

CC JAPAN INCOME & GROWTH TRUST PLC

HALF-YEARLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 APRIL 2023



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INVESTMENT OBJECTIVE, FINANCIAL INFORMATION AND PERFORMANCE SUMMARY

INVESTMENT OBJECTIVE

The investment objective of the Company is to provide shareholders with dividend income combined with capital growth, mainly through investment in equities listed or quoted in Japan.

FINANCIAL INFORMATION

	At 30 April 2023	At 31 October 2022
Net assets	£222.0m	£203.6m
Net asset value ("NAV") per Ordinary Share ("Share") ¹	164.8p	151.1p
Share price	153.5p	138.8p
Share price discount to NAV ²	6.9%	8.1%
Transferable Subscription Share price ³	n/a	0.53p
Annualised Ongoing charges ²	1.05%	1.06%
Gearing (net) ²	20.0%	20.9%

¹ Measured on a cum income basis.

² This is an Alternative Performance Measure ("APM"). Definitions of APMs used in this report, together with how these measures have been calculated are disclosed on pages 22 to 24 of this report.

³ The life of the Company's Transferable Subscription Shares expired on 28 February 2023 and the listing was cancelled on 15 March 2023.

PERFORMANCE SUMMARY

	For the six months to 30 April 2023	For the six months to 30 April 2022
NAV ex-income total return per Share ^{1,2}	+12.3%	-2.1%
NAV cum-income total return per Share ^{1,2}	+11.3%	-0.7%
Share price total return ^{1,2}	+13.1%	-3.7%
Tokyo Stock Exchange Price Index ("Topix") total return ¹	+9.5%	-7.8%
Revenue return per Share ¹	2.66p	2.37p
First interim dividend per Share ¹	1.55p	1.40p

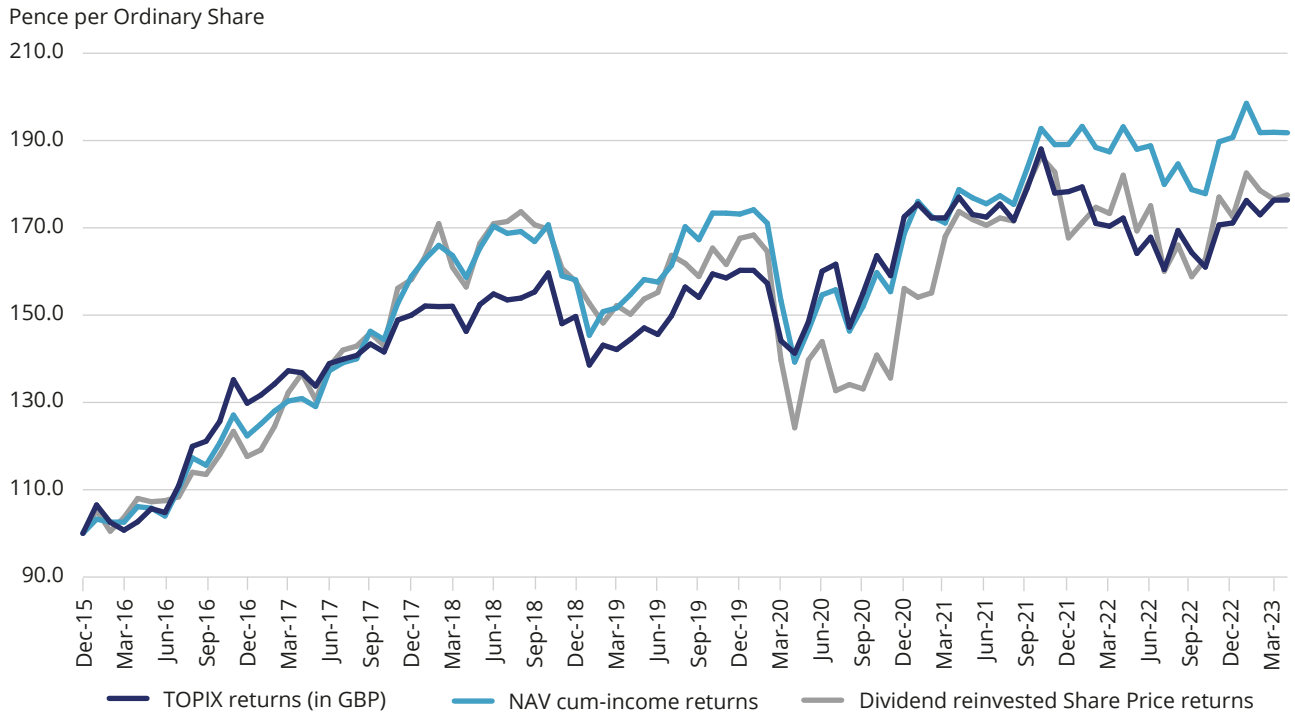
¹ Total returns are stated in GBP sterling, including dividend reinvested.

² These are APMs.

