix	Information & Communication	4,534	2.2
Cosmos Pharmaceutical	Retail Trade	4,472	2.2
BIPROGY	Information & Communication	4,418	2.2
MEC	Chemicals	4,381	2.2
Aica Kogyo	Chemicals	4,061	2.0
Marui	Retail Trade	3,989	2.0
Kyushu Railway	Land Transportation	3,974	1.9
Mitsubishi HC Capital	Other Financing Business	3,910	1.9
Kissei Pharmaceutical	Pharmaceutical	3,857	1.9
Sanwa	Metal Products	3,822	1.9
Sumitomo Densetsu	Construction	3,724	1.8
Mitsui Chemicals	Chemicals	3,652	1.8
Nippon Sanso	Chemicals	3,585	1.8
Star Mica	Real Estate	3,585	1.8
Total		**87,411**	**43.0**

[1] Based on total investments of £203.1m (31st March 2022: £229.9m).

Sector Analysis

Sector analysis

As at 30th September 2022

	30th September 2022		31st March 2022	
	Portfolio %[1]	Benchmark %	Portfolio %[1]	Benchmark %
Chemicals	18.6	7.7	17.6	7.6
Information & Communication	15.2	7.4	21.3	7.8
Services	10.2	7.2	12.9	8.4
Retail Trade	9.3	8.5	6.9	8.2
Construction	8.0	4.4	5.8	5.1
Real Estate	5.6	9.0	3.8	9.6
Metal Products	5.5	1.1	6.0	1.5
Wholesale Trade	5.3	6.6	2.5	6.2
Electric Appliances	5.0	7.1	6.4	8.2
Precision Instruments	4.1	2.0	3.7	2.1
Machinery	2.4	5.9	3.0	6.6
Pharmaceutical	2.1	2.5	1.7	1.9
Land Transportation	2.0	2.5	—	2.0
Other Financing Business	1.9	1.9	1.6	1.4
Nonferrous Metals	1.7	2.1	1.8	1.5
Iron & Steel	1.0	1.5	1.9	1.6
Glass & Ceramics Products	0.8	1.9	1.8	1.7
Other Products	0.7	2.5	0.6	2.3
Securities & Commodity Futures	0.6	0.9	0.7	1.1
Banks	—	5.3	—	4.5
Foods	—	4.1	—	3.5
Transportation Equipment	—	1.6	—	1.6
Textiles & Apparels	—	1.5	—	1.3
Electric Power & Gas	—	1.3	—	0.9
Pulp & Paper	—	0.8	—	0.9
Rubber Products	—	0.8	—	0.5
Warehousing & Harbor Transportation Services	—	0.7	—	0.6
Fishery, Agriculture & Forestry	—	0.6	—	0.6
Marine Transportation	—	0.2	—	0.2
Mining	—	0.2	—	0.2
Insurance	—	0.1	—	0.1
Oil & Coal Products	—	0.1	—	0.3
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £203.1m (31st March 2022: £229.9m).

Statement of Comprehensive Income

For the six months ended 30th September 2022

	(Unaudited) Six months ended 30th September 2022			(Unaudited) Six months ended 30th September 2021			(Audited) Year ended 31st March 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	—	(19,640)	(19,640)	—	21,680	21,680	—	(72,449)	(72,449)
Net foreign currency gains/(losses)	—	358	358	—	(321)	(321)	—	920	920
Income from investments	1,993	—	1,993	1,536	—	1,536	3,855	—	3,855
Other interest receivable	1	—	1	—	—	—	—	—	—
Gross return/(loss)	**1,994**	**(19,282)**	**(17,288)**	**1,536**	**21,359**	**22,895**	**3,855**	**(71,529)**	**(67,674)**
Management fee	(939)	—	(939)	(1,293)	—	(1,293)	(2,498)	—	(2,498)
Other administrative expenses	(262)	—	(262)	(225)	—	(225)	(454)	—	(454)
Net return/(loss) before finance costs and taxation	**793**	**(19,282)**	**(18,489)**	**18**	**21,359**	**21,377**	**903**	**(71,529)**	**(70,626)**
Finance costs	(107)	—	(107)	(108)	—	(108)	(215)	—	(215)
Net return/(loss) before taxation	**686**	**(19,282)**	**(18,596)**	**(90)**	**21,359**	**21,269**	**688**	**(71,529)**	**(70,841)**
Taxation	(227)	—	(227)	(152)	—	(152)	(357)	—	(357)
Net return/(loss) after taxation	**459**	**(19,282)**	**(18,823)**	**(242)**	**21,359**	**21,117**	**331**	**(71,529)**	**(71,198)**
Return/(loss) per share (note 3)	**0.84p**	**(35.37)p**	**(34.53)p**	**(0.44)p**	**39.18p**	**38.74p**	**0.61p**	**(131.22)p**	**(130.61)p**

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.

