CC JAPAN INCOME & GROWTH TRUST PLC

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2020

ASSET MANAGEMENT
CouplandCardiff

CONTENTS

INVESTMENT OBJECTIVE, FINANCIAL INFORMATION AND PERFORMANCE SUMMARY

INVESTMENT OBJECTIVE

The investment objective of the CC Japan Income & Growth Trust Plc (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

	As at 31 October 2020	As at 31 October 2019
Net assets (millions)	£184.4	£214.1
Net asset value ("NAV") per Ordinary Share ("Share")[1]	136.8p	158.9p
Share price	119.5p	150.0p
Share price discount to NAV[2]	12.6%	5.6%
Ongoing charges[2]	1.04%	1.06%
Gearing (net)[2]	20.7%	21.7%

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 64 to 67 of this report.

PERFORMANCE SUMMARY

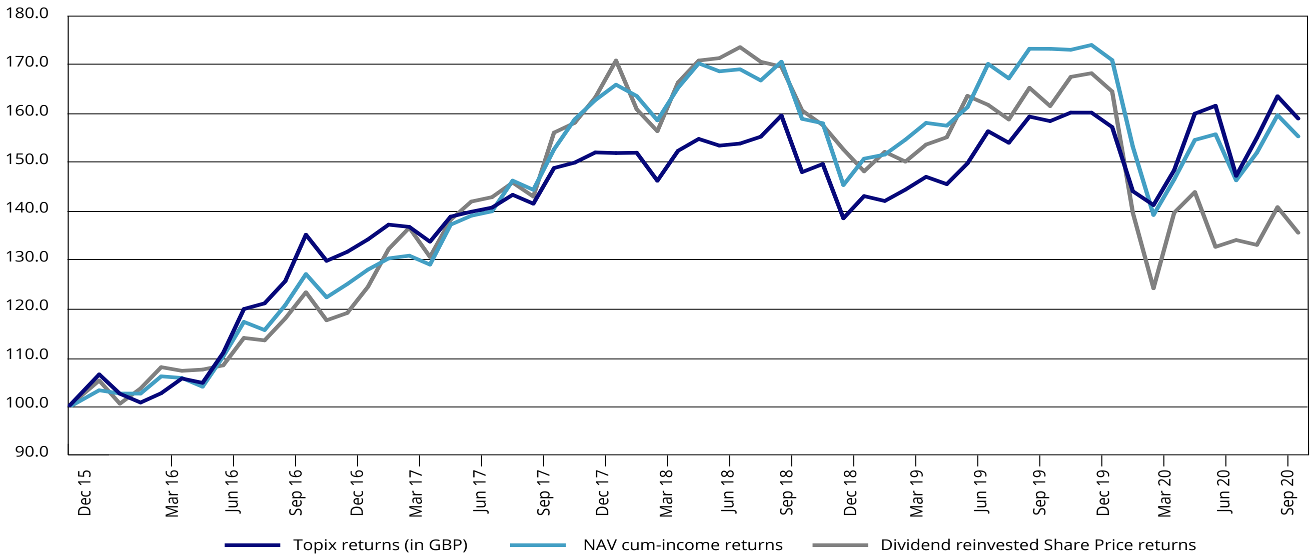
	For the year to 31 October 2020 % change[1]	For the year to 31 October 2019 % change[1]
NAV ex-income total return per Share[2]	-11.2%	+9.6%
NAV cum-income total return per Share[2]	-11.1%	+9.9%
Share price total return[2]	-17.3%	+0.7%
Tokyo Stock Exchange Price Index ("Topix") total return	+0.3%	+7.2%
Revenue return per Share	5.04p	5.26p
Dividends per Share:		
First interim dividend	1.40p	1.40p
Second interim/final dividend	3.20p	3.10p
Total dividends per Share for the year	4.60p	4.50p

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

2 These are APMs.

Source: Coupland Cardiff Asset Management LLP – The Company's Factsheet October 2020.

TOTAL NAV AND SHARE PRICE RETURN SINCE INCEPTION



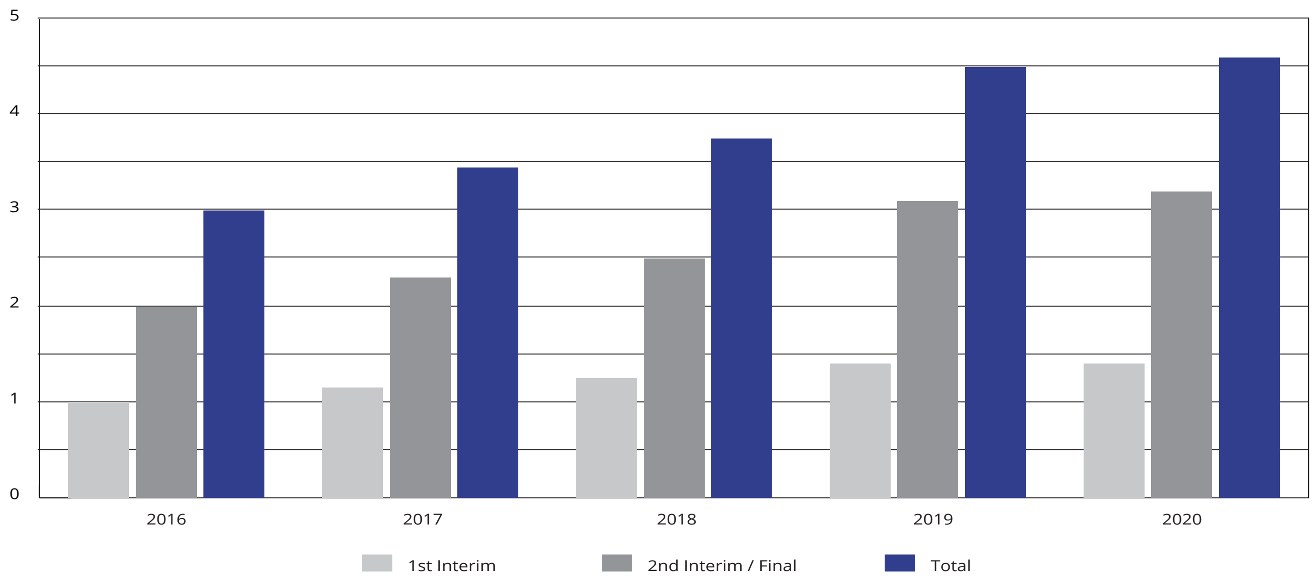
* Share price total return does not include second interim dividend for the year ended 31 October 2020.

PERFORMANCE SUMMARY

	Period to Oct 2016*	Year to Oct 2017	Year to Oct 2018	Year to Oct 2019	Year to Oct 2020
Share price	122.40p	152.00p	153.00p	150.00p	119.50p
Share price total return	+23.5%	+27.2%	+2.8%	+0.7%	-17.3%
NAV per Share	123.90p	146.00p	148.60p	158.90p	136.80p
NAV (cum-income) total return per Share	+24.9%	+20.7%	+4.1%	+9.9%	-11.1%
Topix Index total return in GBP sterling	+32.7%	+10.1%	-0.4%	+7.2%	+0.3%
Revenue return per Share	3.60p	4.06p	4.55p	5.26p	5.04p
Dividends per Share	3.00p	3.45p	3.75p	4.50p	4.60p

* Period from the Company's launch on 15 December 2015 to 31 October 2016.

DIVIDEND PERFORMANCE



CHAIRMAN'S STATEMENT

Performance

I am bound to report to fellow Shareholders that your Company has had a difficult year with the progressive investment performance of the first four and a half years since listing in December 2015 derailed by the global COVID-19 pandemic. Over the financial year to 31 October 2020, and measured by total return, the Company's cum-income NAV returned -11.1% in sterling terms, while the Tokyo Stock Exchange Price Index ("Topix") was fractionally positive at +0.3%. The share price, again measured by total return to include dividends, paid over the period, fell by 17.3%. Since inception to 31 October 2020, the Company has recorded a +52.0% sterling NAV total return, while the Topix total return was +59.0%. Over the same period, the share price rose +35.6%, again measured by total return in sterling, including aggregate distributions of 16.1p per share by way of dividends paid to Shareholders.

Our mandate reflects an investment style that, while seeking total return, looks to identify value and yield opportunities and took a battering as markets fell off a cliff during February 2020. This was exacerbated by our structural gearing during the sell off. Adding insult to injury, the portfolio underperformed the immediate bounce as massive co-ordinated global government fiscal and central bank monetary stimulus favoured a rerating of a narrow range of growth stocks focussed on the virtual economy, technology, media and healthcare. These growth companies tend not to pay dividends and consequently fail to score on our Investment Manager's radar. Poor relative and absolute performance saw our share price discount to NAV widen significantly during the year. The Board is wary of buying back shares in this environment, which could be viewed as cosmetic signalling with little efficacy. The Board believes that investment performance and the growth and level of dividend income are paramount in driving the share price rating.

Post Balance Sheet Event - Subscription Shares – a recovery route to potentially grow the Company

When COVID-19 struck, markets fell precipitously, with the Company's share price and NAV declining by 29% and 22%, respectively, through February and March 2020. The Board determined that this represented an opportunity to try and turn this collapse to Shareholders' advantage. The challenge was to find a way to compensate loyal and patient Shareholders for this period of poor performance, whilst not losing sight of the vision to grow the Company, particularly as the prospects for the Japanese stock market remain attractive. The Board and Investment Manager concur in believing that the Japanese economy is poised to be a strong beneficiary of global reflation.

Consequently, on 26th November 2020, the Company announced that it was considering issuing Transferable Subscription Shares ("TSS") as a free 1 for 5 bonus to existing Shareholders. This announcement allowed for wide consultation across a broad spectrum of Shareholders which gave the Board confidence to proceed with the proposals. Accordingly, a Prospectus was published on 22nd January 2021 and a General Meeting was held on 15th February 2021. 99.95% of Shareholders voting approved the requisite Special Resolution including changes to the Articles of Association. Thus, the Company has now issued 26,946,122 TSS to qualifying shareholders on the Register as at 6.00 pm on 15th February 2021. The Subscription Price of £1.61 was determined at the close of business on 15th February 2021 and announced on the 16th February 2021. The TSS were admitted to trading on 18th the February 2021 with the ticker CCJS and were quoted at 6p at the close of business on 19th February 2021.

The TSS may be exercised on quarterly basis with the first exercise date on 31 May 2021 at the Subscription Price and subsequently on the last business day of August, November and February each year until the Subscription rights expire on 28th February 2023. Full details are given in the Prospectus published on 22nd January 2021 and available for reference on the Company's website **www.ccjapanincomeandgrowthtrust.com**.

Effectively, the TSS gives existing Shareholders a free option into post-COVID-19 Japanese recovery. The Japanese authorities have handled the pandemic competently compared to other countries, including the recent outbreak. It is not unreasonable to expect that a return to pre-COVID-19 normality as a realistic prospect. Forecast corporate earnings are steadily being revised up as Japanese stock analysts, notably conservative, are looking through to the financial years ending 2022 and 2023 forecasting a strong recovery.

The Board appreciates that the bonus TSS have little immediate value. Nevertheless, there is considerable potential upside for TSS holders. Providing that investment performance rebounds: the market value of the TSS should increase. If the share price exceeds the TSS exercise price, this will present an opportunity for TSS holders to either exercise their entitlements into new Ordinary Shares, or to sell their TSS in the market. If all the TSS are exercised, the Company would raise over £40 million. Effectively, this represents a deferred rights issue and unlike secondary or tap issues is structured on a pre-emptive basis. A successful outcome would improve market liquidity in the Ordinary Shares, spread costs and potentially attract new investors. If the recovery falters and the portfolio fails to regain its former traction, there is a risk that the TSS could lapse with no monetary value. However, as the TSS are issued for free, existing Shareholders will not lose money.

The overall cost to the Company of the TSS scheme is modest when assessed against the potential benefits. In the investment trust market, where scale matters, increasing the size of the Company is one of your Board's priorities.

Income & Dividend

The revenue account has held up well despite immediate pressures on the Japanese economy where GDP fell 7.8% in the March – June 2020 quarter following a near 10% decline in the two previous quarters. Despite this, we still recorded earnings per share of 5.04p in the year to 31 October 2020, albeit a fall from 5.26p in the previous year. Dislocation from global lockdowns impacted trade and effectively shut down hospitality and tourism, culminating in the postponement of the 2020 Olympics. Tourism has been a significant driver of demand in recent years. We were caught where the portfolio had 14.3% exposure to REITS and a further 12.9% in consumer and service businesses going into the COVID-19 crisis; all previously stable premium dividend payers which cancelled or cut their distributions. Elsewhere, while companies slashed earnings guidance in the pandemic, the dividend picture has been relatively stable with aggregate dividends remarkably now forecast to be flat in the current Japanese financial year to 31 March 2021. Renewed dividend growth is expected in the year to 31 March 2022 and the picture is reasonably healthy, in sharp contrast to other developed markets, notably the UK and Europe, where dividend cancellations and cuts have been severe.