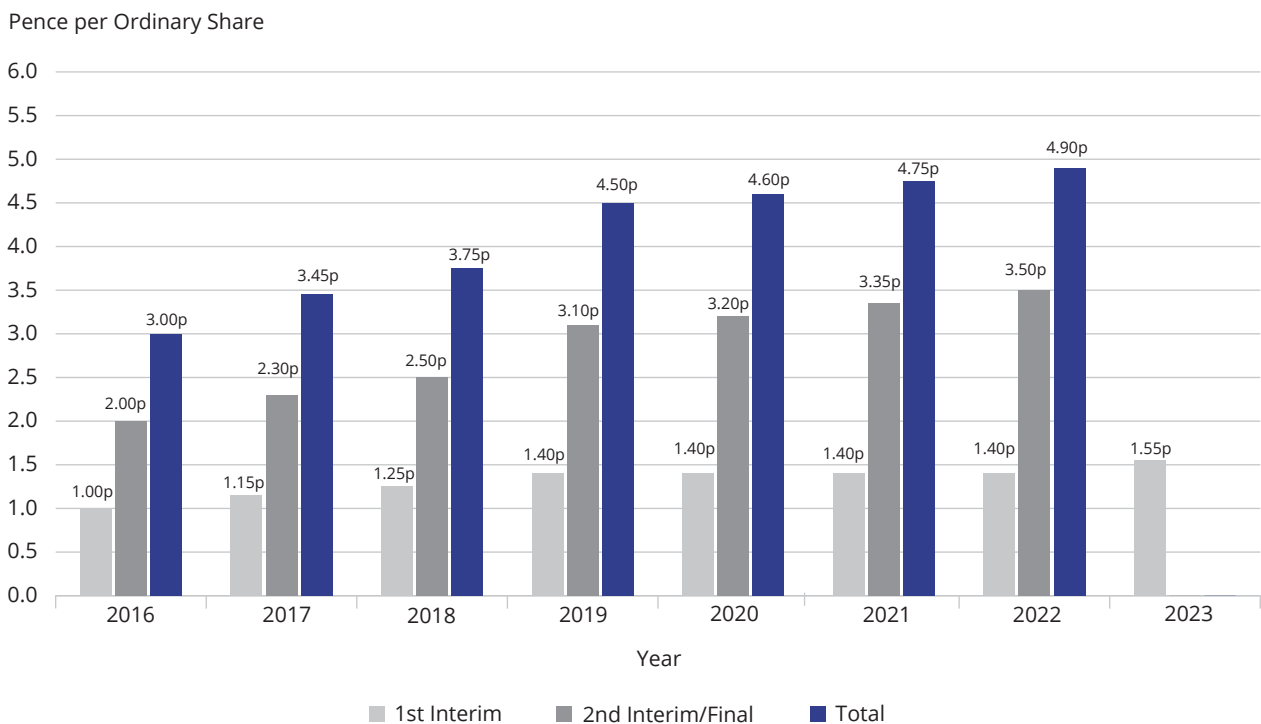
Source: Coupland Cardiff Asset Management LLP – The Company's Factsheet April 2023.

TOTAL NAV AND SHARE PRICE RETURN SINCE INCEPTION

AS AT 30 APRIL 2023



DIVIDEND PERFORMANCE SINCE INCEPTION



CHAIRMAN'S STATEMENT

Performance

Against a backdrop of turbulent world markets during the first half of the financial year to 30 April 2023 your Company has recorded positive total returns. For the six months under review, the Net Asset Value ("NAV") cum income increased by 11.3% while the share price, again measured by total return rose by 13.1%, handsomely beating the TOPIX Total Return Index which rose 9.5%. A second interim dividend of 3.50p per Ordinary Share was paid in March 2023.

Since inception in December 2015, the cum income NAV has risen by 103.5% while the Ordinary Share price, including dividends distributed, has risen by 87.3%. Indeed, income distributions have represented over 30.0% of our total return over this time. Again, these results have comfortably outperformed the TOPIX Total Return Index, which we use for reference, and which has risen by 73.1% since our launch. Dividends paid to Shareholders over this period amount to 28.95p per Ordinary Share, representing seven years of successive dividend growth totalling 63.3%.

Although global stock markets made a steady recovery from October 2022 lows, the failure of three regional banks in the USA caused a sharp selloff in March 2023 on concerns of contagion. In Japan, the banking system is robust, and in your Investment Manager's view, the risk of deposit flight is negligible. The newly appointed Governor of the Bank of Japan ("BOJ"), Ueda-San was a surprise choice to replace the retiring Kuroda-San. Monetary policy remains accommodating even if the new Governor is laying the groundwork towards some normalisation of policy. Conversely, tightening monetary policies throughout the rest of the developed world led by the Federal Reserve in the USA have consequences for not only credit but the potential level of global stock markets and asset prices. Japan is an outlier and liquidity levels remain supportive of asset and stock prices.

Growing the Company

It is disappointing to report that the Transferable Subscription Shares ("TSS") issued as a 1 for 5 free bonus to Ordinary Shareholders in February 2021 expired worthless on the last business day of February 2023. The issue was designed as an opportunity for Shareholders to participate in any post Covid-19 normalisation of the Japanese economy. Unfortunately, subsequent world events and markets conspired against the scheme which could have raised up to £40 million for the Company. While the Ordinary Share price traded above the Subscription Price level on several occasions, the level was never sustained to facilitate their exercise. Your Board is still intent on growing the Company. The Ordinary Shares closed the period on a discount of 6.9% to NAV. The Board and Managers are hopeful that with the lapse of the TSS rights, sustained investment performance and dividend growth will provide the potential to regain our premium share price. This would allow resumption of tap issuance.

Your Investment Managers and brokers, Peel Hunt, run a co-ordinated marketing programme to raise awareness and profile of the Company. It is gratifying to see that the results of their efforts and the use of media distribution have resulted in the broadening of our Shareholder base with more retail Shareholders coming onto our register through the platforms. The website has been revamped and it is easy to follow us at www.ccjapanincomeandgrowthtrust.com. The excellent monthly newsletter is a good way of monitoring progress.

Income & Interim Dividend

Net revenue increased by nearly 12.4% in the first half of the year, compared with the same period last year. The Board has declared a first interim dividend of 1.55p per Ordinary Share, an increase of 10.7% over last year, payable on 4 August 2023 to those Shareholders recorded on the register as at 7 July 2023 with an ex-dividend date of 6 July 2023.

Outlook

While inflation is not so rampant in Japan compared to many other countries, it continues to broaden and climb with core inflation running at over 3.4%. This should encourage domestic flows back to the stock market which offers higher yields compared to the zero return on bank deposits. Surprisingly, local investors are still selling into strength with the TOPIX hitting a 33 year high up 10.1% in sterling terms in the calendar year to the end of April 2023. However, foreign investors are returning, attracted by economic trends, policy developments, attractive stock valuations and not least extensive media and press coverage hailing that the long bear market in Japan is finally over. Certainly, Warren Buffet has recently highlighted the growing attractions of Japan and has increased the stakes in the five trading companies that Berkshire Hathaway first acquired in 2020. The trend of returning cash to shareholders through share buy backs and dividends has been further stimulated by recent announcements by the Tokyo Stock Exchange ("TSE") and Japan's Financial Services Agency ("FSA"). Their measures are designed to accelerate the restructuring of the many companies that trade below book value, while encouraging greater balance sheet efficiencies and radical overhaul of capital allocation. This is all evidence of a continuing and refreshing commitment to corporate governance reform.