Net return/(loss) after taxation represents the profit/(loss) for the period/year and also Total Comprehensive Income.

Statement of Changes in Equity

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve[1,2] £'000	Capital reserves[2] £'000	Revenue reserve[2] £'000	Total £'000
Six months ended 30th September 2022 (Unaudited)							
At 31st March 2022	**5,595**	**33,978**	**1,836**	**270,952**	**(84,760)**	**(10,864)**	**216,737**
Net (loss)/return	—	—	—	—	(19,282)	459	(18,823)
Dividends paid in the period (note 4)	—	—	—	(4,034)	—	—	(4,034)
At 30th September 2022	**5,595**	**33,978**	**1,836**	**266,918**	**(104,042)**	**(10,405)**	**193,880**
Six months ended 30th September 2021 (Unaudited)							
At 31st March 2021	**5,595**	**33,978**	**1,836**	**282,835**	**(13,231)**	**(11,195)**	**299,818**
Net return/(loss)	—	—	—	—	21,359	(242)	21,117
Dividends paid in the period (note 4)	—	—	—	(5,996)	—	—	(5,996)
At 30th September 2021	**5,595**	**33,978**	**1,836**	**276,839**	**8,128**	**(11,437)**	**314,939**
Year ended 31st March 2022 (Audited)							
At 31st March 2021	**5,595**	**33,978**	**1,836**	**282,835**	**(13,231)**	**(11,195)**	**299,818**
Net (loss)/return	—	—	—	—	(71,529)	331	(71,198)
Dividends paid in the year	—	—	—	(11,883)	—	—	(11,883)
At 31st March 2022	**5,595**	**33,978**	**1,836**	**270,952**	**(84,760)**	**(10,864)**	**216,737**

[1] The share premium was cancelled in the period ended 31st March 2001 and redesignated as 'other reserve'.
[2] These reserves form the distributable reserves of the Company and may be used to fund distributions to investors.

Statement of Financial Position

At 30th September 2022

	(Unaudited) 30th September 2022 £'000	(Unaudited) 30th September 2021 £'000	(Audited) 31st March 2022 £'000
Fixed assets			
Investments held at fair value through profit or loss	**203,091**	**339,381**	**229,912**
Current assets			
Debtors	1,444	1,510	2,672
Cash and cash equivalents	9,485	3,788	10,143
	10,929	5,298	12,815
Creditors: amounts falling due within one year	(20,140)	(3,152)	(25,990)
Net current (liabilities)/assets	**(9,211)**	**2,146**	**(13,175)**
Total assets less current liabilities	**193,880**	**341,527**	**216,737**
Creditors: amounts falling due after more than one year	—	(26,588)	—
Net assets	**193,880**	**314,939**	**216,737**
Capital and reserves			
Called up share capital	5,595	5,595	5,595
Share premium	33,978	33,978	33,978
Capital redemption reserve	1,836	1,836	1,836
Other reserve	266,918	276,839	270,952
Capital reserves	(104,042)	8,128	(84,760)
Revenue reserve	(10,405)	(11,437)	(10,864)
Total shareholders' funds	**193,880**	**314,939**	**216,737**
Net asset value per share (note 5)	**355.7p**	**577.8p**	**397.6p**

Statement of Cash Flows

for the six months ended 30th September 2022

	(Unaudited) 30th September 2022 £'000	(Unaudited) 30th September 2021 £'000	(Audited) 31st March 2022 £'000
Net cash outflow from operations before dividends and interest (note 6)	(1,261)	(1,596)	(3,246)
Dividends received	2,259	1,928	3,231
Interest received	1	—	—
Interest paid	(113)	(112)	(223)
Net cash inflow/(outflow) from operating activities	**886**	**220**	**(238)**
Purchases of investments	(26,071)	(36,650)	(67,865)
Sales of investments	33,372	45,566	89,635
Settlement of forward currency contracts	5	22	45
Net cash inflow from investing activities	**7,306**	**8,938**	**21,815**
Dividends paid	(4,034)	(5,996)	(11,883)
Repayment of bank loan	(4,844)	—	—
Net cash outflow from financing activities	**(8,878)**	**(5,996)**	**(11,883)**
(Decrease)/increase in cash and cash equivalents	**(686)**	**3,162**	**9,694**
Cash and cash equivalents at start of the period	10,143	627	627
Exchange movements	28	(1)	(178)
Cash and cash equivalents at end of the period	9,485	3,788	10,143
(Decrease)/increase in cash and cash equivalents	**(686)**	**3,162**	**9,694**
Cash and cash equivalents consist of:			
Cash and short term deposits	9,485	3,788	10,143
Total	**9,485**	**3,788**	**10,143**

Reconciliation of net debt

	As at 31st March 2022 £'000	Cash flows £'000	Exchange movement £'000	As at 30th September 2022 £'000
Cash and cash equivalents				
Cash	10,143	(686)	28	9,485
	10,143	(686)	28	9,485
Borrowings				
Debt due after one year	(25,030)	4,844	381	(19,805)
	(25,030)	4,844	381	(19,805)
Total	**(14,887)**	**4,158**	**409**	**(10,320)**

Notes to the Financial Statements

For the six months ended 30th September 2022

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 auditors.