Corporate Japan is cash rich, which augurs well for improving dividend growth as boards and the regulators strive to improve capital efficiency. Improvements in governance and stewardship codes continue to underwrite a more general commitment to stability of dividends and improving pay-out ratios. Those investors looking for equity income should continue to look to Japan. The main risk to the income account is the yen/ GBP cross rate. Shareholders should be aware that we have a currency hedging policy not to hedge, so the level of revenue is potentially at risk from a strengthening of sterling. Conversely, a weaker yen would stimulate Japanese corporate earnings and should boost the portfolio income steam.

The Board declared a second interim dividend of 3.20p per Ordinary Share to be paid on 5th March 2021 to Shareholders on the register as at 5th February 2021. This makes a full year distribution of 4.60p per Ordinary Share (2019: 4.50p). This represents a 2.2% increase on last year's level of distribution, fully covered by revenue. This is the fifth consecutive year of dividend growth for the Company.

Marketing and Shareholder engagement

The Company has retained the services of Kepler to improve distribution to retail investors, particularly through the medium of platforms. Cornerstone acts as our Public Relations agent and continues to develop the Company's media profile. Our website was redesigned during the year to be more user-friendly. Our Investment Manager, Coupland Cardiff Asset Management LLP, has recently employed further senior sales staff, while Peel Hunt, our Brokers, have also broadened their sales coverage with new hires. The Board is conscious that marketing is an integral component of the investment proposition and the Subscription Share issue has given me an opportunity to engage directly with most of our larger Shareholders.

Board constitution

Mark Smith has served as a Director since our listing in 2015 but will not stand for re-election at this year's forthcoming Annual General Meeting. Mark has a full-time senior role at Waverton Investment Management and finds that his duties conflict with the time that he has to devote to his responsibilities as a Director. On behalf of the Board and Shareholders I would like to thank Mark for his service and contribution to the Company.

Annual General Meeting ("AGM")

The Board has been closely monitoring the evolving COVID-19 situation and the safety and security Shareholders and of the Company's service providers is paramount. In compliance with the 'Stay at Home Measures' passed into law in England and Wales on 6 January 2021, the AGM on 26 March 2021 will take place as a closed meeting. Shareholders (other than those required to form the quorum for the AGM) therefore cannot attend the meeting.

There will be an opportunity to ask questions in advance of the AGM. If Shareholders have a question relating to the business of the AGM, they should send it by email to **ukfundcosec@PraxisIFM.com**. To the extent that it is appropriate to do so, the Company will respond to any questions received in a Q&A which will be posted on the Company's website **www.ccjapanincomeandgrowthtrust.com** in advance of the AGM. Shareholders should appoint the 'Chair of the meeting' to act as their proxy as any other named person will not be permitted to attend the meeting. Further details on the appointment of a proxy are included in the Notice of AGM.

Outlook

Any return to pre-COVID-19 normality should provide a more fertile investment playing field for our Investment Manager.

Since the Company's year end we have already seen some style rotation back into value and yield, and away from growth stocks, with strong recovery of both our NAV (+12.4%) and share price (+16.3%) as at 31 January

2021, excluding the dividend payable on 5th March 2021.

Markets have already taken succour from the successful development and impending distribution of a range of COVID- 19 vaccines, together with the Biden victory in the US elections; China's economy is picking up smartly, providing stimulus to Japanese exports (20% of their total). With increased focus on security of supply chains in a tariff-ridden, increasingly protectionist world, Japan is an attractive proposition, offering world class industrial solutions in many fields, such as automation and robotics. Critically, Japan also has a stable domestic political environment; the transition of the premiership to Prime Minister Yoshihide Suga after Prime Minister Shinzo Abe's resignation was achieved seamlessly. The new Prime Minister is committed to continuing Abe's legacy reform initiatives and although his and the LDP's popularity has waned, opposition, led by the impressive Mayor of Tokyo, Yuriko Koike, appears to offer a credible alternative in this year's elections due by 22 October 2021, should she decide to stand. Governance is on an improving trend with younger more independent managements buying into better practices boding well for ESG compliance. The Government has launched successive fiscal programmes with a third package worth 30 trillion yen (US $294 billion) to boost spending, critical in the run up to this year's rescheduled Olympics although there is considerable concern that these may be cancelled.

Of course, risks remain, particularly in the area of strained US/China relations. It remains to be seen how the Biden administration approaches diplomatic relations with China, although it appears that an initial improvement is the restoration of communications between Washington and Beijing. China has become more resolute in its foreign policy and there is a strong containment lobby in the Pentagon, so much diplomacy will be required to prevent relations deteriorating further.

The valuation metrics for the Japanese market appear cheap and it is remarkable that foreign investors are so underweight and have actually sold in monetary terms all of the stock they have bought since Shinzo Abe was appointed Prime Minister in 2013. Japanese household savings are still prepared to take foreign exchange risks by buying offshore premium yield products at the expense of ignoring income yield available in their own domestic market. When Warren Buffett took 5% stakes (with options to double the Berkshire Hathaway holding) in five leading trading companies in September 2020, collectively they yielded 4%. This served as a prelude to a return of positive foreign investment flow. M&A activity is also becoming more prevalent as Shareholder activism and private equity funds are targeting asset and cash rich underperforming companies.

The prospects for Japanese investment returns look promising, conditional on the level of global economic demand and a resumption of domestic spending including the reopening of hospitality, travel and tourism. The Board has every confidence that Richard Aston and the team at Coupland Cardiff Asset Management LLP ("CCAM") can get back on track after facing unprecedented challenges last year.

Keeping in touch

Up to date information including the Investment Manager's monthly factsheets can be found on the Company's website **www.ccjapanincomeandgrowthtrust.com**.

Harry Wells
Chairman

25 February 2021

INVESTMENT MANAGER'S REPORT

Performance Review

The COVID-19 pandemic has had a dramatic and well documented impact on the global economy during 2020 and prompted central banks and governments to unleash extraordinary monetary and fiscal stimulus in response. Global equity markets have consequently experienced one of the shortest, sharpest downturns but also the swiftest recovery on record as investors have sought to contend with the near term implications of the healthcare crisis and the longer term risks and opportunities.

The unparalleled nature of the crisis and the reactive corrective measures created a unique and unpredictable set of circumstances. The dispersion in operational performance between different industries has been pronounced and reflected in stock market trends worldwide as they first fell and then rebounded. Many companies in sectors such as financials or industrials have seen share prices fall substantially and have experienced a valuation de-rating, while some in the field of information technology, e-commerce and healthcare have been identified as beneficiaries, with share prices reaching new highs.

These trends had a negative impact on the performance of the Company in the twelve month reporting period and this has undermined the positive record since launch. The portfolio is constructed on the basis of bottom-up analysis and the attributes of the individual companies. However, this does result in inherent, but known, biases. At the beginning of the year the Company held exposure towards some cyclical companies, selected financials, real estate and beneficiaries of discretionary spending on leisure and travel, all consistent with the analysis of the respective companies and their prospects identified at that time. The severe measures imposed to counter the spread of the virus hit many of these industries particularly hard.

For example, the Tokyo Stock Exchange Real Estate Investment Trust ("REIT") Index fell from 2107 to 1100 in less than 10 trading days in March 2020. The impact of the rapid decline of valuations of this asset class has had the greatest negative impact on the returns of the Company during our last financial year. Notably the impact on Japan Hotel REIT and Invincible Investment, two significant long term holdings in the Company's portfolio, was more severe than even the aggregate index as their accommodation facilities were forced, in effect, to suspend operations, creating unforeseen and unprecedented challenges to their businesses. The exposure in the office segment, through Invesco Office REIT, Star Asia Investment and MC-UBS MidCity Investment, were also significant detractors from performance as office workers were encouraged to avoid commuting.

The impact of restrictions on face-to-face meetings and place-to-place movement has been dramatic and affected hitherto robust businesses. The share price performance of the cosmetics manufacturers Kao, Pola Orbis and Noevir has suffered as demand has been disrupted by the disappearance of tourists and a tendency for lower consumption in an environment where people go out less and frequently wear masks.

The challenges to companies such as Bridgestone, Tsubaki Nakashima and Canon following the closure of production facilities across the globe and the dislocation of consumer demand resulted in uncertainties and hurdles that threatened commitments to a stable shareholder policy. In some cases, the need to manage liquidity and conserve resources took precedence over shareholder returns and resulted in dividend cuts. However, in stark contrast to their international peers who were forced to cut or restrict dividend payments at the request of governments or regulators, Japanese banks and insurance companies were allowed to grow their shareholder returns during the year and demonstrate the opportunity for further growth despite the headwinds they currently face. These stocks have not yet been rewarded for this and suffered de-ratings comparable to the international peer group.

The rapidly evolving developments and outlook prompted swift action in the portfolio, with turnover rising to levels much higher than in previous years. Our visits to Japan before the global spread of the virus highlighted some possible risks and resulted in the sale of a number of holdings which we believed to be most exposed at the time. These included Canon, Resona Holdings and Mabuchi Motor. This was followed by the sales of Pola Orbis, Komatsu, Tokyo Century Leasing, Daiwa House and Bridgestone as the full implications of the international lockdowns became apparent. The primary aim of this portfolio restructuring was to focus on companies more resilient in the face of the changing consumer behaviour and business practices, while taking into consideration the widely varying valuations as equity markets remained volatile.

New positions were established in GLP–REIT, whose portfolio of state-of-the art logistics facilities, are benefitting from the upturn in e-commerce demand, Hoya, the leading optical technology company; Japan Exchange Group, operator of the Tokyo Stock Exchange, Denso, a leading auto parts manufacturer; Fujitsu, the restructuring electronics group; Nitto Denko, manufacturer of components and chemicals used in the production of electronic devices; Technopro, outsourced engineering employment services; Dip, job advertisement for part time workers and Aoyama Zaisan Networks, whose services include inheritance tax solutions. While a diverse list, these companies have all demonstrated their clear commitment to shareholders with favourable dividend or share buyback announcements in the last few months and these new holdings have contributed positively to performance.

In these very challenging markets, some of the long term holdings fared well. Technology suppliers Tokyo Electron and Shin-Etsu Chemical were major positives along with Shoei, where demand for motorcycle helmets has experienced a notable increase from the work from home trend in many countries. West Holdings, which is engaged in the design, manufacture and operation of solar energy generation facilities, was the best performer in the portfolio and greatest single contributor to performance in the last twelve months. This company is likely to be a major beneficiary of Prime Minster Suga's ambitious goal of achieving a carbon neutral economy by 2050.

The positives, while significant in number, were not sufficient to offset the large negative contribution from the concentrated holdings whose business performance and share prices have been dramatically impacted by the COVID-19 crisis.

Despite the challenges faced in the last few months, the investment strategy has been and will remain consistent. The new holdings identified all have the focus on consistent shareholder return which we believe remains a key consideration for long term investors. Some of the fallers will be stronger and better positioned when we return to a more normal environment. We believe we will be rewarded for our patience in continuing to hold our positions in Kao, Noevir and Nippon Parking Development with stable or rising dividends in the near term and a full recovery of revenues, profit and dividend growth in the medium term. In other cases, the decision to sell, as painful as it was, was the correct one, given the tougher post-COVID-19 environment and the better opportunities we have identified elsewhere.

Outlook

Many newspaper column inches were dedicated to Prime Minister Abe's decision to resign his position on health grounds in August 2020. This raised questions as to whether 'Abenomics' will survive or undergo a change of tack under the new Prime Minister Yoshihide Suga. Our view has been that the policies and initiatives of Prime Minister Abe will long outlast his tenure as leader. To name but a few: lower corporate tax rates, increase in employment, the Stewardship Code, the Corporate Governance Code, the rejigging of the Government Pension Investment Fund ("GPIF") and the overhauling of duty free and visa rules which launched a tourist boom in Japan, all policies that will survive on the basis of the widespread support they enjoy, and the tangible benefits experienced since their introduction. Consistency has become even more likely given that his successor was a close associate of the former Prime Minister during his leadership and has been an architect of some of the policies. Suganomics is consequently likely to differ from Abenomics only in name.

Even with the cyclical downturn created by the COVID-19 pandemic, we believe the structural changes which have resulted in steady underlying improvements in corporate governance are continuing. The proposed buyout of NTT DoCoMo (Japan's largest listed subsidiary) by parent company Nippon Telegraph and Telephone, is one example of significant changes to corporate ownership, all driven by the objective of improving both capital efficiency and business prospects (there are over 600 companies listed on TOPIX that have a controlling listed shareholder – approx. 17% of the market). With a further review of the Corporate Governance Code scheduled for the spring 2021 and the restructuring of the Tokyo Stock Exchange primary indices expected in April 2022 look set to continue.

2020 has presented a considerable challenge to our strategic objectives despite firm evidence that the underlying premise of strengthening corporate governance is very much intact. Consequently, we believe that Japanese equities continue to offer an attractive opportunity for investors looking for total shareholder return. Despite the temporary downturn, the recent commitment to shareholder returns from the majority of Japanese companies stands in stark contrast to their previous behaviour during periods of operational weakness and compares favourably to other parts of the world where dividend cuts have been severe. The more cautious approach to balance sheet management and previous levels of lower distribution compared to other international developed markets have afforded most Japanese companies greater latitude when faced with this tough economic reality. This has delivered much of the more robust shareholder return profile we had expected.