The economy is increasingly gaining traction post the pandemic and with China's reopening in January 2023. We are seeing increased confidence in corporate earnings and consistent improvement in the level of dividend distributions across our holdings in the portfolio. Against this, the growing disparity of interest rates between sterling and the yen continues to put pressure on the currency cross rate, reducing Japanese income on translation to sterling if the yen continues to weaken.

Continued geopolitical tension especially between China and the USA in addition to the unpredictability of the North Korean regime, also remains a risk. Providing that these tensions do not worsen, the outlook for Japan is increasingly rosy, particularly for investors who recognise that income is a critical component of total return, which encapsulates our mandate.

Your Board has every confidence in Richard Aston and his team to continue to produce good results by holding and identifying attractive companies across a broad spectrum. There is no shortage of investment opportunity in Japan.

Harry Wells
Chairman
19 June 2023

INVESTMENT MANAGER'S REPORT

The Company's NAV cum-income rose by 11.3% on a total return basis for the six months ended 30 April 2023. This return includes a second interim dividend of 3.50p, a 4.5% increase over the second interim dividend of the previous year. This extends the track record of consecutive annual dividend increases that the Company has established since inception in December 2015 and is firm evidence of the underlying improvement in corporate governance in Japan.

This strong performance has come at a time of significant geopolitical, economic and operational uncertainties and the current reporting period has been no exception. However, there are signs that current developments in international relations and global monetary policy, as well as the ongoing improvements in corporate governance, are beginning to define a new era for Japan. Certainly, the retirement of Bank of Japan ("BOJ") Governor, Haruhiko Kuroda after a ten-year tenure as the head of the Central Bank, and at a time when deflationary forces he set out to overcome are easing, creates a very different backdrop for his successor, Kazuo Ueda.

The outgoing Governor retained his capacity to surprise right to the end with the unexpected announcement following the BOJ December Policy Meeting that the Board had decided to expand the range in which long-term policy rates (10 year Japanese Government Bond yields) will be allowed to fluctuate. This was the first reversal of the easy monetary policies established in the Joint Statement by the Government of Shinzo Abe and the BOJ in 2013.

While this shift is modest in comparison to the increase of interest rates around the world, it does indicate that even in Japan, the process of normalisation of monetary policy has begun. This proved a significant boost to the bank holdings in the portfolio, Sumitomo Mitsui Financial Group and Mitsubishi UFJ Financial Group, which made notable positive contributions to performance despite a sell-off in March 2023 following the turbulence of regional bank failures in the US.

The largest positive contribution to return was Socionext, a new holding established at its Initial Public Offering ("IPO") in October 2022. This company designs and develops System on Chip ("SoC") solutions for a range of industries with particular emphasis on opportunities in mobile communications, next generation automobiles and applications in artificial intelligence. This was the first IPO we had chosen to participate in for a number of years due to concerns about the appropriateness, strategy and valuation of many new listings. Socionext satisfied our requirements for financial strength, management quality and attention to shareholder return which gave us the confidence to invest. We believe that the new issue market is an important source of potential investment opportunities but will continue to exercise prudence.

There was notable weakness in the shares of many domestically focussed companies despite the steady removal of Covid-19 restrictions and the reopening of international borders to inbound visitors. In response to rising inflation it appears that many companies have initially sought to control their costs by reducing demand for online advertising (Carta Holdings), market research (Intage) and even recruitment (Dip, TechnoPro). We do not believe that the short-term reversal of well-established trends will affect the expectations for these companies as the Japanese economy responds to the challenges ahead.

Portfolio Positioning

The global outlook remains uncertain with economic trends across the major regions as well as international relations very unpredictable. These uncertainties increase the importance of identifying investment opportunities based on their individual characteristics, both in an operational context, and from a valuation perspective. We own a portfolio of companies across a broad range of industries, which we believe individually each have the same underlying attributes of business growth opportunities combined with financial strength, management quality and a commitment to shareholder return. This mitigates some of the risks for a patient investor.

Portfolio activity seeks to benefit from the volatility that the uncertainties create, and this has seen new positions established in Socionext (Semiconductor design), Nissan Chemical (performance materials and agrochemicals), Jaccs (consumer financial services) and EnJapan (online recruiting services). The Company has also added to positions in Nippon Parking Development, Mitsubishi UFJ Financial Group, Noevir and Technopro into recent share price weakness. The holding in Toyota Motor has been reduced significantly while TRE Holdings, SB Technology and Industrial Infrastructure REIT have been eliminated entirely as in each case concerns have emerged on the ability of the company to deliver rising shareholder returns over the medium term.

Outlook

We believe that Japanese equities currently offer investors a compelling combination of ongoing considerations that warrant attention from even the most diehard detractors, not least the domestic individual investor. The favourable current economic momentum, stable political environment, supportive policy initiatives, corporate governance reforms and valuation appeal have created a potent force which builds on the steady market foundations established in the years that preceded the Covid-19 pandemic.

Fiscal Year 2022 to the end of March 2023 saw aggregate dividends and share buybacks authorised by listed companies both hit record highs. Despite this very positive outcome resulting from developments highlighted to date, the opportunity for further growth is very clear given the high level of dividend cover and overall financial health of Japanese companies. Raising awareness of capital efficiency is a key component of the recent initiatives announced by the Tokyo Stock Exchange and Japan's Financial Services Agency and these can be expected to underpin the additional improvements that investors seek and ultimately enhance the exciting investment potential of the much-maligned Japanese equity market.

Richard Aston

Coupland Cardiff Asset Management LLP

19 June 2023

TOP TEN SECTORS AND HOLDINGS

AS AT 30 APRIL 2023

TOP 10 SECTORS

Sector	% of net assets
Information & Communications	13.1
Electrical Appliances	13.1
Chemicals	12.3
Banks	10.9
Services	8.4
Wholesale	6.3
Insurance	6.3
Transport Equipment	5.6
Securities & Commodities	4.9
Other Financing Business	4.4
Top Ten	85.3
Other Sectors*	12.7
Other net assets	2.0
Total	100.0

* Other Sectors comprise of 4 sectors, which individually, is less than 4.2% each of the net assets.