The figures and financial information for the year ended 31st March 2022 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements 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

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' of the 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' (the revised 'SORP') issued by the Association of Investment Companies in April 2021.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 30th September 2022.

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

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 31st March 2022.

3. Return/(loss) per share

	(Unaudited) Six months ended 30th September 2022 £'000	(Unaudited) Six months ended 30th September 2021 £'000	(Audited) Year ended 31st March 2022 £'000
Return per Ordinary share is based on the following:			
Revenue return/(loss)	459	(242)	331
Capital (loss)/return	(19,282)	21,359	(71,529)
Total (loss)/return	**(18,823)**	**21,117**	**(71,198)**
Weighted average number of shares in issue	54,510,339	54,510,339	54,510,339
Revenue return/(loss) per share	0.84p	(0.44)p	0.61p
Capital (loss)/return per share	(35.37)p	39.18p	(131.22)p
Total (loss)/return per share	**(34.53)p**	**38.74p**	**(130.61)p**

4. Dividends paid

	(Unaudited) Six months ended 30th September 2022 £'000	(Unaudited) Six months ended 30th September 2021 £'000	(Audited) Year ended 31st March 2022 £'000
2022 fourth quarterly dividend of 4.0p (2021: 5.5p)	2,180	2,998	2,998
2023 first quarterly dividend of 3.4p (2022: 5.5p)	1,854	2,998	2,998
2022 second quarterly dividend of 5.8p (2021: 5.5p)	—	—	3,162
2022 third quarterly dividend of 5.0p (2021: 5.9p)	—	—	2,725
Total dividends paid	**4,034**	**5,996**	**11,883**

The dividends paid in the period have been funded from the other reserve.

4. Dividends paid (continued)

A second quarterly dividend of 3.6p (2022: 5.8p) per share, amounting to £1,962,372 (2022: £3,161,600) has been declared payable in respect of the year ending 31st March 2023. It was paid on 18th November 2022 to shareholders on the register at the close of business on 21st October 2022.

5. Net asset value per share

	(Unaudited) Six months ended 30th September 2022 £'000	(Unaudited) Six months ended 30th September 2021 £'000	(Audited) Year ended 31st March 2022 £'000
Net assets (£'000)	193,880	314,939	216,737
Number of shares in issue	54,510,339	54,510,339	54,510,339
Net asset value per share	**355.7p**	**577.8p**	**397.6p**

6. Reconciliation of net return before finance costs and taxation to net cash outflow from operations before dividends and interest

	(Unaudited) Six months ended 30th September 2022 £'000	(Unaudited) Six months ended 30th September 2021 £'000	(Audited) Year ended 31st March 2022 £'000
Net (loss)/return before finance costs and taxation	(18,489)	21,377	(70,626)
Add capital loss/(less capital return) before finance costs and taxation	19,282	(21,359)	71,529
Decrease/(increase) in accrued income and other debtors	469	470	(345)
Decrease in accrued expenses	(7)	(13)	(35)
Overseas withholding tax	(200)	(152)	(384)
Dividends received	(2,259)	(1,928)	(3,231)
Interest received	(1)	—	—
Realised (losses)/gains on foreign exchange transactions	(56)	9	(154)
Net cash outflow from operations before dividends and interest	**(1,261)**	**(1,596)**	**(3,246)**

7. Fair valuation of instruments

The fair value hierarchy analysis for financial instruments held at fair value at the period end is as follows:

	(Unaudited) Six months ended 30th September 2022		(Unaudited) Six months ended 30th September 2021		(Audited) Year ended 31st March 2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	203,091	—	339,381	—	229,912	—
Total value of instruments	**203,091**	**—**	**339,381**	**—**	**229,912**	**—**


平成二十四年七月吉日建之
平成十九年二月初午建之
平成十二年四月吉日建之
山形県鶴岡市大西町一九ノ四
小寺章夫

Interim Management Report

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

Principal and Emerging Risks and Uncertainties

The principal and emerging risks and uncertainties faced by the Company have not changed and fall into the following broad categories: investment and strategy; market; operational and cyber crime; loss of investment team or investment managers; share price relative to NAV per share; accounting, legal and regulatory; political and economic; global pandemics; climate change; ESG requirements from investors and geopolitical instability. Information on each of these areas is given in the Business Review within the Annual Report and Financial Statements for the year ended 31st March 2022.