However, the nature of this present crisis has been an unfortunate surprise, with many unique and unprecedented aspects undermining the performance of the Company in the early part of this year and reversing the gains since inception of the Company. Whilst the outlook undoubtedly remains uncertain and different to what seemed likely at the beginning of the year, the core philosophy of investing in high quality, well managed and reasonably priced companies with longer term growth prospects should continue to benefit Shareholders. The goal remains to deliver a rising level of dividend distribution which reflects the attractive overall financial standing of Japanese companies amidst the improving corporate governance environment, while capturing capital growth that, in normal circumstances, can be expected to accompany this.

Richard Aston
Coupland Cardiff Asset Management LLP

25 February 2021

INVESTMENT POLICY, RESULTS AND OTHER INFORMATION

Investment policy

The Company intends to invest in equities listed or quoted in Japan. The Company may also invest in exchange traded funds in order to gain exposure to such equities. Investment in exchange traded funds shall be limited to not more than 20 per cent. of Gross Assets at the time of investment. The Company may also invest in listed Japanese real estate investment trusts ("J-REITs").

The Company may enter into long only contracts for difference or equity swaps for gearing and efficient portfolio management purposes.

No single holding (including any derivative instrument) will represent more than 10 per cent. of Gross Assets at the time of investment and, when fully invested, the portfolio is expected to have between 30 to 40 holdings, although there is no guarantee that this will be the case and it may contain a lesser or greater number of holdings at any time.

The Company will have the flexibility to invest up to 10 per cent. of its Gross Assets at the time of investment in unquoted or untraded companies.

The Company will not be constrained by any index benchmark in its asset allocation.

Borrowing policy

The Company may use borrowings for settlement of transactions, to meet on-going expenses and may be geared through borrowings and/or by entering into long only contracts for difference or equity swaps that have the effect of gearing the Company's portfolio to seek to enhance performance. The aggregate of borrowings and long only contracts for difference and equity swap exposure will not exceed 25 per cent. of Net Asset Value at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate, although the Company's normal policy will be to utilise and maintain gearing to a lower limit of 20 per cent. of Net Asset Value at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate. It is expected that any borrowings entered into will principally be denominated in Yen.

Hedging policy

The Company does not currently intend to enter into any arrangements to hedge its underlying currency exposure to investment denominated in yen, although the Investment Manager and the Board may review this from time to time.

Results and dividend

The Company's revenue return after tax for the financial year amounted to £6,796,000 (2019: £7,003,000). In July 2020, the Company paid an interim dividend of 1.40p (2019: 1.40p) per Ordinary Share. On 14 January 2021 the Directors declared a second interim dividend for the year ended 31 October 2020 of 3.20p (2019: 3.10p) per Ordinary Share, which will be paid on 5 March 2021 to Shareholders on the register at 5 February 2021. The Company made this dividend declaration earlier than last year due to the planned issue of Subscription Shares, as announced on 26 November 2020. Therefore, the total dividend in respect of the financial year to 31 October 2020 will be 4.60p (2019: 4.50p) per Ordinary Share.

The Company made a capital loss after tax of £30,499,000 (2019: capital gain of £12,735,000). Therefore, the total loss after tax for the year was £23,703,000 (2019: profit of £19,738,000).

Key performance indicators ("KPIs")

The Board measures the Company's success in attaining its investment objective by reference to the following KPIs:

(i) Long term capital growth

The Board considers the Company's Net Asset Value ("NAV") total return figures to be the best indicator of performance over time and this therefore is the main indicator of performance used by the Board. The NAV total return for the year to 31 October 2020 was -11.1% (2019: +9.9%) and the NAV total return from the Company's inception in December 2015 to 31 October 2020 was +52.0% (2019: +69.7%).

The Chairman's Statement on pages 4 to 6 incorporates a review of the highlights during the year. The Investment Manager's Report on pages 7 and 8 gives details on investments made during the year and how performance has been achieved.

(ii) Revenue return per Share and dividends

The Company's revenue return per Ordinary Share based on the weighted average number of shares in issue during the year was 5.04p (2019: 5.26p). The Company's proposed total dividend payable in respect of the year ended 31 October 2020, including an interim dividend of 1.40p per Ordinary Share paid on 24 July 2020 and a second interim dividend of 3.20p payable on 5 March 2021, is 4.60p (2019: 4.50p) per Ordinary Share.

(iii) Discount/premium to NAV

The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The share price closed at a 12.6% discount to the NAV as at 31 October 2020 (2019: 5.6% discount). This is addressed in the Chairman's Statement on pages 4 to 6.

(iv) Control of the level of ongoing charges

The Board monitors the Company's operating costs carefully and growing the Company offers many benefits, since not all costs scale with assets under management. This is reflected in the continued reduction of the Company's ongoing charges ratio. Based on the Company's average net assets for the year ended 31 October 2020, the Company's ongoing

INVESTMENT POLICY, RESULTS AND OTHER INFORMATION
continued

charges figure calculated in accordance with the AIC methodology was 1.04% (2019: 1.06%).

Other information

Modern slavery disclosure

Due to the nature of the Company's business, being a company that does not offer goods or services to consumers, the Board considers that it is not within the scope of modern slavery. The Board considers the Company's supply chains, dealing predominately with professional advisers and service providers in the financial service industry, to be a low risk issue.

Greenhouse Gas Emissions and Streamlined Energy and Carbon Reporting ("SECR")

The Company has no employees, physical assets, property or operations of its own, does not provide goods or services and does not have its own customers. It follows that the Company has little to no direct environmental impact. In consequence, the Company has limited greenhouse gas emissions to report from its operations aside from Directors' travel to board meetings, nor does it have responsibility for any other sources of emissions under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. As the Company has no material operations and therefore has little energy use, it falls below the threshold to produce an energy and carbon report. The Comapany's ESG policy is contained on page 15.

Employees

The Company has no employees. As at 31 October 2020, the Company had five Directors, comprising four male (80%) and one female (20%). The Board's policy on diversity is contained in the Corporate Governance Report (see page 28).

Anti-bribery and corruption

It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery, corruption and tax evasion and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. Taking account of the nature of the Company's business and operations, the Board has adopted policies and procedures that allow it to have reasonable assurance that persons associated with the Company are prevented from engaging in bribery or corruption for and on behalf of the Company.

Prevention of the facilitation of Tax Evasion

In response to the implementation of the Criminal Finances Act 2017, the Board has adopted a zero-tolerance approach to the criminal facilitation of tax evasion.

Viability statement

The Directors have assessed the viability of the Company for the period to 31 October 2025 (the "'Period") taking into account the long term nature of the Company's investment strategy and the principal risks and emerging risks outlined on page 11. The Board has chosen a five year period to assess the Company's viability because of the expected long term nature of equity investment, the Manager's holding period and the fact that the investment objective is unlikely to change significantly over this period. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the Period.

Notwithstanding the foregoing, the continuation of the Company is subject to approval by Shareholders at the Annual General Meeting to be held in 2022, and if passed, every three years thereafter.

In their assessment of the prospects of the Company, the Directors have considered each of the principal and emerging risks and uncertainties set out on page 11 and the liquidity and solvency of the Company. The Directors have considered the Company's income and expenditure projections and the fact that the Company's investments comprise readily realisable securities which could, if necessary, be sold to meet the Company's funding requirements. Portfolio activity and market developments are discussed at quarterly Board meetings. The internal control framework of the Company is subject to a formal review on at least an annual basis.

The Directors do not expect there to be any material increase in the annual ongoing charges of the Company over the Period. The Company's income from investments and cash realisable from the sale of its investments provide substantial cover to the Company's operating expenses, and any other costs likely to be faced by the Company over the Period of their assessment.

The Chairman's Statement and Investment Manager's Report present a positive long term investment case for Japanese equities, which also underpins the Company's viability for the Period.

This assessment has included a detailed review of the issues arising from the COVID-19 pandemic as discussed in the Chairman's Statement on page 4, the Investment Manager's Report on page 8 and in the Principal and Emerging Risks section on page 14.

Outlook

The outlook for the Company is discussed in the Chairman's Statement on pages 5 and 6.

Strategic Report

The Strategic Report set out on pages 2 to 20 of this Annual Report was approved by the Board of Directors on 25 February 2021.

RISK AND RISK MANAGEMENT

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 Audit and Risk 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 principal and emerging risks. These fall into four categories; strategic and business risk, financial risk, operational risk, and regulatory and compliance risk. 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.

During the year, the Committee were particularly concerned with the risks posed by the COVID-19 pandemic which has had a significant impact in all risk categories. In addition to implementing more regular reviews of investment performance with the Investment Manager, the Committee requested and received assurances from its key service providers that they would be able to maintain high standards of service whilst working remotely. Further information on how the Committee has considered COVID-19 when assessing its effect on the Company's ability to operate as a going concern and the Company's longer-term viability can be found on page 10.

The principal and emerging risks, together with a summary of the processes and internal controls used to manage and mitigate risks where possible are outlined below.

Principal Risks	Mitigation
Poor investment performance The Company's investment performance depends on the Investment Manager's ability to identify successful investments in accordance with the Company's investment policy.	The Investment Manager has a well-defined investment strategy and process which is regularly and rigorously reviewed by the Board. The Board monitors the Company's investment performance against its peer group over a range of periods. Whilst the Company does not have a benchmark, the Board measures performance for reference purposes against the Topix and High Yield Indices. At each meeting, the Board discusses the Japanese investment environment. The Manager reports on the composition of the portfolio, any recent sales and purchases, and expectations of dividend income. The Company's investment policy states that no single holding will represent more than 10 per cent. of the Company's Gross Assets at the time of investment and the portfolio has between 30 and 40 holdings. An investment management contract is in place which defines the duties and responsibilities of the Investment Manager. Safeguards include the provision to terminate the Management Agreement with 6 months' notice and in line with AIC guidance, the Investment Manager's appointment is considered on an annual basis.

RISK AND RISK MANAGEMENT
continued

Principal Risks	Mitigation
Currency Risk The Company's investments are denominated in Japanese yen. Changes in the Yen / Sterling exchange rate may impact returns and lead to a devaluation of the Company's assets. Income is received from investee companies in Yen. Exchange rate fluctuations could impact distributable income available for dividends.	The currency risk is explained to shareholders in the prospectus and the annual and interim reports. The Board regularly reviews the level of foreign currency exposure and monitors forecast revenues. The revenue forecast presented to the board includes a yen sensitivity analysis. The Company's policy is not to hedge against any foreign currency movements and income received from investee companies is translated into sterling on receipt. The Company has built up a revenue reserve and the Board regularly reviews the net income available for distribution using the Investment Manager's sensitivity analysis of revenue estimates.
Share price does not reflect underlying net asset value ("NAV") The market value of the Company's shares can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the Company's portfolio and the Company may experience fluctuations in its operating results due to a number of factors. Such variability may lead to volatility in the trading price of the Company's shares, in excess of levels acceptable to the Board or shareholders.	The Board closely monitors the Company's share price relative to NAV and the Company's discount / premium relative to their peer group, and recognises the importance that investors attach to the ordinary shares not trading at a significant discount or premium to the prevailing NAV. Should the shares trade at a significant discount to the prevailing NAV, the Board could consider whether the Company should purchase its own ordinary shares, pursuant to the general authority renewed at each AGM. Conversely the Board will issue new Ordinary Shares should the shares trade at a premium to their prevailing NAV, pursuant to the general authority renewed at each AGM. Extensive marketing is carried out by the Company's Investment Manager, Broker and a specialist PR company. An investment research consultant is engaged to provide independent research for retail shareholders. Subsequent to the year end, a Special Resolution was approved to issue 26,946,122 Subscription Shares as a 1 for 5 Bonus Issue. The Board was also granted the authority to repurchase up to 14.99% of the issued Subscription Share capital.

Principal Risks	Mitigation
Market Risk Changes in the investment, economic or political conditions in Japan, and/or in the countries in which the Company's investee companies operate could substantially and adversely affect the Company's prospects. In addition to changing economic factors such as interest rates, employment, industry conditions and competition, unpredictable factors such natural disasters, earthquakes and diplomatic events may impact market risk. Geopolitical instability in the region may threaten global economic growth and, consequently, companies in the portfolio.	The Directors acknowledge that market risk is inherent in the investment process. The Company maintains a diversified portfolio of quoted investments. The Board has imposed guidelines within its investment policy to limit exposure to individual holdings and limits the level of gearing. Further information on financial instruments and risk can be found in note 16 to the Financial Statements beginning on page 56. In addition to regular market updates from the Investment Manager and reports at Board meetings, the Board convenes more often during periods of extreme volatility, for example during the COVID-19 pandemic. The impact on the portfolio from Brexit and other geopolitical changes including the trade war between the US and China are monitored and discussed regularly at Board meetings. Market risk also arises from uncertainty about the future prices of the Company's Japanese equity investments, geopolitical and natural disasters. While it is difficult to quantify the impact of such changes, it is not anticipated that they will fundamentally affect the business of the Company or make the investment case for Japanese equities any less desirable. The longer-term effects of the COVID -19 pandemic, including the unprecedented levels of fiscal stimulus and global travel restrictions are unknown. However, the Board is encouraged by the scope for recovery as Japan emerges from the pandemic.
Key Person Risk The Company depends on the diligence, skill and judgment of the Investment Manager's investment professionals and the information and ideas they generate during the normal course of their activities. The Company's future success depends on the continued service of key personnel. The departure of any of these individuals without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations.	The Board meets regularly with other members of the wider team employed by the Investment Manager. The strength and depth of the investment management team provides comfort that there is not over-reliance on one person with alternative portfolio managers available to act if needed.
Excess leverage The Company may use borrowings to seek to enhance investment returns. While this has the potential to enhance investment returns in rising markets, in falling markets the impact could be detrimental to performance.	An ability to gear is a unique advantage of closed-end companies and structural gearing is a clearly stipulated component of the Company's investment policy and is highlighted in shareholder communications. Gearing is monitored and strict restrictions on borrowings are imposed: gearing continues to operate within a pre-agreed limit of 25% of NAV.
Cyber Risk The Company's service providers are exposed to the risk of cyber-attacks. Cyber-attacks could lead to disruption to or failure of systems and processes provided by the Investment Manager and other key service providers, creating an unexpected event and/or adverse impact on the portfolio or personnel.	Service providers report on cyber risk mitigation and management at least annually, which includes confirmation of business continuity capability in the event of a cyber-attack. Penetration testing is carried out by the Investment Manager and key service providers at least annually.