TOP 10 EQUITY HOLDINGS

Company	Sector	% of net assets
Sumitomo Mitsui Financial Group	Banks	5.9
Mitsubishi UFJ Financial Group	Banks	5.0
Nippon Telegraph & Telephone	Information & Communications	4.7
Socionext	Electrical Appliances	4.6
Itochu	Wholesale	3.9
Shin-Etsu Chemical	Chemicals	3.6
Softbank	Information & Communications	3.5
Sompo Holdings	Insurance	3.5
SBI Holdings	Securities & Commodities	3.4
Noevir Holdings	Chemicals	3.2
Top Ten		41.3
Other equity holdings	n/a	56.7
Total holdings		98.0
Other net assets		2.0
Total		100.0

TOP TEN CONTRACTS FOR DIFFERENCE (CFDs)

Company	Sector	Absolute value £'000	Absolute value as a % of net assets	Market Value £'000
Sumitomo Mitsui Financial Group	Banks	2,616	1.2	757
Mitsubishi UFJ Financial Group	Banks	2,212	1.0	441
Nippon Telegraph & Telephone	Information & Communications	2,079	0.9	504
Socionext	Electrical Appliances	2,057	0.9	1,145
Itochu	Wholesale	1,749	0.8	452
Shin-Etsu Chemical	Chemicals	1,596	0.7	25
Softbank	Information & Communications	1,546	0.7	33
Sompo Holdings	Insurance	1,535	0.7	185
SBI Holdings	Securities & Commodities	1,528	0.7	(191)
Noevir Holdings	Chemicals	1,405	0.6	(2)
Top Ten CFDs		18,323	8.2	3,349
Other CFDs	n/a	25,197	11.4	(567)
Total CFDs		43,520	19.6	2,782

INTERIM MANAGEMENT REPORT

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority ("FCA") Disclosure Guidance and Transparency Rules. The Chairman's Statement and the Investment Manager's Report in this half-yearly financial report provide details of the important events which have occurred during the period and their impact on the financial statements. The following statements on principal and emerging risks and uncertainties, related party transactions, going concern and the Directors' Responsibility Statement, together, constitute the Interim Management Report for the Company for the six months ended 30 April 2023. The outlook for the Company for the remaining six months of the year ending 31 October 2023 is discussed in the Chairman's Statement and the Investment Manager's Report.

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

The Board is responsible for the management of risks faced by the Company and delegates this role to the Audit and Risk Committee (the "Committee"). The Committee carries out, at least annually, a robust assessment of principal and emerging risks and uncertainties and monitors the risks on an ongoing basis.

The Committee has a dynamic risk management register in place to help identify key risks in the business and oversee the effectiveness of internal controls and processes. The risk management register and associated risk heat map provide a visual reflection of the Company's identified risks, including principal and emerging risks. The Company's risks fall into three categories:

- Strategic and Business risks, including investment performance, market, geopolitical and leverage risk;
- Operational and Financial risks, including cyber and business interruption; and
- Regulatory and Compliance risks, including climate change.

The Committee considers both the impact and the probability of each risk occurring and ensures appropriate controls are in place to reduce risk to an acceptable level. A detailed explanation of the principal and emerging risks and uncertainties to the Company are detailed in the Company's most recent Annual Report for the year ended 31 October 2022, which can be found on the Company's website at www.ccjapanincomeandgrowthtrust.com.

Since the publication of the 2022 Annual Report and Accounts on 24 January 2023, there continues to be increased risk levels within the global economy. The ongoing conflict in Ukraine, the subsequent impact on global economies, deteriorating international relations and increasing levels of inflation worldwide have undoubtedly raised investment risk. Rising interest

rates and mismatches in asset liability pricing have led to the failure of three US banks and created fears of global contagion. The Board closely monitors and assesses these continued uncertainties as to how they could impact and effect the Company's trading position apropos our investment objectives, portfolio and thus our Shareholders and where appropriate endeavour to mitigate the risk.

RELATED PARTY TRANSACTIONS

The Company's Investment Manager is Coupland Cardiff Asset Management LLP. Coupland Cardiff Asset Management LLP is considered a related party under the Listing Rules. The Investment Manager is entitled to receive a management fee payable monthly in arrears at the rate of one-twelfth of 0.75% of Net Asset Value per calendar month. Investment management fees paid during the six-month period to 30 April 2023 were £824,000. There is no performance fee payable to the Investment Manager. There have been no changes to the related party transactions that could have a material effect on the financial position or performance of the Company since the year ended 31 October 2022. Further information can be found in note 12 to the financial statements on page 20.

GOING CONCERN

The Board has a reasonable expectation that the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from 19 June 2023. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income, and expense flows. The Company's net assets as at 30 April 2023 were £222 million (30 April 2022: £217.0 million). As at 30 April 2023, the Company held £217.6 million (30 April 2022: £213.9 million) in quoted investments. In addition, as at 30 April 2023, the Company had gross exposure to Contracts for Difference of £43.5 million (30 April 2022: £42.8 million). The total expenses (excluding finance costs and taxation) for the six months ended 30 April 2023 were £1.2 million (30 April 2022: £1.2 million). The Company has a £12 million (or its equivalent in Japanese yen) bank overdraft facility with Northern Trust Company and as at 30 April 2023, £0.9 million (30 April 2022: £1.9 million) had been utilised on the Japanese yen bank account.

As part of their assessment, the Board has performed stress testing and liquidity analysis on the Company's portfolio of investments, giving careful consideration to the consequences for the Company of continuing uncertainties in the global economy and increased geopolitical tension worldwide. A prolonged and deep global or Japanese stock market decline would lead to a fall in investment values.

The Company currently has sufficient liquidity available to meet any future obligations.