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 and, more specifically, 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. For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements.

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 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 30th September 2022, as required by the UK Listing Authority Disclosure and Transparency Rule 4.2.4R; and

(ii) the interim management report includes a fair review of the information required by DTRs 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

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

Alexa Henderson
Chairman

23rd November 2022

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

Return to Shareholders (APM)

Total return to the 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 30th September 2022	
Opening share price (p)	7	368.0	(a)
Closing share price (p)	7	325.0	(b)
Total dividend adjustment factor[1]		1.022140	(c)
Adjusted closing share price (d = b x c)		332.2	(d)
Total return to shareholders (e = d / a – 1)	**6**	**–9.7%**	(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 (APM)

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, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Total return calculation	Page	Six months ended 30th September 2022	
Opening cum-income NAV per share (p)	7	397.6	(a)
Closing cum-income NAV per share (p)	7	355.7	(b)
Total dividend adjustment factor[1]		1.020575	(c)
Adjusted closing cum-income NAV per share (d = b x c)		363.0	(d)
Total return on net assets (e = d / a – 1)	**6**	**–8.7%**	(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.

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 per share when calculating the total return on net assets.

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.

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

Gearing/(net cash) (APM)

Gearing represents the excess amount above shareholders' funds of total investments, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position.

Gearing calculation	Page	30th September 2022 £'000	31st March 2022 £'000	
Investments held at fair value through profit or loss	22	203,091	229,912	(a)
Net assets	22	193,880	216,737	(b)
Gearing/(net cash) (c = a / b – 1)	**7**	**4.8%**	**6.1%**	(c)

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.

The figure as at 30th September 2022 is an estimated annualised figure based on the numbers for the six months ended 30th September 2022.

Ongoing charges calculation	Page	30th September 2022 £'000	31st March 2022 £'000	
Management Fee	20	1,878	2,498	
Other administrative expenses	20	524	454	
Total management fee and other administrative expenses	20	2,402	2,952	(a)
Average daily cum-income net assets		197,332	279,643	(b)
Ongoing charges (c = a / b)	**7**	**1.22%**	**1.06%**	**(c)**

Share price discount/premium to Net Asset Value ('NAV') per share (APM)

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

Where to Buy J.P. Morgan Investment Trusts

You can invest in a J.P. Morgan investment trust through the following:

1. Via a third party provider

Third party providers include:

AJ Bell You Invest
Barclays Smart Investor
Charles Stanley Direct
EQi
Fidelity Personal Investing
Halifax Share Dealing
Hargreaves Lansdown
Interactive Investor
Selftrade

Please note this list is not exhaustive and the availability of individual trusts 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 www.fca.org.uk

Information about the Company

FINANCIAL CALENDAR

Financial year end	**31st March**
Final results announced	**June**
Half year end	**30th September**
Half year results announced	**December**
Annual General Meeting	**July**
Quarterly Interim Dividends paid	**February, May, August, November**

History

The Company and its predecessor, JF Fledgeling Japan Limited, have been investing in Japanese smaller companies since 1984. In early 2000, JF Fledgeling Japan Limited was placed into voluntary liquidation and JPMorgan Fleming Japanese Smaller Companies Investment Trust plc was incorporated and took over its assets and undertakings. Dealings on the new Company began on the London Stock Exchange on 11th April 2000. The Company changed its name to JPMorgan Japan Smaller Companies Trust plc in July 2010 and to JPMorgan Japan Small Cap Growth & Income plc on 16th December 2020.

Directors

Alexa Henderson (Chairman)
Deborah Guthrie
Yuuichiro Nakajima
Martin Shenfield
Thomas Walker

Company Numbers

Company registration number: 3916716

Ordinary Shares

London Stock Exchange Sedol number: 0316581
ISIN: GB0003165817
Bloomberg ticker: JPS LN (JSGI LN from 17th December 2020)
LEI: 549300KP3CRHPQ4RF811

Market Information

The Company's unaudited net asset value (NAV) per share is published daily, via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange and are quoted daily in The Financial Times, The Times, The Daily Telegraph, The Scotsman and on the Company's website at www.jpmjapansmallcapgrowthandincome.co.uk, where the share price is updated every 15 minutes during trading hours.

Website

www.jpmjapansmallcapgrowthandincome.co.uk

The Association of Investment Companies
A member of the AIC

Share Transactions

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

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone: 020 7742 4000

For company secretarial matters, please contact Divya Amin.

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.

Registrars

Equiniti Limited
Reference 2093
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: 0371 384 2539

Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrars quoting reference 2093.

Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk.

Independent Auditor

Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE

Brokers

Cenkos Securities plc
6, 7, 8 Tokenhouse Yard
London EC2R 7AS

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ASSET MANAGEMENT