RISK AND RISK MANAGEMENT
continued

Principal Risks	Mitigation
Underperforming key service providers The Company's service providers including the Depositary, the Custodian and the Administrator could fail to provide accurate timely information to the Board. External events, such as cyber-crime, natural disasters or pandemics may mean service providers are unable to meet their contractual obligations.	The Board has appointed an experienced independent professional Depositary, Custodian and Administrator. All key service providers produce annual internal control reports for review by the Audit and Risk Committee. These reviews include consideration of their business continuity plans and the associated cyber security risks.
Emerging risk	
Business Interruption due to COVID-19 Failure in services provided by key service providers, meaning information is not processed correctly or in a timely manner, resulting in regulatory investigation or financial loss, failure of trade settlement, or potential loss of investment trust status.	Each service provider has business continuity policies and procedures in place to ensure that they are able to meet the Company's needs and all significant breaches are escalated to the Board. Due to the COVID-19 pandemic and the restrictions on gatherings and travel introduced by the UK Government, the Audit and Risk Committee requested assurances from the Company's key service providers that business continuity plans had been enacted where necessary, with service providers enabling remote working arrangements. This provided a satisfactory level of assurance that there had not been, and there was no expectation of any disruption to service quality. The Company has a business continuity plan in place. Details of the Directors assessment of the going concern status of the Company, which considered the adequacy of the Company's resources and the impacts of the COVID-19 pandemic, are given on page 24.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") POLICY

The Board and the Investment Manager believe that responsible investment involves the integration of ESG factors within the investment process and that these factors should be considered alongside financial and strategic issues during assessment and engagement with investee companies. The Investment Manager is responsible for engagement on ESG matters and dedicates a significant amount of time and resource on focusing on the ESG characteristics of the companies in which the Investment Manager invests, and monitoring is carried out through investment reviews.

The strategy of the portfolio has an explicit focus on improving relationships between corporate managers and shareholders in Japan. Consequently, corporate governance is a key point of discussion in every meeting held with company management. The goal in each case is to help the senior representatives of the company develop not only an appropriate understanding of the role and requirements of long term shareholders but also the realisation that their actions must be consistent with mutually determined objectives. The team at CCAM conducts over 350 meetings and calls a year with the management of many different companies with the intent of encouraging consistent behaviour with regards to corporate strategy, information disclosure and shareholder returns. Although the Investment Manager does not seek to agitate management through aggressive behaviour with public disclosures or proposals, it does and will vote on resolutions which it believes are consistent with the future growth and development of the company. Conversely, it will vote against those that do not and in the extreme would sell the shareholding if this is deemed to be the most appropriate course of action. Where necessary, there is engagement with the company and further information is sought.

As part of the Company's ongoing commitment to integrate ESG factors, CCAM became a signatory to the Principles for Responsible Investment ("PRI"), supported by the United Nations, a framework of six principles, which the Investment Manager has incorporated into its business. The PRI is a network of those in the investment community who work together to ensure that ESG considerations are integrated into the investment process. Further details can be found at **https://www.unpri.org/**

CCAM are committed to incorporating the 6 Principles of Responsible Investment (**https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment**). As a signatory to the Principles, the Investment Manager publicly commits to adopt and implement them, where consistent with their fiduciary responsibilities. The Board also commits to evaluate the effectiveness and improve the content of the Principles over time, to improve the Company's ability to meet commitments to beneficiaries as well as to better align the Company's investment activities with the broader interests of society.

The Investment Manager has a company wide banned list for controversial weapons but as a general rule does not exclude industries or individual companies on standardised ESG factors. Most leading companies in Japan now produce in-depth Sustainability Reports detailing their policies for ESG initiatives along with, in some cases, practical examples and numerical data. These are consistent with global procedures such as the GRI Sustainability Reporting Guidelines and the Task Force on Climate-related Financial Disclosures. The Investment Manager would seek further clarification if a company did not produce the relevant report or chose not to support the international standards. The portfolio management team also maintain a regular dialogue with the Japan Stock Exchange, which joined the Sustainable Stock Exchanges initiative in 2017, to maintain a knowledge of the current initiatives it promotes.

SECTION 172 STATEMENT

This section of the Annual Report covers the Board's considerations and activities in discharging their duties under s.172(1) of the Companies Act 2006, in promoting the success of the Company for the benefit of its members as a whole.

This statement includes consideration of the likely consequences of the decisions of the Board in the longer term, how the Board has taken wider stakeholders' needs into account and the impact of the Company's operations on the environment.

The Board, together with the Investment Manager, sets an overall investment strategy and reviews this on an ongoing basis. In order to ensure good governance of the Company, the Board has set various limits on the investments in the portfolio, including the size of individual holdings, investments in exchange traded funds, and the level of gearing. These limits and guidelines are regularly monitored.

The Board is ultimately responsible for all stakeholder engagement. As an externally managed investment company, the Company does not have any employees; rather it employs external suppliers to fulfil a range of functions, including investment management, secretarial, administration, public relations (PR), corporate brokering, depositary and banking services, etc. All these service providers who are stakeholders in the Company themselves help the Board to fulfil its responsibility to engage with the Shareholders and other stakeholders.

The Board has identified the major stakeholders in the Company's business. On an ongoing basis the Board monitors both potential and actual impacts of the decisions it makes in respect of the Company upon those major stakeholders identified.

Shareholders: The Board's principal concern is the interests of the Company's Shareholders and potential investors. As a public company listed on the London Stock Exchange, the Company is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The Listing Rules include a listing principle that a listed company must ensure that it treats all shareholders of the same class of shares that are in the same position equally in respect of the rights attaching to such shares. With the assistance of regular discussions with and the formal advice of the Company's legal counsel, secretary and corporate broker; the Board abides by the Listing Rules at all times.

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. As of 23 February 2021, the Company's portfolio offers the highest dividend yield 3.4% derived from income earnings of any investment trust within the AIC Japan sector. The Board recently announced that it has declared a total dividend for the 2020 year of 4.60p per Ordinary Share, an increase of 2.22% on last year's full year distribution of 4.50p per Ordinary Share and is paid out of income received. Furthermore, the Company has the power to distribute from capital, having created a special reserve at launch for this purpose, as a contingency facility. Gearing is employed structurally to further boost returns.

The Board maintains open dialogue between Shareholders the Investment Manager and other service providers. The Investment Manager along with the Company's corporate broker regularly meets with the Company's Shareholders to provide Company updates and to foster regular dialogue. Feedback from meetings between the Investment Manager and Shareholders is communicated with the Board. The Chairman and other members of the Board are available to support these meetings and to address shareholder questions and consult major Shareholders at least on an annual basis.

The announcement that the Board were considering a bonus Subscription Share issue on 26 November 2020 allowed the Chairman and the Company's corporate broker to engage in wide consultation with Shareholders. This gave the Board confidence to proceed with the Issue that was approved by 99.95% of Shareholders voting at the General Meeting held on 15 February 2021.

In normal circumstances, the Board encourages Shareholders to attend and participate in the Company's Annual General Meeting ("AGM") where the Investment Manager, provides a presentation on the Company's performance during the year, and considers the challenges and outlook for the future. This year, on account of COVID-19, this is not possible. The Board has been closely monitoring the evolving COVID-19 situation and the safety and security Shareholders and of the Company's service providers is paramount. Therefore, in compliance with the 'Stay at Home Measures' passed into law in England and Wales on 6 January 2021, the AGM on 26 March 2021 will take place as a closed meeting. Shareholders (other than those required to form the quorum for the AGM) therefore cannot attend the meeting.

There will be an opportunity to ask questions in advance of the AGM. If Shareholders have a question relating to the business of the AGM, they should send it by email to **ukfundcosec@PraxisIFM.com**. To the extent that it is appropriate to do so, the Company will respond to any questions received in a Q&A which will be posted on the Company's website **www.ccjapanincomeandgrowthtrust.com** in advance of the AGM.

Shareholders should appoint the 'Chair of the meeting' to act as their proxy as any other named person will not be permitted to attend the AGM. Further details on the appointment of a proxy are included in the Notice of AGM.

The Company's Annual and Interim Reports are made available on the Company's website and also circulated to Shareholders as requested, providing Shareholders with an in depth understanding of the Company's financial position and portfolio. This information is supplemented by the daily calculation and publication of the NAV per Share and a monthly factsheet and portfolio data, which are announced via a Regulatory Information Service feed and are also available on the Company's website.

In addition, the Board oversees the maintenance and integrity of the corporate and financial information included on the Company's website, which has recently been redesigned to incorporate more user-friendly features and information. The Board has also engaged the services of a professional PR company, Cornerstone, and an independent research consultancy, Kepler, to ensure that information and news about the company is regularly available for existing and potential Shareholders.

Investment Manager: The most significant service provider for the Company's long-term success is CCAM, who have been engaged as the Company's Investment Manager. The Investment Manager is responsible for the management of the Company's portfolio in accordance with the Company's investment policy and the terms of the Investment Management Agreement. The Investment Manager has also been appointed as the Company's AIFM in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"), for the purpose of providing investment advisory services to the Company. The Company has been managed by Richard Aston since launch in 2015 and the team has been strengthened in recent years, with the addition of Megumi Takayama as an investment analyst. Mr Aston normally visits Japan four or five times a year to get a better insight into the market as a whole and to confirm the commitment of management of the investee companies. Since the advent of the pandemic, company meetings have had to be undertaken virtually and via conference calls. The Investment Manager has continued to encourage the managements of investee companies to respond appropriately to operational challenges and to ensure that high standards of corporate governance and regard for shareholders are at the forefront of managerial decision making.

The Board monitors the Company's investment performance in relation to its objectives and investment policy and strategy. The Board regularly assesses the experience and resources of the Investment Management team and the commitment of the Investment Manager to promote the Company, foster Shareholder relations and to ensure that the Company's objective of providing dividend income combined with capital growth for its investors is met. The Board receives and reviews regular reports and presentations from the Investment Manager. An open and active relationship is maintained with the Investment Manager at Board meetings and additional meetings are held when needed. During the volatile market environment caused by the global pandemic this financial year, the Board held a number of additional ad hoc meetings with the Investment Manager.

Suppliers: A list of the Company's key service providers can be found on page 70 of this Report. As an externally managed investment trust, the Company conducts all its business through its key service providers. Before the engagement of a service provider, the Board ensures that the Company's business outlook as well as values are similar. On an annual basis, the Board reviews the continuing appointment of each service provider to ensure re-appointment is in the best interests of the Company's Shareholders. The Board has strong working relationships with the Investment Manager, Broker, Company Secretary, Administrator and Depositary. The Board receives reports by the Investment Manager and Company Secretary on the performance of all the key service providers. During the year under review, the Board sought, and received, reassurance that all key service providers had appropriate business continuity plans in place. All key service providers have maintained a high standard of service and demonstrated operational resilience whilst working remotely during the lockdowns caused by the COVID-19 crisis.

Regulators: The Company and its appointed professional suppliers keep abreast of the rules and regulations affecting the investment company sector. The Board, Company Secretary and AIFM are responsible for ensuring that various regulatory and statutory obligations are met. As AIC members, the Board can draw on the resources available detailing any regulatory changes. During the year under review, the Board has considered emergency legislation brought in to help companies engage effectively with Shareholders during periods of COVID-19 enforced social distancing. These include the ability to conduct virtual AGM's and extend publication of accounts where necessary.

Wider community and the Environment: The Investment Manager, CCAM, as steward of the Company's assets, engages with investee companies to ensure high standards of governance. The investment strategy of the Company is predicated upon the improving standards of Shareholder governance in Japan and the commitment of investee companies to act in the interests of all stakeholders. In making investment decisions, CCAM takes into account qualitative measures such as the environmental and social impact of a company as well as financial and operational measures. Further information of the Company's ESG policy is explained on page 15.

In summary, the Directors are cognisant of their duties laid out in Section 172 of the Companies Act 2006 to make decisions taking into account the long term consequences of all the Company's key stakeholders and reflect the Board's belief that the long term sustainable success of the Company is linked directly to its key stakeholders.