DIRECTORS' RESPONSIBILITY STATEMENT

The Disclosure Guidance and Transparency Rules (DTR) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- This set of unaudited condensed financial statements contained within the half-yearly financial report has been prepared in accordance with FRS 104 Interim Financial Reporting and the Statement of Recommended Practice "Financial Statements of Investment Companies and Venture Capital Trusts" issued by the Association of Investment Companies issued in July 2022 ("AIC SORP").
- This Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Harry Wells
Chairman
For and on behalf of the Board of Directors
19 June 2023

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SIX MONTHS TO 30 APRIL 2023

	Six months to 30 April 2023			Six months to 30 April 2022			Year ended 31 October 2022*			
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investment		-	20,330	20,330	-	(3,791)	(3,791)	-	(18,118)	(18,118)
Currency (losses)/gains		-	(2)	(2)	-	55	55	-	(209)	(209)
Income	4	4,581	-	4,581	4,141	-	4,141	8,878	-	8,878
Investment management fee		(163)	(652)	(815)	(167)	(669)	(836)	(327)	(1,306)	(1,633)
Other expenses		(343)	-	(343)	(327)	-	(327)	(664)	-	(664)
Return on ordinary activities before finance costs and taxation		4,075	19,676	23,751	3,647	(4,405)	(758)	7,887	(19,633)	(11,746)
Finance costs	5	(35)	(87)	(122)	(43)	(98)	(141)	(69)	(185)	(254)
Return on ordinary activities before taxation		4,040	19,589	23,629	3,604	(4,503)	(899)	7,818	(19,818)	(12,000)
Taxation	6	(455)	-	(455)	(414)	-	(414)	(888)	-	(888)
Return on ordinary activities after taxation		3,585	19,589	23,174	3,190	(4,503)	(1,313)	6,930	(19,818)	(12,888)
Return per Ordinary Share – undiluted	10	2.66p	14.54p	17.20p	2.37p	(3.34)p	(0.97)p	5.14p	(14.71)p	(9.57)p
Return per Ordinary Share – diluted	10	n/a**	n/a**	n/a**	1.97p	(2.79)p	(0.82)p	4.29p	(12.26)p	(7.97)p

* Audited.

** The life of the Company's Transferable Subscription Shares expired on 28 February 2023.

The total column of the above statement is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations.

Both the supplementary revenue and capital columns are both prepared under guidance from the Association of Investment Companies. There is no other comprehensive income and therefore the return for the period is also the total comprehensive income for the period.

The notes on pages 16 to 21 form part of these interim financial statements.

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2023

	Note	30 April 2023 £'000	30 April 2022 £'000	31 October 2022* £'000
Fixed assets				
Investments at fair value through profit or loss	3	217,592	213,896	199,642
Current assets				
Cash and cash equivalents		-	-	1,413
Cash collateral in respect of Contracts for Difference ("CFDs")		486	43	433
Amounts due in respect of CFDs		5,063	2,311	2,680
Other debtors		4,168	3,260	4,434
		9,717	5,614	8,960
Creditors: amounts falling due within one year				
Cash and cash equivalents – Bank overdraft		(2,240)	(226)	-
Amounts payable in respect of CFDs		(2,280)	(1,659)	(2,780)
Other creditors		(749)	(581)	(2,240)
		(5,269)	(2,466)	(5,020)
Net current assets		4,448	3,148	3,940
Total assets less current liabilities		222,040	217,044	203,582
Net assets		222,040	217,044	203,582
Capital and reserves				
Share capital	8	1,348	1,348	1,348
Share premium		98,067	98,067	98,067
Special reserve		64,671	64,671	64,671
Capital reserve				
– Revaluation gains on investment held at period end		21,671	19,673	5,841
– Other capital reserve		29,941	27,665	26,182
Revenue reserve		6,342	5,620	7,473
Total Shareholders' funds		222,040	217,044	203,582
NAV per share – Ordinary Shares – undiluted (pence)	11	164.80p	161.09p	151.10p
NAV per share – Ordinary Shares – diluted (pence)	11	n/a**	161.08p	152.75p

* Audited.

** The life of the Company's Transferable Subscription Shares expired on 28 February 2023.

Approved by the Board of Directors and authorised for issue on 19 June 2023 and signed on their behalf by:

Harry Wells
Director

CC Japan Income & Growth Trust plc is incorporated in England and Wales with registration number 9845783.

The notes on pages 16 to 21 form part of these interim financial statements.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS TO 30 APRIL 2023

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2022	1,348	98,067	64,671	32,023	7,473	203,582
Return on ordinary activities after taxation	-	-	-	19,589	3,585	23,174
Dividends paid	-	-	-	-	(4,716)	(4,716)
Balance at 30 April 2023	1,348	98,067	64,671	51,612	6,342	222,040

SIX MONTHS TO 30 APRIL 2022

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2021	1,348	98,067	64,671	51,841	6,943	222,870
Return on ordinary activities after taxation	-	-	-	(4,503)	3,190	(1,313)
Dividends paid	-	-	-	-	(4,513)	(4,513)
Balance at 30 April 2022	1,348	98,067	64,671	47,338	5,620	217,044

YEAR ENDED 31 OCTOBER 2022

(Audited)

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2021	1,348	98,067	64,671	51,841	6,943	222,870
Return on ordinary activities after taxation	-	-	-	(19,818)	6,930	(12,888)
Dividends paid	-	-	-	-	(6,400)	(6,400)
Balance at 31 October 2022	1,348	98,067	64,671	32,023	7,473	203,582

The Company's distributable reserves consist of the Special reserve, Revenue reserve and Capital reserve attributable to realised profits.

The notes on pages 16 to 21 form part of these interim financial statements.

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

SIX MONTHS TO 30 APRIL 2023

	Six months to 30 April 2023 £'000	Six months to 30 April 2022 £'000	Year ended 31 October 2022* £'000
Operating activities cash flows			
Return on ordinary activities before finance costs and taxation**	23,751	(758)	(11,746)
Adjustment for:			
(Gains)/losses on investments	(17,383)	4,631	18,106
Movement in CFD transactions	(2,936)	(1,008)	(646)
Increase/(decrease) in other debtors	(546)	31	(6)
Increase in other creditors	144	132	3
Tax withheld on overseas income	(455)	(414)	(888)
Net cash flow from operating activities	2,575	2,614	4,823
Investing activities cash flows			
Purchases of investments	(27,622)	(18,053)	(43,572)
Proceeds from sales of investments	26,232	19,912	46,864
Net cash flow (used in)/from investing activities	(1,390)	1,859	3,292
Financing activities cash flows			
Equity dividends paid	(4,716)	(4,513)	(6,400)
Finance costs paid	(122)	(138)	(254)
Net cash used in financing activities	(4,838)	(4,651)	(6,654)
(Decrease)/Increase in cash and cash equivalents	(3,653)	(178)	1,461
Cash and cash equivalents at the beginning of the period	1,413	(48)	(48)
Cash and cash equivalents at the end of the period	(2,240)	(226)	1,413

* Audited.

** Inflow from cash dividends received were £3,612,000 (30 April 2022: £3,758,000 and 31 October 2022: £8,038,000).

The notes on pages 16 to 21 form part of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CC Japan Income & Growth Trust plc (the “Company”) was incorporated in England and Wales on 28 October 2015 with registered number 9845783, as a closed-ended investment company. The Company commenced its operations on 15 December 2015 and, on the same day, trading of the Ordinary Shares commenced on the London Stock Exchange, with the Company’s shares admitted to the Official List of the UK Listing Authority with a premium listing. The Company carries on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

The Company’s investment objective is to provide Shareholders with dividend income combined with capital growth, mainly through investment in equities listed or quoted in Japan.

The principal activity of the Company is that of an investment trust company within the meaning of section 1158 of the Corporation Tax Act 2010.

The Company’s registered office is 6th Floor, 125 London Wall, London, EC2Y 5AS.

2. ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with FRS 104 Interim Financial Reporting and the Statement of Recommended Practice “Financial Statements of Investment Trust Companies and Venture Capital Trusts” issued by the Association of Investment Companies in July 2022.

This half-yearly Financial Report is unaudited and does not include all the information required for full annual financial statements. The half-yearly Financial Report should be read in conjunction with the Annual Report and Accounts of the Company for the year ended 31 October 2022. The Annual Report and Accounts for the year ended 31 October 2022 were prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) and received an unqualified audit report. The financial information for the year ended 31 October 2022 in this half-yearly Financial Report has been extracted from the audited Annual Report and Accounts for that year end. The accounting policies in this Half-yearly Financial Report are consistent with those applied in the Annual Report and Accounts for the year ended 31 October 2022.

The interim financial statements have been presented in GBP sterling (£).

3. INVESTMENTS

	As at 30 April 2023 (Unaudited) £'000	As at 30 April 2022 (Unaudited) £'000	As at 31 October 2022 (Audited) £'000
Investments listed on a recognised overseas investment exchange	217,592	213,896	199,642
	217,592	213,896	199,642

Fair Value Measurements of Financial Assets and Financial Liabilities

The financial assets and liabilities are either carried in the balance sheet at their fair value, or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends receivable, accrued income, due to brokers, accruals and cash and cash equivalents).

The valuation techniques for investments and derivatives used by the Company are explained in the accounting policies notes 2 (b and c) in the Annual report for the year ended 31 October 2022.

The table below sets out fair value measurements using fair value hierarchy.

30 April 2023 (Unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	217,592	-	-	217,592
CFDs – Unrealised fair value gains	-	5,063	-	5,063
Liabilities:				
CFDs – Unrealised fair value losses	-	(2,280)	-	(2,280)
Total	217,592	2,783	-	220,375

30 April 2022 (Unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	213,896	-	-	213,896
CFDs – Unrealised fair value gains	-	2,311	-	2,311
Liabilities:				
CFDs – Unrealised fair value losses	-	(1,659)	-	(1,659)
Total	213,896	652	-	214,548

31 October 2022 (Audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	199,642	-	-	199,642
CFDs – Unrealised fair value gains	-	2,680	-	2,680
Liabilities:				
CFDs – Unrealised fair value losses	-	(2,780)	-	(2,780)
Total	199,642	(100)	-	199,542

There were no transfers between levels during the period (2022: same).

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the Fair Value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs including quoted prices.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data. There are no Level 3 investments as at 30 April 2023 (2022: nil).

NOTES TO THE INTERIM FINANCIAL STATEMENTS continued

4. INCOME

	Six months to 30 April 2023 (Unaudited) £'000	Six months to 30 April 2022 (Unaudited) £'000	Year ended 31 October 2022 (Audited) £'000
Income from investments:			
Overseas dividends	4,552	4,141	8,878
Deposit interest	29	-	-
Total	4,581	4,141	8,878

Overseas dividend income is translated into sterling on receipt.

5. FINANCE COSTS

	Six months to 30 April 2023 (Unaudited) £'000	Six months to 30 April 2022 (Unaudited) £'000	Year ended 31 October 2022 (Audited) £'000
Interest paid – 100% charged to revenue	13	19	23
CFD finance cost and structuring fee – 20% charged to revenue	22	24	45
Structuring fees – 20% charged to revenue	-	-	1
	35	43	69
CFD finance cost and structuring fee – 80% charged to capital	87	96	181
Structuring fees – 80% charged to capital	-	2	4
	87	98	185
Total finance costs	122	141	254

6. TAXATION

	Six months to 30 April 2023 (Unaudited)			Six months to 30 April 2022 (Unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Analysis of tax charge in the period:						
Overseas withholding tax	455	-	455	414	-	414
Total tax charge for the period	455	-	455	414	-	414

	Year ended 31 October 2022 (Audited)		
	Revenue £'000	Capital £'000	Total £'000
Analysis of tax charge in the year:			
Overseas withholding tax	888	-	888
Total tax charge for the year	888	-	888

7. INTERIM DIVIDEND

During the six months ended 30 April 2023, the Company paid a dividend of 3.50p per Ordinary Share in respect of the year ended 31 October 2022.

These interim financial statements have been prepared in accordance with the requirements of section 838 of the Companies Act 2006 and constitute the Company's interim accounts for the purpose of justifying the payment of an interim dividend for the year ending 31 October 2023.

The Directors have declared an interim dividend for the six months ended 30 April 2023 of 1.55p (2022: 1.40p) per Ordinary Share. The dividend will be paid on 4 August 2023, to Ordinary Shareholders who appear on the register as at the close of business on 7 July 2023. The Ordinary Shares will go ex-dividend on 6 July 2023 and the dividend will be funded from the Company's Revenue reserve.

8. SHARE CAPITAL

Share capital represents the nominal value of shares that have been issued. The share premium includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

	As at 30 April 2023 (Unaudited)		As at 30 April 2022 (Unaudited)		As at 31 October 2022 (Audited)	
	No. of shares	£'000	No. of shares	£'000	No. of shares	£'000
Allotted, issued & fully paid:						
Ordinary Shares of 1p						
Opening balance	134,730,610	1,348	134,730,610	1,348	134,730,610	1,348
Closing balance	134,730,610	1,348	134,730,610	1,348	134,730,610	1,348

Since the period end, the Company has issued no further Ordinary Shares, with 134,730,610 Ordinary Shares in issue as at 19 June 2023.