For and on behalf of the Board

Harry Wells
Chairman of the Board

25 February 2021

HOLDINGS IN PORTFOLIO

AS AT 31 OCTOBER 2020

Company	Sector	Market value £'000	% of net assets
Shin-Etsu Chemical	Chemicals	9,219	5.0
West Holdings	Services	8,377	4.5
Itochu Corp	Wholesale	7,926	4.3
Nippon Telegraph & Telephone	Information & Communications	7,286	4.0
GLP J-REIT	Real Estate	7,093	3.8
Tokio Marine Holdings	Insurance	6,866	3.7
SBI Holdings	Securities & Commodities	6,174	3.3
Tokyo Electron	Electrical Appliances	6,171	3.3
Softbank	Information & Communications	5,800	3.1
Japan Exchange Group	Other Financing Business	5,621	3.0
Sumitomo Mitsui Financial Group	Banks	5,354	2.9
Shoei	Securities & Commodities	5,318	2.9
Noevir	Chemicals	5,144	2.8
Kyocera	Electrical Appliances	5,071	2.8
Hikari Tsushin	Information & Communications	4,858	2.7
Kyowa Exeo	Construction	4,783	2.6
Secom	Services	4,533	2.5
Kao	Chemicals	4,377	2.4
Hoya	Precision Instruments	4,351	2.4
Mitsubishi	Wholesale	4,284	2.4
R-Invesco Rg	Real Estate	4,277	2.3
KDDI	Information & Communications	4,112	2.2
Fujitsu	Electrical Appliances	4,055	2.2
NEC Network and System Integration	Information & Communications	3,869	2.1
Mitsubishi UFJ Financial Group	Banks	3,780	2.1
Star Asia Investment	Real Estate	3,757	2.0
Murata Manufacturing Company	Electrical Appliances	3,746	2.0
Tokyo Ohka Kogyo	Chemicals	3,634	2.0
Nihon Unisys	Information & Communications	3,628	2.0
Pigeon	Other products	3,532	1.9
Nitto Denko	Chemicals	3,499	1.9
MCUBS Midcity Investment	Real Estate	2,747	1.5
Technopro Holdings	Services	2,378	1.3
Denso	Transport Equipment	2,139	1.2

Company	Sector	Market value £'000	% of net assets
DIP	Services	2,063	1.1
Tsubaki Nakashima	Machinery	1,892	1.0
Nippon Parking Development	Real Estate	1,888	1.0
Aoyama Zaisan Networks	Real Estate	1,883	1.0
GCA Corporation	Services	1,680	0.9
Yamada Consulting	Services	1,595	0.9
Gakkyusha	Services	1,357	0.7
Nomura	Services	595	0.3
Mainichi Comnet	Real Estate	215	0.1
Total holdings		**180,927**	**98.1**
Other net assets		3,433	1.9
Net asset value		**184,360**	**100.0**

TOP TEN SECTORS

AS AT 31 OCTOBER 2020

Sector	% of net assets
Information & Communications	16.1
Chemicals	14.1
Services	12.2
Real Estate	11.7
Electrical Appliances	10.3
Wholesale	6.7
Securities & Commodities	6.2
Banks	5.0
Insurance	3.7
Other Financing Business	3.0
Other Sectors	9.1
Other net assets	1.9
Total	**100.0**

TOP TEN CONTRACTS FOR DIFFERENCE (“CFDs”)

AS AT 31 OCTOBER 2020

Company	Sector	Absolute value £'000	Absolute value as a % of net assets	Market value £'000
Shin-Etsu Chemical	Chemicals	1,844	1.0	269
West Holdings	Services	1,675	0.9	1,069
Itochu Corp	Wholesale	1,585	0.9	43
Nippon Telegraph & Telephone	Information & Communications	1,457	0.8	(365)
GLP J-Reit	Real Estate	1,419	0.8	260
Tokio Marine Holdings	Insurance	1,373	0.7	(360)
SBI Holdings	Securities & Commodities	1,235	0.7	65
Tokyo Electron	Electrical Appliances	1,234	0.7	227
Softbank	Information & Communications	1,160	0.6	(254)
Japan Exchange Group	Other Financing Business	1,124	0.6	201
Top ten		**14,106**	**7.7**	**1,155**
Other		22,077	12.0	(3,110)
Total		**36,183**	**19.7**	**(1,955)**

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31 October 2020.

Strategic report

The Directors' Report should be read in conjunction with the Strategic Report on pages 2 to 20.

Corporate governance

The Corporate Governance Statement on pages 26 to 30 forms part of this report.

Legal and taxation status

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The manner in which the Company conducts its affairs meets the requirements for approval as an investment trust under section 1158 of the Corporation Tax Act 2010. In the opinion of the Directors, the Company has met the conditions and requirements for approval as an investment trust for the year ended 31 October 2020 and intends to continue to do so.

Management

CCAM has been appointed as the Company's Investment Manager and Alternative Investment Fund Manager (the "Investment Manager" or the "AIFM"). CCAM is authorised and regulated by the Financial Conduct Authority.

The Investment Management Agreement is subject to not less than six months' written notice. There is no compensation payable on termination of the agreement.

The Investment Manager is entitled to remuneration each month at a rate equivalent to one twelfth of 0.75% of the Net Asset Value of the Company.

In accordance with the Directors' policy on the allocation of expenses between revenue and capital 80% of the management fee is charged to capital and the remaining 20% to revenue.

The Board reviews this policy on a periodic basis and confirms this allocation remains consistent with their expectations of future returns from the portfolio.

Management engagement

The Company has had a difficult year, with the progressive investment performance of the Company since listing in December 2015 derailed by the global COVID-19 pandemic. The Board however has confidence that the Investment Manager can get back on track and having carefully reviewed the Investment Manager's appointment during the year. The Directors are satisfied that the Investment Manager has the suitable skills and experience to manage the Company's investments and believe that the continuing appointment of the Investment Manager is in the interests of Shareholders as a whole. Since inception, the Company has met its objectives set out in the Prospectus in relation to the annual dividend, which has risen every year since inception.

Alternative Investment Fund Managers Directive ("AIFMD")

In accordance with the AIFMD, the Company has appointed CCAM as its Alternative Investment Fund Manager ("AIFM"). The AIFM must ensure that an annual report containing certain information on the Company is made available to investors for each financial year. The FCA Investment Funds Sourcebook (the "Sourcebook") details the requirements of the annual report. All the information required by those rules is included in this Annual Report or will be made available on the AIFM's website: (**www.ccjapanincomeandgrowthtrust.com/ccji-documents/report-accounts**).

The AIFM is required to make certain disclosures on its remuneration in respect of the AIFM's relevant reporting period which is the year ended 31 December 2019. These disclosures are available on the AIFM's website (**www.couplandcardiff.com/aifm-remuneration-disclosure**) or are available on request from the AIFM.

Leverage (under AIFMD)

The AIFM is required to set leverage limits as a percentage of net assets for the Company utilising methods prescribed under AIFMD. These methods are known as the gross method and the commitment method. Under both methods the AIFM has set current maximum limits of leverage for the Company of 200%. A leverage percentage of 100% equates to nil leverage.

The Company's leverage under each of these methods at its year end is shown below:

	Gross method	Commitment method
Maximum leverage limit	200%	200%
Actual leverage at 31 October 2020	119%	119%

Dividend policy

The Company intends to pay dividends on a semi-annual basis, with dividends normally declared in January and June and paid in March and July/August in each year, and to grow the dividend over time. The semi-annual dividends will not necessarily be of equal amounts.

In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15% of its income (as calculated for UK tax purposes) in respect of an accounting year.

In order to increase the distributable reserves available to facilitate the payment of future dividends, the amount standing to the credit of the share premium account of the Company immediately following completion of the first issue of Ordinary Shares on 15 December 2015 was cancelled and transferred to a special distributable reserve. The Company may, at the discretion of the Board, pay all or part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective.

Dividends will normally be funded through distributions from portfolio companies including dividends and other distributions, taking account of share buybacks by portfolio companies.

The Company declared an interim dividend of 1.40p per Ordinary Share in June 2020, which was paid on 24 July 2020. On 14 January 2021 the Company declared a second interim dividend in respect of the year ended 31 October 2020 of 3.20p per Ordinary Share, which, will be paid on 5 March 2021, to Shareholders on the register at 5 February 2021.

This year a second interim dividend is being paid in substitution for the final dividend.

Share issuance programme

A prospectus and supplementary prospectus were issued by the Company on 9 January 2018 and 19 January 2018, respectively, to authorise the 2018 Share Issuance Programme which expired on 8 January 2019. At a General Meeting held on 4 February 2019, authority was granted by shareholders to issue up to a further 16,932,556 Ordinary Shares. This authority expired at the Annual General Meeting held in 2019.

General authority to issue shares

A general authority to issue up to 26,932,648 Ordinary Shares and to disapply pre-emption rights when issuing those shares was granted at the Company's last Annual General Meeting. This authority will expire at the time of the Annual General Meeting to be held in March 2021.

During the year ended 31 October 2020, the Company did not utilise its authority to issue shares. However, the Board recommends that the Company is granted a new authority to issue up to a maximum of 13,473,061 Ordinary Shares (representing approximately 10% of the shares in issue at the date of this document) and to disapply pre-emption rights when issuing those Ordinary Shares. Resolutions to this effect will be put to Shareholders at the Annual General Meeting. Any Ordinary Share issues will be issued at a premium to (cum income) Net Asset Value.

Treasury shares

The Companies Act allows companies to hold shares acquired by way of market purchases to be held as treasury shares, rather than having to cancel them. This would give the Company the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Ordinary Shares will be sold from treasury at a price less than the (cum income) Net Asset Value per existing Ordinary Share at the time of their sale unless they are first offered pro rata to existing Shareholders.

No Ordinary Shares were bought back during the year ended 31 October 2020 and no Ordinary Shares are currently held in treasury.

Discount management

The Directors recognise the importance to existing Shareholders of the Ordinary Shares not trading at a significant discount to their prevailing NAV. To the extent that the Ordinary Shares trade at a significant discount to their prevailing NAV, the Board will consider whether, in the light of the prevailing circumstances, the Company should purchase its own Ordinary Shares, whether pursuant to the general authority referred to below or pursuant to tender offers made on appropriate terms. There is, however, no guarantee or assurance that any discount control mechanisms proposed by the Board will reduce any discount.

The Directors currently have the authority to make market purchases of up to 20,196,118 Ordinary Shares. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Ordinary Shares will be repurchased only at prices below the prevailing NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for remaining shareholders.

It is intended that a renewal of the authority to make market purchases will be sought from Shareholders at each Annual General Meeting of the Company and such a resolution will put forward at the forthcoming Annual General Meeting. Purchases of Ordinary Shares will be made within guidelines to be established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company and when shares are trading and at a price that is below the then prevailing NAV per Ordinary shares. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

Purchases of Ordinary Shares may be made only in accordance with the Companies Act, the Listing Rules and the Disclosure Guidance and Transparency Rules.

Life of the Company

The Company has no fixed life but, pursuant to the Articles, an ordinary resolution for the continuation of the Company will be proposed at the Annual General Meeting to be held in 2022 and, if passed, every three years thereafter. Upon any such resolution not being passed, within 90 days proposals will be put forward to the effect that the Company be wound up, liquidated, reconstructed or unitised.

Market information

The Company's share capital is admitted to the premium listing segment of the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange. The NAV per share is calculated in sterling for each business day that the London Stock Exchange is open for business. The daily NAV per share is published through a regulatory information service.

Bank overdraft facility

The Company has a bank overdraft facility with The Northern Trust Company. Under the terms of the facility a maximum of £12 million, or the equivalent in Japanese Yen, can be drawn down. As at the year end, the equivalent of £1,534,000 (2019: £1,174,000) of the overdraft facility has been utilised on the Japanese Yen bank account.

Derivatives

The Company may utilise long only contracts for difference or equity swaps for gearing and efficient portfolio management purposes. Where the Company uses such instruments, it is likely to take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default.

As at 31 October 2020, the Company held contracts for difference with a gross exposure of £38,137,000 (2019: £44,129,000).

Financial instruments

The financial instruments of the Company generate liquidity risk, credit risk and market risk. An explanation of these risks and how they are managed and the policy and practice with regard to financial instruments are contained in note 16 of the financial statements.

Depositary and custodian

Northern Trust Global Services SE is the Company's depositary and custodian.

Company Secretary

PraxisIFM Fund Services (UK) Limited is appointed as the company secretary of the Company.

Administrator

PraxisIFM Fund Services (UK) Limited is appointed to provide administration services to the Company, including calculation of its daily Net Asset Value.

Capital structure and voting rights

At the financial year end, the Company's issued share capital comprised 134,730,610 Ordinary Shares of 1p nominal value. Each Ordinary Share held entitles the holder to one vote. All shares carry equal voting rights and there are no restrictions on those voting rights.

Voting deadlines are stated in the Notice of Annual General Meeting and Form of Proxy and are in accordance with the Companies Act 2006.

There are no restrictions on the transfer of Ordinary Shares, nor are there any limitations or special rights associated with the Ordinary Shares.