9. FINANCIAL COMMITMENTS

As at 30 April 2023 there were no commitments in respect of unpaid calls and underwritings (30 April 2022: nil and 31 October 2022: nil).

10. RETURN PER ORDINARY SHARE

Total return per Ordinary Share is based on the return on ordinary activities, including income, for the period after taxation of £23,174,000 (30 April 2022: £1,313,000 and 31 October 2022: £12,888,000) and the weighted average number of Ordinary Shares in issue for the period to 30 April 2023 of 134,730,610 (30 April 2022: 134,730,610 and 31 October 2022: 134,730,610); Ordinary Shares-diluted in issue for the period/year to 30 April 2022/31 October 2022 respectively of 161,676,732.

The returns per Ordinary Share were as follows:

	As at 30 April 2023 (Unaudited)			As at 30 April 2022 (Unaudited)			As at 31 October 2022 (Audited)		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Return per Ordinary Share – undiluted	2.66p	14.54p	17.20p	2.37p	(3.34)p	(0.97)p	5.14p	(14.71)p	(9.57)p
Return per Ordinary Share – diluted*	n/a	n/a	n/a	1.97p	(2.79)p	(0.82)p	4.29p	(12.26)p	(7.97)p

* This table shows the effect of dilution on returns had the Transferable Subscription Shares ("TSS") been exercised in full. However, the TSS expired on the last business day of February 2023 and none were exercised so there was no dilution of Ordinary Shares.

NOTES TO THE INTERIM FINANCIAL STATEMENTS continued

11. NET ASSET VALUE PER SHARE

Total shareholders' funds and the NAV per share attributable to the Ordinary Shareholders at the period end calculated in accordance with the Articles of Association were as follows:

NAV per Ordinary Share – undiluted

	As at 30 April 2023 (Unaudited)	As at 30 April 2022 (Unaudited)	As at 31 October 2022 (Audited)
Net Asset Value (£'000)	222,040	217,044	203,582
Ordinary Shares in issue	134,730,610	134,730,610	134,730,610
NAV per Ordinary Share – undiluted	164.80p	161.09p	151.10p

NAV per Ordinary Share – diluted

	As at 30 April 2023 (Unaudited)	As at 30 April 2022 (Unaudited)	As at 31 October 2022 (Audited)
Subscription shares issue	–	26,946,122	26,946,122
Proceeds from exercise of TSS (£'000)	–	43,383	43,383
Adjusted NAV for exercise of TSS (£'000)	222,040	260,427	246,965
Ordinary Shares – post exercise of TSS	134,730,610	161,676,732	161,676,732
NAV per Ordinary Share – diluted	164.80p	161.08p	152.75p

12. RELATED PARTY TRANSACTIONS

Transactions with the Investment Manager and the Alternative Investment Fund Investment Manager (“AIFM”)

The Company provides additional information concerning its relationship with the Investment Manager and AIFM, Coupland Cardiff Asset Management LLP. Investment Management fees for the six-month period ended 30 April 2023 were £824,000 (30 April 2022: £836,000 and 31 October 2022: £1,633,000). The Investment Management fees outstanding at the period ended 30 April 2023 were £136,000 (30 April 2022: £133,000 and 31 October 2022: £134,000).

Research purchasing agreement

The Markets in Financial Instruments Directive II (“MiFID II”) treats investment research provided by brokers and independent research providers as a form of “inducement” to investment managers and requires research to be paid separately from execution costs. In the past, the costs of broker research were primarily borne by the Company as part of execution costs through dealing commissions paid to brokers. With effect from 3 January 2018, this practice has changed, as brokers subject to MiFID II are now required to price, and charge for, research separately from execution costs. Equally, the rules require the Investment Manager, as an investment Manager, to ensure that the research costs borne by the Company are paid for through a designated Research Payment Account (“RPA”) funded by direct research charges to the Investment Manager’s clients, including the Company.

The research charge for the year 1 January 2023 to 31 December 2023, as agreed between the Investment Manager and the Company, was US\$34,000 (31 December 2022: US\$34,000).

Directors' fees and shareholdings

Directors' fees are payable at the rate of £27,000 per annum for each Director other than the Chairman, who is entitled to receive £40,500. The Chairman of the Audit and Risk Committee is also entitled to an additional fee of £5,500 per annum and the Senior Independent Director ("SID") is entitled to an additional fee of £1,000 per annum.

The Directors had the following ordinary shareholdings in the Company, all of which were beneficially owned.

	Ordinary Shares as at 30 April 2023 (Unaudited)	Ordinary Shares as at 30 April 2022 (Unaudited)	Ordinary Shares as at 31 October 2022 (Audited)
Harry Wells	40,000	40,000	40,000
Peter Wolton	67,250	67,250	67,250
Kate Cornish-Bowden	50,000	40,000	40,000
June Aitken	41,251	40,000	40,372
Craig Cleland	40,000	40,000	40,000

13. POST BALANCE SHEET EVENTS

There are no post balance sheet events other than as disclosed in this half-yearly financial report.

14. STATUS OF THIS REPORT

These interim financial statements are not the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006. They are unaudited. The half-yearly financial report will be made available to the public at the registered office of the Company.

The report will also be available on the Company's website www.ccjapanincomeandgrowthtrust.com

The information for the year ended 31 October 2022 has been extracted from the last published audited financial statements, unless otherwise stated. The audited financial statements have been delivered to the Registrar of Companies. The Auditors reported on those accounts and their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006.

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (“APM”)

Administrator	The Company's administrator, the current such administrator being Apex Listed Companies Services (UK) Limited. Apex Group acquired Sanne Group in August 2022 and subsequently the name of the Company's Administrator and Company Secretary changed from Sanne Fund Services (UK) Limited to Apex Listed Companies Services (UK) Limited.																
AIC	Association of Investment Companies.																
Alternative Investment Fund or “AIF”	An investment vehicle under AIFMD. Under AIFMD (see below) the Company is classified as an AIF.																
Alternative Investment Fund Managers’ Directive or “AIFMD”	The UK version of a European Union Directive which came into force on 22 July 2013 and which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019.																
Alternative Performance Measure or “APM”	A financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.																
Annual General Meeting or “AGM”	A meeting held once a year, which Shareholders are entitled to attend, and where they can vote on resolutions to be put forward at the meeting and ask Directors questions about the Company.																
CFD or Contract for Difference	A financial instrument, which provides exposure to an underlying equity with the provider financing the cost to the buyer with the buyer receiving the difference of any gain or paying for any loss.																
Cum Dividend	A dividend that has been declared but not yet paid out.																
Custodian	An entity that is appointed to safeguard a company's assets.																
Depository	Certain AIFs must appoint depositaries under the requirements of AIFMD. A depository's duties include, inter alia, safekeeping of the Company's assets and cash monitoring. Under AIFMD the depository is appointed under a strict liability regime. The Company's Depository is Northern Trust Investor Services Limited (with effect from 27 November 2021).																
Dividend	Income receivable from an investment in shares.																
Discount (APM)	The amount, expressed as a percentage, by which the share price is less than the NAV per Ordinary Share.																
	<table border="1"> <thead> <tr> <th colspan="2">As at 30 April 2023</th> <th colspan="2">Page</th> </tr> </thead> <tbody> <tr> <td>NAV per Ordinary Share</td> <td>a</td> <td>2</td> <td>164.8</td> </tr> <tr> <td>Share price</td> <td>b</td> <td>2</td> <td>153.5</td> </tr> <tr> <td>Discount</td> <td>(b÷a)-1</td> <td></td> <td>6.9%</td> </tr> </tbody> </table>	As at 30 April 2023		Page		NAV per Ordinary Share	a	2	164.8	Share price	b	2	153.5	Discount	(b÷a)-1		6.9%
As at 30 April 2023		Page															
NAV per Ordinary Share	a	2	164.8														
Share price	b	2	153.5														
Discount	(b÷a)-1		6.9%														
Ex-dividend date	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to Shareholders.																
Financial Conduct Authority or “FCA”	The independent body that regulates the financial services industry in the UK.																

Gearing (APM)

A way to magnify income and capital returns, but which can also magnify losses. The Company may be geared through the CFDs and if utilised, the overdraft facility, with The Northern Trust Company.

As at 30 April 2023		Page	£'000
CFD Notional Market Value*	a	n/a	43,520
Non-base cash borrowings**	b	n/a	861
NAV	c		222,040
Gearing (net)	((a+b)/c)		20.0%

* CFD positions in underlying asset value.

** Non-base cash borrowings represents borrowings in Yen.

Gross assets (APM)

The Company's total assets including any leverage amount.

Index

A basket of stocks which is considered to replicate a particular stock market or sector.

Investment trust

A closed end investment company which is based in the United Kingdom ("UK") and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. This Company is an investment trust.

Leverage (APM)

Under the Alternative Investment Fund Managers Directive ("AIFMD"), leverage is any method by which the exposure of an Alternative Investment Fund ("AIF") is increased through borrowing of cash or securities or leverage embedded in derivative positions.

Under AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Under both methods the AIFM has set current maximum limits of leverage for the Company of 200%.

As at 30 April 2023		Gross £'000	Commitment £'000
Security Market value	a	217,592	217,592
CFD Notional market value	b	43,520	43,520
Cash and cash equivalents	c	3,732	1,719
NAV	d	222,040	222,040
Leverage	(a+b+c)/d	119%	118%

Market liquidity

The extent to which investments can be bought or sold at short notice.

Net assets

An investment company's assets less its liabilities.

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (“APM”) continued

Net Asset Value (NAV) per Ordinary Share	Net assets divided by the number of Ordinary Shares in issue (excluding any shares held in treasury).
Net exposure	The difference between the Company's long positions and short positions.
Ordinary Shares	Ordinary shares of £0.01 each in the capital of the Company.
Ongoing charges (APM)	A measure, expressed as a percentage of average NAV, of the regular, recurring annualised costs of running an investment company.

Period ended 30 April 2023		Page	
Average NAV	a	n/a	221,537,147
Annualised expenses	b	12	2,316,000
Ongoing charges	(b÷a)		1.05%

Portfolio	A collection of different investments constructed and held in order to deliver returns to Shareholders and to spread risk.
Share Premium to Net Asset Value (APM)	The amount, expressed as a percentage, by which the share price is more than the Net Asset Value per share.
Share buyback	A purchase of a company's own shares. Shares can either be bought back for cancellation or held in treasury.
Share Price	The price of a share as determined by buyers and sellers on the relevant stock exchange.
Treasury shares	A company's own shares held in Treasury account by the Company, but which are available to be resold in the market.
Total return (APM)	A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into its Ordinary Shares on the ex-dividend date.

Period ended 30 April 2023		Page	Share price	NAV
Opening at 1 November 2022 (in pence)	a	2	138.8	151.1
Closing at 30 April 2023 (in pence)	b	2	153.5	164.8
Price movement (b÷a)-1	c	n/a	10.6%	9.1%
Dividend reinvestment*	d	n/a	2.5%	2.2%
Total return	(c+d)		13.1%	11.3%

* The dividend reinvestment is calculated on the assumption that dividends paid out by the Company are reinvested into the shares of the Company at NAV at the ex-dividend date.

Volatility	A measure of how much a share moves up and down in price over a period of time.
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COMPANY INFORMATION

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

DIRECTORS

Harry Wells (Chairman)
Kate Cornish-Bowden (Audit & Risk Committee Chair)
Peter Wolton (Senior Independent Director)
June Aitken
Craig Cleland

BROKER

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LEGAL ADVISER

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INVESTMENT MANAGER

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Website – www.couplandcardiff.com

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COMPANY SECRETARY AND ADMINISTRATOR

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EC2Y 5AS

Website – www.apexgroup.com

AUDITOR

Johnston Carmichael LLP
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COMPANY SECURITY INFORMATION AND IDENTIFICATION CODES

WEBSITE

www.ccjapanincomeandgrowthtrust.com

ISIN

GB00BYSRMH16

SEDOL

BYSRMH1

BLOOMBERG TICKER

CCJI LDN

LEGAL ENTITY IDENTIFIER (LEI)

549 300 FZANMYIORK 1K98

GLOBAL INTERMEDIARY

IDENTIFICATION NUMBER (GIIN)

6 HEK HT – 99 999 –SL – 826

* Registered in England no. 9845783.