Following the Company's year end, a General Meeting was held to approve the 1 for 5 Bonus Issue of Subscription Shares. Following admission of the Subscription Shares on 18 February 2021 there were 26,946,122 Subscription Shares in issue. Subscription Shareholders are not entitled to attend or vote at meetings of Shareholders.

Significant Shareholders

As at 31 October 2020, the Directors have been formally notified of the following shareholdings comprising 3% or more of the issued share capital of the Company in accordance with DTR 5 (The Disclosure and Guidance Transparency Directive):

Significant Shareholder	Holding	%
1607 Capital Partners LLC	15,319,652	11.37
Rathbone Investment Management Ltd	13,404,704	9.95
Close Asset Management Limited	6,778,757	5.03
WM Thomson	6,454,660	4.79
Charles Stanley Group PLC	5,689,763	4.22
J M Finn Nominees Limited	5,455,300	4.05
Derbyshire County Council	5,000,000	3.71
Brooks Macdonald Asset Management Limited	4,725,154	3.51

Since the year end, the Company has been notified of one change to the above shareholdings, being City of London Investment Management Company Limited, who have purchased 7,013,404 Ordinary Shares, resulting

STRATEGIC REPORT GOVERNANCE FINANCIALS OTHER INFORMATION in a holding of 5.2% of the issued share capital of the Company.

Settlement of ordinary share transactions

Ordinary Share transactions in the Company are settled by the CREST share settlement system.

Political donations

There were no political donations made during the financial year to 31 October 2020 (2019: nil).

Notice of general meetings

For the Annual General Meeting at least twenty-one days' notice shall be given to all the members and to the auditors. All other general meetings shall also be convened by not less than twenty one days' notice to all those members and to the auditors. A special resolution will be proposed at the Annual General Meeting to renew the authority to reduce the period of notice for General Meetings to fourteen days. Reduced notice will be used only under exceptional circumstances.

Going concern

The Directors have adopted the going concern basis in preparing the accounts. The following is a summary of the Directors' assessment of the going concern status of the Company, which should be read in conjunction with the Viability Statement on page 10.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from 25 February 2021. 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 31 October 2020 were £184.4 million (2019: £214.1 million). As at 31 October 2020, the Company held £180.9 million in quoted investments (2019: £211.2 million) and had cash of £2.5 million (2019: £2.5 million).

The total expenses (excluding finance costs and taxation) for the year ended 31 October 2020 were £2.0 million (2019: £1.9 million), which represented approximately 1.04% (2019: 1.06%) of average net assets during the year. At the date of approval of this document, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.

In the light of the COVID-19 pandemic, the Directors have fully considered and assessed the Company's portfolio of investments. A prolonged and deep market decline could lead to falling values to the investments or interruptions to cashflow. However, the Company currently has more than sufficient liquidity available to meet future obligations.

The market and operational risks associated with the COVID-19 pandemic, and the ongoing economic impact of measures introduced to combat its spread, were discussed and continually monitored by the Board. The Investment Manager, Administrator and other key service providers are providing regular updates on operational resilience. The Board is satisfied that the key service providers have the ability to continue to operate efficiently in a remote or virtual working environment, as has been demonstrated during 2020.

Appointment and replacement of Directors

The rules governing the appointment and replacement of Directors are contained in the Company's Articles of Association which requires that Board members retire at every third AGM after appointment. However, the Board has agreed that all members will be subject to Annual re-election.

If a Board member does not put themself forward for re-election at the Annual General Meeting, or the resolution to re-elect them to the Board fails, they will step down. Furthermore, the Board may determine that a Board member may decide to step down at any time.

No Board member is subject to compensation for loss of office.

Articles of Association

Any amendment of the Company's Articles of Association requires shareholder approval.

Directors' indemnities

Details on the Directors' indemnities in place are provided in the Directors' Remuneration Implementation Report.

Auditor information

Each of the Directors at the date of the approval of this report confirms that:

(i) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(ii) the Director has taken all steps that they ought to have taken as Director to make themself aware of any relevant information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

In accordance with Section 489 of the Companies Act 2006, a resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put forward at the forthcoming Annual General Meeting.

Future trends

Details of the main trends and factors likely to affect the future development, performance and position of the Company's business can be found in the Investment Manager's Report section of this Strategic Report on pages 7 and 8. Further details as to the risks affecting the Company are set out in the 'Principal Risks and Emerging Risks and Uncertainties' on pages 11 to 14.

Annual General Meeting

The Company's forthcoming AGM will be held at 12 noon on 26 March 2021. The Notice of the AGM can be found on pages 71 and 72 of this Annual Report and downloaded from the website.

By order of the Board

Brian Smith
For and on behalf of
PraxisIFM Fund Services (UK) Limited
Company Secretary

25 February 2021

CORPORATE GOVERNANCE

Introduction

The Board of the Company has considered the Principles and Provisions of the 2019 Association of Investment Companies (AIC) Code of Corporate Governance. The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the “UK Code”), as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council (“FRC”), provides more relevant information to shareholders. AIC members who report against the AIC Code and the AIC Guide fully meet their obligations under The UK Corporate Governance Code and the related disclosure requirements contained in the Listing Rules.

The Company has complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website (**www.theaic.co.uk**). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

During the financial year ended 31 October 2020, the Company has complied with the recommendations of the AIC Code and the relevant provisions of The UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

(i) the role of the chief executive;

(ii) executive Directors’ remuneration; and

(iii) the need for an internal audit function.

The Board considers that these provisions are not relevant to this externally managed investment company. The Company has no employees and all the day-to-day management and administrative functions are outsourced to third parties.

The Board of Directors

As at the date of this report, the Board consists of five non-executive Directors including the Chairman. All the Directors apart from Kate Cornish-Bowden have served during the entire period since the Company’s launch on 13 November 2015. Kate Cornish Bowden was appointed as a Director with effect from 3 September 2018. Peter Wolton is the Senior Independent Director. All Directors, including the Chairman, are regarded as independent of the Company’s Investment Manager.

The Board believes that during the year ended 31 October 2020 its composition was appropriate for an investment company of the Company’s nature and size. All of the Directors are independent of the Investment Manager and are able to allocate sufficient time to the Company to discharge their responsibilities effectively.

The Directors have a broad range of relevant experience to meet the Company’s requirements and their biographies are given below:

Harry Wells (non-executive Chairman)

Harry has over 40 years’ experience of investment markets, primarily as an institutional stockbroker specialising in the Asia Pacific region, based in London and Hong Kong, latterly as a Managing Director of Salomon Smith Barney. Harry has extensive investment trust experience previously serving as a non-executive Director and Chairman of both Martin Currie Asia Unconstrained Investment Trust PLC and The Establishment Investment Trust PLC. Harry holds an MA degree in Land Economy from Cambridge University and is a Fellow of the Chartered Institute for Securities and Investment and a Member of the Royal Institution of Chartered Surveyors.

Kate Cornish-Bowden (non-executive Director and Chair of the Audit and Risk Committee)

Kate worked for Morgan Stanley Investment Management for 12 years, where she was a Managing Director and head of Morgan Stanley Investment Management’s Global Core Equity business. Prior to joining Morgan Stanley, Kate worked for M&G Investment Management where she spent two years as a research analyst. Kate is a non-executive Director and Senior Independent Director of Schroder Oriental Income Fund Limited, a non-executive Director of Finsbury Growth & Income Trust plc and a non-executive Director of International Biotechnology Trust plc. Kate was formerly the Chair of the Audit Committee of Calculus VCT plc. Kate is an Associate of the Institute of Investment Management and Research (formerly AIMR, now Chartered Financial Analyst Institute), holds a Masters in Business Administration (MBA), and has completed the Financial Times Non- Executive Director Diploma. She is also a Mentor for The Prince’s Trust.

John Scott (non-executive Director)

John has considerable experience of both Asian markets and of the investment trust sector. He is also Chairman of the specialist trusts, Impax Environmental Markets plc, JP Morgan Global Core Real Assets Ltd. and Jupiter Emerging and Frontiers Income Trust plc, and Chairman of the Lloyd’s Members’ agent, Alpha Insurance Analysts.

His other Directorships include a Guernsey registered business, Bluefield Solar Income Fund Limited. John started his career in Hong Kong with Jardine Matheson in 1974 and joined investment bank, Lazard Brothers in London in 1981, where he spent 20 years, including three years in Tokyo.

John is a Fellow of the Chartered Insurance Institute. He has a degree in Economics from Cambridge University and an MBA from INSEAD, France.

Mark Smith (non-executive Director)

Mark is an Investment Manager at Waverton Investment Management (formerly known as J O Hambro Investment Management) which he joined in 2002. He manages portfolios for both UK and international clients, is a Japanese equity specialist and a member of the Stock Selection Committee. Prior to joining Waverton, Mark spent a number of years in institutional fund management specialising in Japanese equities, firstly at Provident Mutual but mainly at Foreign & Colonial where he worked for five years, ultimately managing large Japanese equity funds. Mark graduated from Exeter University in 1994 with a degree in Spanish, has passed his IIMR exams and is an Associate of the Institute (now CFA).

Peter Wolton (Senior Independent Director)

Peter has wide experience of Japan and the investment trust sector. He was resident in Tokyo from 1994 to 1998 where he was responsible for Schroders' asset management activities and, from 1996, Schroders' Country Head. He is a former Director of Dunedin Income Growth Investment Trust plc, TR Property Investment Trust plc and Schroder Japan Growth Fund plc.

He commenced his career with Savills, qualifying as a Chartered Surveyor in 1980. From 1983 until 2001 he worked for Schroders, specialising in the management of UK equity portfolios for pension funds and charities until 1993 when he was transferred to Japan. From 1998 to 2001 he headed Schroders' global retail businesses and from 2002 to 2003 was Chief Executive Officer of the Investment Management Group of Baring Asset Management. Peter has degrees in Land Economy from Cambridge University and Contextual Theology from Middlesex University.

Responsibilities of the Chairman, the Board, and its Committees

The Chairman leads the Board and is responsible for its overall effectiveness in directing the affairs of the Company. The Company has adopted a document setting out the responsibilities of the Chairman.

Tenure, Independence and Succession

Generally, Directors are initially appointed by the Board, until the following AGM when, as required by the Company's Articles of Association, they will stand for election by Shareholders. All Directors will stand for annual re-election on a voluntary basis.

The Board recognises the benefits to the Company of having longer serving Directors together with progressive refreshment of the Board. The Board does not believe that length of service in itself necessarily disqualifies a Director from acting independently. However, the Board will take into account the requirements of the AIC Code when making a recommendation for a Directors' reappointment. Accordingly, the Board may decide to recommend a director with more than nine years' service for re-election at the Company's AGM. In order to ensure continuity, the Board has adopted corporate governance best practice and has a succession plan in place that allows for gradual refreshment.

No Director of the Company has served for nine years or more and all Directors remain independent of the Company's Investment Manager. However, the Board is mindful that four of the five Board members will reach their ninth anniversary simultaneously on 10 November 2024. With this in mind, Mr Smith will not be offering himself for re-election at the forthcoming AGM to be held in 2021. Mr Smith has a senior full time role at Waverton Investment Management and finds that his duties are beginning to conflict with the time he has to devote to his responsibilities as a non-executive Director.

The Board has a succession plan in place with a view to appointing a new Director in the current financial year.

Induction, Training and Evaluation

On appointment, each Director receives a complete induction programme including the opportunity to meet with the Investment manager and other service providers. The performance of each Director will be appraised each year by the Nomination Committee which is chaired by the Chairman of the Board. The evaluation of the annual performance of the Chairman is conducted by the Senior Independent Director. The Directors receive other relevant training as necessary.

A policy of insurance against Directors' and Officers' liabilities is maintained by the Company.

A procedure has been adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. Copies of the Directors' appointment letters are available on request from the Company Secretary.

Board committees

The Audit and Risk Committee comprises all Directors and is chaired by Kate Cornish-Bowden, who succeeded John Scott as Chair of the Audit and Risk Committee on 11 March 2020. Mr Scott remains a member of the Board and the Committees.

CORPORATE GOVERNANCE continued

In line with the AIC Code, the independent Chairman of the Board is also a member of the Audit and Risk Committee. The Chairman's membership of the Audit and Risk Committee is considered appropriate given his extensive knowledge of the Investment Trust sector.

The report of the Audit and Risk Committee can be found on pages 33 to 35.

The Company has a Management Engagement Committee which is chaired by the Chairman of the Company, Harry Wells, and consists of all the Directors. The Management Engagement Committee's principal duties are to consider the terms of appointment of the Investment Manager and to review annually the appointment and the terms of the Investment Management Agreement. The Management Engagement Committee also reviews the continued appointment and performance of the Company's other service providers.

The Company also has a Nomination Committee which is chaired by the Chairman of the Company, Harry Wells. The Nomination Committee is responsible for identifying and proposing candidates for the office of Director of the Company. The Nomination Committee also considers and reviews the fees payable to the non-executive Directors and makes recommendations regarding such fees to the Board.

The terms of reference for these committees can be found on the Company's website: **https://www.ccjapanincomeandgrowthtrust.com/ccji-documents/prospectus-terms-of-reference-disclosures**

Board diversity

The Company's policy is that the Board should have an appropriate level of diversity in the boardroom, taking into account relevant skills, experience, gender, social and ethnic backgrounds, cognitive and personal strengths. Brief biographies of the Directors are shown on pages 26 and 27. The policy is to ensure that the best person is appointed for the role and to ensure that the Company's Directors bring a wide range of knowledge, experience skills, backgrounds and perspectives to the Board. There will be no discrimination on the grounds of gender, religion, race, ethnicity, sexual orientation, age or physical ability. The overriding aim of the policy is to ensure that the Board is composed of the best combination of people for ensuring effective oversight of the Company and constructive support and challenge to the Investment Manager. Consideration is given to the recommendations of the AIC Code and the Board supports the recommendations of the Hampton-Alexander Review. The Board comprises one female and four male Board members.

Meeting attendance

The number of formal meetings of the Board and Committees are as follows, together with individual Directors' attendance at those meetings.

	Quarterly Board	Audit and Risk Committee	Management Engagement Committee	Nomination Committee
Number of meetings held	4	3	1	1
Harry Wells	4	3	1	1
Kate Cornish Bowden	4	3	1	1
John Scott	4	3	1	1
Mark Smith	4	3	1	1
Peter Wolton	4	3	1	1

There were also a number of other ad hoc Board and Committee meetings to review investment management performance due to the COVID-19 pandemic, deal with administrative matters and approve documentation.

Performance appraisal

A performance review of the Investment Manager was undertaken using a programme of open and closed ended questions from each of the Board members which were reviewed by the Chairman of the Management Engagement Committee and discussed with the Board. The results were considered and the Board concluded that the continued appointment of the Investment Manager was in the best interests of the Company's shareholders.

The Committee separately considered each of its other service providers and concluded that their continued appointment was in the best interests of the Company's shareholders.

A formal annual performance appraisal process is performed on the Board, the committees and the individual Directors. A programme consisting of open and closed ended questions was used as the basis for this appraisal. The results were reviewed by the Chairman of the Nomination Committee and discussed with the Board. A separate appraisal of the Chairman has been carried out by the other members of the Board and the results reported back by the Senior Independent Director to the Chairman. The results of the performance evaluation were positive and demonstrated that the Chairman and Directors showed the necessary commitment and have the requisite experience for the fulfilment of their duties.

Conflicts of Interest

As required by law, a Director must avoid a situation where he or she has an interest that conflicts with the Company's interests. The Company's Articles of Association provide the Directors authority to authorise potential conflicts of interest. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate. The procedure observed by the Board in considering dealing with conflicted matters is as follows:

- Any Board member so conflicted must recuse them self from the discussion involving the relevant conflict;
- Only Directors who have no interest in the matter being considered are able to debate the matter and take the relevant decision; and
- In taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success.

The Directors have declared any potential conflicts of interest to the Company. These are entered into the Company's register of potential conflicts, which is reviewed regularly by the Board. The Directors are obliged to advise the Company Secretary as soon as they become aware of any potential conflicts of interest.

Internal control

The AIC Code requires the Board to review the effectiveness of the Company's system of internal controls. The Board recognises its ultimate responsibility for the Company's system of internal controls and for monitoring its effectiveness. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can provide only reasonable assurance against material misstatement or loss. The Board has undertaken a review of the aspects covered by the guidance and has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as being matters of particular importance upon which it requires reports. The Board believes that the existing arrangements, set out below, represent an appropriate framework to meet the internal control requirements. By these procedures, the Directors have kept under review the effectiveness of the internal control system throughout the year and up to the date of this report. The system in place accords with The FRC's 2014 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

Financial aspects of internal control

The Directors are responsible for the internal financial control systems of the Company and for reviewing their effectiveness. These aim to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication and that the assets of the Company are safeguarded. As stated above, the Board has contractually delegated to external agencies the services the Company requires, but it is fully informed of the internal control framework established by the Investment Manager, the Administrator and the Company's Custodian to provide reasonable assurance on the effectiveness of internal financial controls.

The key procedures include review of management accounts and Net Asset Value and monitoring of performance at quarterly Board meetings, supervision by Directors of the valuation of securities, segregation of the administrative function from that of securities and cash custody and from investment management, maintenance of appropriate insurance and adherence to physical and computer security procedures. The Company's key service providers report periodically to the Board on their procedures to mitigate cyber security risks. In addition, procedures have been put in place for authorisation of all expense payments.

The Statement of Directors' Responsibilities in respect of the accounts is on page 36 and a Statement of Going Concern is on page 10. The Report of the Independent Auditor is on pages 37 to 43.

Other aspects of internal control

The Board holds quarterly meetings, plus additional meetings as required. Between these meetings there is regular contact with the Investment Manager, the Company Secretary and the Administrator.

The Board has agreed policies with the Investment Manager on key operational issues. The Investment Manager reports in writing to the Board on operational and compliance issues. The Investment Manager reports direct to the Audit and Risk Committee concerning the internal controls applicable to the Investment Manager's dealing, investment and general office procedures.

CORPORATE GOVERNANCE continued

The Board reviews detailed management accounts from the Administrator, including holdings in the portfolio, transactions and other aspects of the financial position of the Company. The Depositary provides oversight reports for the quarterly Board meetings. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, ensuring that Board procedures are followed and that the Board complies with applicable rules and regulations.

Regular contact with the Investment Manager and the other key service providers enables the Board to monitor the Company's progress towards its objectives and encompasses an analysis of the risks involved. The effectiveness of the Company's risk management and internal controls systems is monitored and a formal review, utilising a detailed risk assessment programme has been completed. This included consideration of the Administrator's, the Depositary and the Registrar's internal controls report. There are no significant findings to report from the review.

Principal and emerging risks

The Directors confirm that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and how they are being managed is set out in the Strategic Report.

Shareholder relations

In normal circumstances, the Company encourages all Shareholders to attend the AGM. However this year, on account of COVID-19, this is not possible. The Board has been closely monitoring the evolving COVID-19 situation and the safety and security Shareholders and of the Company's service providers is paramount. Therefore, in compliance with the 'Stay at Home Measures' passed into law in England and Wales on 6 January 2021, the AGM on 26 March 2021 will take place as a closed meeting. Shareholders (other than those required to form the quorum for the AGM) therefore cannot attend the meeting. There will be an opportunity to ask questions in advance of the AGM. If Shareholders have a question relating to the business of the meeting, they should send it by email to **ukfundcosec@PraxisIFM.com**. To the extent that it is appropriate to do so, the Company will respond to any questions received in a Q&A which will be posted on the Company's website **www.ccjapanincomeandgrowthtrust.com** in advance of the AGM. Please note that all questions should be submitted by close of business on 22 March 2021 to ensure that the Company is able to respond to them in advance of the AGM. Voting on the resolutions will be conducted on a poll.

The Notice of AGM sets out the business of the AGM and any item not of an entirely routine nature is explained in the Directors' Report. Separate resolutions are proposed for each substantive issue. The Investment Manager has a programme of meetings with significant Shareholders and reports back to the Board on its findings. The Chairman and the Board welcome direct feedback from Shareholders.

Exercise of voting powers and stewardship code

The Company and the Investment Manager support the UK Stewardship Code issued by the Financial Reporting Council. The Investment Manager has published its proxy voting policy and statement of compliance with the principles of best practice of the Stewardship Code on its website at **https://www.couplandcardiff.com/stewardship-code/**

DIRECTORS' REMUNERATION IMPLEMENTATION REPORT

This report has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. An ordinary resolution for the approval of this report will be put forward at the forthcoming Annual General Meeting.

The Directors' Remuneration Implementation Report is put forward for approval by Shareholders on an annual basis. The result of the Shareholder resolution on the Implementation Report is non-binding on the Company, although it gives Shareholders an opportunity to express their views, which will be taken into account by the Board. An ordinary resolution to approve this Directors' Remuneration Implementation Report will be put forward for approval at the Company's Annual General Meeting to be held on 26 March 2021.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures are audited they are indicated as such. The auditor's opinion is on page 37.

Remuneration

The Company currently has five non-executive Directors.

Directors' fees with effect from 1 November 2019, are payable at the rate of £37,500 for the Chairman of the Company; £30,125 for the Chair of the Audit and Risk Committee; £26,000 for the Senior Independent Director and £25,000 per annum for the other Board members.

The Board has not established a separate Remuneration Committee. Board fees are considered annually by the Board as a whole through the Nomination Committee. The Board sets its fees by reference to other investment trusts of a similar nature to that of the Company, to RPI and CPI and other inflationary measures, the time commitment of the Board and the size and the impact to the Company's ongoing charges following a rise in fees. Board fees are not considered against any performance measure. After due consideration, the Committee agreed that no increase in fees is warranted for the current year beginning 1st November 2020.

No remuneration consultants were appointed during the financial year to 31 October 2020.

The Directors' fees and taxable benefits are shown in the table on page 32. The Board believes that these fees appropriately reflect prevailing market rates for an investment trust of the Company's size.

Directors' service contracts

The Directors do not have service contracts with the Company. The Directors are not entitled to compensation on loss of office and no payment was made to past directors for loss of office. The Directors have appointment letters which do not provide for any specific term. In accordance with best practice the Board put themselves forward for annual re-election. There are no restrictions on transfers of the Company's shares held by the Directors, or any special rights attached to such shares. The Directors' letters of appointment can be inspected at the Company's registered office.

Directors' indemnities

Subject to the provisions of the Companies Act 2006, the Company may indemnify any person who is a Director, secretary or other officer (other than an auditor) of the Company, against (a) any liability whether in connection with any negligence, default, breach of duty or breach of trust by them in relation to the Company or any associated company or (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office; and purchase and maintain insurance for any person who is a Director, secretary, or other officer (other than an auditor) of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as Director, secretary or officer.

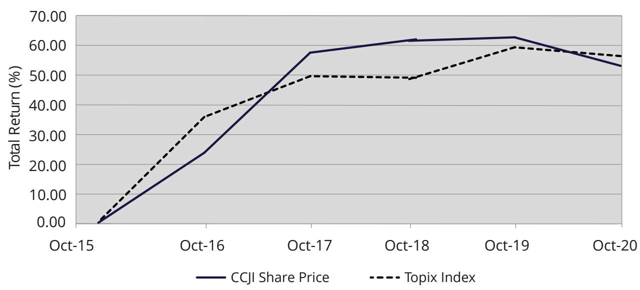
A policy of insurance against Directors' and Officers' liabilities is maintained by the Company.

Director search and selection fees

No Director search and selection fees were incurred during the year.

Performance

The following chart shows the performance of the Company's share price by comparison to the Topix Index, on a total return basis. The Board deems the Topix Total Return Index to be the most appropriate comparator for this report.



Directors' emoluments for the year ended 31 October 2020 (audited)

The Directors who served during the year ended 31 October 2020 received the following remuneration for qualifying services.

DIRECTORS' REMUNERATION IMPLEMENTATION REPORT
continued

Fees and taxable benefits

	Fees 2020 £'000	Taxable benefits 2020 £'000	Fees 2019 £'000	Taxable benefits 2019 £'000
Harry Wells	37.50	–	36.75	–
Kate Cornish-Bowden*	28.30	–	24.50	–
John Scott	26.80	–	29.50	–
Mark Smith	25.00	–	24.50	–
Peter Wolton**	26.00	–	25.50	–
Total	**143.60**	**–**	**140.75**	**–**

* On 11 March 2020 Kate Cornish Bowden took over as Chair of the Audit and Risk Committee from John Scott.

** Peter Wolton is appointed as the Company's Senior Independent Director ("SID").

In addition to the above, the Company paid £530 (2019: £2,540) in expenses to the Directors. None of the above fees was paid to third parties.

A non-binding ordinary resolution to approve the Directors' Remuneration Implementation Report contained in the Annual Report for the year ended 31 October 2019 was put forward at the Annual General Meeting held on 10 March 2020. The resolution was passed with proxies representing 99.88% of the shares voted being in favour of the resolution.

The Directors' Remuneration Policy was last put forward at the Annual General Meeting held on 10 March 2020. The resolution was passed with proxies representing 99.97% of the shares voted being in favour of the resolution. The Directors' Remuneration Policy will next be put forward for approval at the Annual General Meeting to be held in March 2023.

Relative importance of spend on pay

The following table sets out the total level of Directors' remuneration compared to management fees and other expenses incurred by the Company and the distributions to Shareholders by way of dividends.

	2020 £'000	2019 £'000
Directors' fees	144	141
Management fees and other expenses	1,981	1,900
Dividends paid and payable to Shareholders	6,197	6,063

The information in the table above is required by the regulations with the exception of management fees and other expenses which have been included to show the total operating expenses of the Company.

Directors' holdings (Audited)

The interests of the Directors in the Ordinary Shares of the Company as at 31 October 2020 and at 31 October 2019 were as follows. All share holdings are beneficially owned.

	Ordinary Shares as at 31 October 2020	Ordinary Shares as at 31 October 2019
Harry Wells	40,000	40,000
Kate Cornish Bowden	40,000	30,000
John Scott	62,500	62,500
Mark Smith	10,000	10,000
Peter Wolton	67,250	60,000

All Directors own shares in the Company although they are not specifically required to do so.

Since the year end, Directors each hold Subscription Shares issued on a 1 for 5 basis to all Shareholders on 18 February 2021.

Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year to 31 October 2020:

(a) the major decisions on Directors' remuneration;

(b) any substantial changes relating to Directors' remuneration made during the year; and

(c) the context in which the changes occurred and decisions have been taken.

Harry Wells
Chairman

25 February 2021

REPORT OF THE AUDIT AND RISK COMMITTEE

Role of the Audit and Risk Committee

The AIC Code recommends that boards should establish audit committees consisting of at least three, or in the case of smaller companies, two independent non-executive directors. The Board is required to satisfy itself that at least one member of the Audit and Risk Committee has recent and relevant financial experience. The main role and responsibilities of the Audit and Risk Committee should be set out in written terms of reference covering certain matters described in the Code. The Company complies with the AIC Code.

The Audit and Risk Committee meets formally at least three times a year for the purpose, amongst other things, of considering the appointment, independence and objectivity, and remuneration of the auditor and to review the annual report and half-yearly financial report. The Audit and Risk Committee also reviews the Company's internal financial controls and its internal control and risk management systems. Where non-audit services are provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement are considered before proceeding.

Composition

On the 11 March 2020, I took over as Chair of the Audit and Risk Committee. John Scott, who has chaired the Audit and Risk Committee since the Company's inception remains as a member of the Audit and Risk Committee, as do all the Directors of the Company. All committee members have recent and relevant financial experience.

The UK Code recommends that the Chair of the Board should not be a member of the Audit and Risk Committee in accordance with the UK Code. However, as permitted by the AIC Code, the Directors believe that membership of the Audit and Risk Committee of the independent Chair of the Board, Harry Wells is appropriate, and welcome his contribution.

The Audit and Risk Committee has formal written terms of reference and copies of these are available on the Company's website or on request to the Company Secretary. The Audit and Risk Committee has considered the need for an internal audit function and considers that this is not appropriate given the nature and circumstances of the Company. The Audit and Risk Committee keeps the needs for an internal audit function under periodic review.

Performance Evaluation

The Audit and Risk Committee are subject to an annual review of its effectiveness. Further details of the evaluation of the Audit and Risk Committee can be found on page 33.

Internal controls and risk management

The Directors have a dynamic risk register in place to help identify key risks and ensure there are measures in place to manage and mitigate risk; 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 principal and emerging risks. These fall into four categories: strategic and business risk, financial risk, operational risk, and regulatory and compliance risk. The Audit and Risk Committee carries out, at least annually, a robust assessment of the principal and emerging risks and uncertainties and monitors the risks on an ongoing basis.

The Board has overall responsibility for the Company's risk management and systems of internal controls and for reviewing their effectiveness. In common with most investment trusts, investment management, accounting, company secretarial, registrar and depositary services have been delegated to third parties. The effectiveness of the internal controls is assessed on a continuing basis and the Committee receives regular reports. During the year ended 31 October 2020, committee members were particularly concerned to ensure that the internal controls environments of all third party providers remained robust during the extraordinary circumstances of the global pandemic. The Committee is satisfied that internal controls and processes remained resilient during this time of remote working, and that appropriate systems are in place.

Meetings

There have been three Audit and Risk Committee meetings in the year ended 31 October 2020. Meeting attendance is shown on page 28 of this Annual Report. Meetings held since April 2020 have changed somewhat due to the restrictions in place in relation to the COVID-19 pandemic and work has largely been completed remotely using technology, such as video conferencing. Committee members have operated effectively and there has been no break in service from the Company's service providers.

Financial statements and significant accounting matters considered during the year

The Audit and Risk Committee considered the following significant accounting issues in relation to the Company's financial statements for the year ended 31 October 2020.

Valuation and existence of investments

The Company holds its assets in quoted investments and cash. The valuation and existence of these investments is currently the most material matter in the production of the financial statements. Investments are valued using independent pricing sources and the holding quantities at the year end were agreed to the Depositary's records. The Audit and Risk Committee reviewed the Administrator's procedures in place for ensuring accurate valuation and existence of investments. The Audit and Risk Committee also receives and reviews any significant pricing or custody reconciliation exceptions and reports from the Depositary.

Recognition of income

Income may not be accrued in the correct period and/or incorrectly allocated to revenue or capital. The Audit and Risk Committee reviewed the Administrator's procedures for recognition of income and reviewed the treatment of any special dividends receivable in the year. The Audit and Risk Committee also reviewed the Administrator's forecast of revenue against actual revenue received.

Calculation of management fees

Incorrect amounts may be paid to the Investment Manager and recognised in the financial statements if the fees are not calculated correctly. The Audit and Risk Committee reviewed the Administrator's procedures in place for the calculation of management fees and a member of the Audit and Risk Committee approves management fee invoices prior to payment.

COVID-19

The COVID-19 pandemic, which has engulfed the global economy and financial markets, commenced in the months prior to the Company's half year end and the Committee gave in-depth consideration to the potential effects on the Company, specifically the market and operational risks associated with the pandemic. The long term effect of the pandemic on the global economy will become clearer in time and the Committee will continue to monitor how COVID-19 (which is captured in our risk management register) develops.

European Single Electronic Format ("ESEF")

The Committee has noted ESEF Regulations which will apply to accounting years starting on or after 1 January 2021. The ESEF regulations will require the Company to publish their annual financial statements in a common electronic format and the regulations will first apply to the Company for the accounting year ending 31 October 2022.

Conclusion with respect to the Annual Report and financial statements

Following a thorough process of review, the Audit and Risk Committee has concluded that the Annual Report for the year ended 31 October 2020, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's business model, strategy and performance. The Audit and Risk Committee has reported its conclusions to the Board of Directors.

Going concern and viability statements

Having reviewed the Company's financial position, liabilities, principal/emerging risks and uncertainties, the Audit and Risk Committee recommended to the Directors that it was appropriate for the Directors to prepare the financial statements on the going concern basis.

The Going concern assessment and viability statements can be found on pages 24 and 10.

Audit tenure

Ernst & Young LLP was selected as the Company's Auditor at the time of the Company's launch following a competitive process and review of the Auditor's credentials. The auditors have provided this service for five years, with Matthew Price as Audit Partner. In accordance with auditor rotation best practice, Matthew Price will be replaced as Audit Partner this year. The appointment of the auditor is reviewed annually by the Audit and Risk Committee and the Board and is subject to approval by Shareholders. In accordance with the FRC guidance, the audit will be put out to tender within ten years of the initial appointment of Ernst & Young LLP in December 2015.

Effectiveness of external audit

The Audit and Risk Committee is responsible for reviewing the effectiveness of the external audit process. The Audit and Risk Committee received a presentation of the audit plan from the auditor prior to the commencement of the 2020 audit and a presentation of the results of the audit following completion of the main audit testing. The Audit and Risk Committee performed a review of the external auditor following the presentation of the results of the audit. The review included a discussion of the audit process and the ability of the external auditor to fulfil its role.

I spoke to Matthew Price on a number of occasions during the year to discuss feedback from the external audit and am pleased to report that no significant issues arose during the process. The Committee is satisfied that Ernst & Young LLP has provided effective independent challenge in carrying out its responsibilities.

Provision of non-audit services

The Audit and Risk Committee has reviewed the FRC's Guidance on Audit Committees and has formulated a policy on the provision of non-audit services by the Company's auditor. The Audit and Risk Committee has determined that the Company's appointed auditor will not be considered for the provision of certain non-audit services, such as accounting and preparation of the financial statements, internal audit and custody. The auditor may, if required, provide other non-audit services however, and this will be judged on a case-by-case basis.

Ernst & Young LLP did not provide any non-audit services to the Company during the year ended 31 October 2020.

However, the Company has engaged EY to perform reporting accountant services in connection with the preparation of a prospectus in relation to the Company's issuance of Subscription Shares. This service was not provided during the year ended 31 October 2020 and is in the process of being completed. The Audit and Risk Committee has assessed that this non-audit service is a permissible service in accordance with FRC Ethical Standard.

Audit fees

The audit fees (excluding VAT) incurred during the year amounted to £40,000 (2019: £36,000) which includes a non-recurring fee of £2,500 for the additional work relating to the impact of COVID-19. These fees represent an increase over the prior year. The Committee reviewed the audit fees being paid by similar comparative companies and concluded that the increase is in line with audit fee rises experienced across the investment trust sector. Audit firms generally have increased the fees that they charge to investment trusts in order to reflect the increased level of work that they have been required to perform, in the context of more rigorous levels of audit scrutiny and regulation.

Auditor independence

The Audit and Risk Committee considered the independence of the auditor and the objectivity of the audit process and is satisfied that Ernst & Young LLP has fulfilled its obligations to shareholders and as independent auditor to the Company for the year. After due consideration, the Audit and Risk Committee recommends the re-appointment of Ernst & Young LLP and their re-appointment will be put forward to the Company's shareholders at the 2021 AGM.

Kate Cornish-Bowden

Audit and Risk Committee Chairman

25 February 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, which is The Financial Reporting Standard applicable to the UK and Republic of Ireland and applicable law. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of the year and of the net return for the year. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Company Reports and Accounts are published on its website at **www.ccjapanincomeandgrowthtrust.com** which is maintained by the Company's Investment Manager. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the financial statements since being initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmation statement

The Directors each confirm to the best of their knowledge that:

(a) the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and

(b) this Annual Report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

Having taken advice from the Audit and Risk Committee, the Directors consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

For and on behalf of the Board

Harry Wells
Director

25 February 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CC JAPAN INCOME & GROWTH TRUST PLC

Opinion

We have audited the financial statements of CC Japan Income & Growth Trust plc (the 'Company') for the year ended 31 October 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 October 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on page 11 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 30 in the annual report that they have carried out a robust assessment of the emerging and principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement set out on page 24 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on page 24 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Income Statement. • Risk of incorrect valuation or ownership of the investment portfolio. • Impact of COVID-19.
Materiality	• Overall materiality of £1.84m (2019: £2.14m) which represents 1% (2019: 1%) of shareholders' funds.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CC JAPAN INCOME & GROWTH TRUST PLC continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Income Statement *(as described on page 34 in the Audit and Risk Committee's Report and as per the accounting policy set out on page 49).* The total revenue for the year to 31 October 2020 was £8.55 million (2019: £8.67 million), consisting primarily of overseas dividends and income from contracts for difference (CFD). The Company received two special dividends amounting to £0.10 million (2019: £0.16 million), both of which were classified as revenue. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, the directors may be required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.	**We have performed the following procedures:** We obtained an understanding of the processes and controls surrounding revenue recognition and classification of special dividends by performing walkthrough procedures. For 100% of dividends, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date traced from the accounting records, by the dividend per share as agreed to an independent data vendor. We agreed a sample to bank statements and we also agreed the exchange rates to an external source. We agreed all of income received from CFD from the income report to the corresponding dividend announcement made by the underlying investee company. We recalculated all of the revenue amount received by multiplying the notional holdings at the XD date by the dividend rate per share as agreed to an external source. We also agreed the exchange rates used to an external source and agreed a sample of the income received to bank statements. To test completeness of recorded income, we tested that all expected dividends for each investee company had been recorded as income with reference to investee company announcements obtained from an independent data vendor. For all dividends accrued at the year end, we agreed the amount receivable to post-year end bank statements. We assessed the appropriateness of the Company's classification of the two special dividends recognised as revenue with reference to publicly available information.	The results of our procedures identified no material misstatements in relation to incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital in the Income Statement.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation or ownership of the investment portfolio *(as described on page 33 in the Audit and Risk Committee's Report and as per the accounting policy set out on page 48).* The valuation of the portfolio at 31 October 2020 was £180.93 million (2019: £211.24 million) consisting of listed investments. The Company also holds long CFD positions. These have been recognised separately in the Statement of Financial Position as amounts due in respect of CFD and amounts payable in respect of CFD. The amount due in respect of CFD as at 3 October 2020 was £3.01 million (2019: £3.26 million) and the amount payable was £4.97 million (2019: £5.14 million). The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title of the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date. CFD are held at fair value with reference to the underlying market value of the corresponding security.	**We performed the following procedures:** We obtained an understanding of the Administrator's processes surrounding the existence and pricing of listed securities and CFD by performing walkthrough procedures. For all investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year end. We agreed all CFD valuations to the market prices of the underlying company, exchange rates to an independent pricing vendor and recalculated the fair value at the year end. We inspected the security price movement reports produced by the Administrator as at the balance sheet date and the previous day to identify prices that had not changed and verified whether the listed price is a valid fair value. We compared the Company's investment holdings at 31 October 2020 to independent confirmations received directly from the Company's Custodian and Depositary for all listed investments held at the year-end and from the relevant broker with respect to the CFD.	The results of our procedures identified no material misstatements in relation to incorrect valuation or ownership of the investment portfolio.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CC JAPAN INCOME & GROWTH TRUST PLC continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impact of COVID-19 *(as described on pages 5 and 8 in the Strategic Report, page 34 in the Audit and Risk Committee's Report and as per the accounting policy set out on page 48).* The COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in global equity and debt markets. As of the date of our audit report, the longer-term impact remains uncertain. This uncertainty had an impact on our risk assessment and, as a result, on our audit of the Financial Statements. The COVID-19 pandemic had the most significant impact on our audit of the Financial Statements in the following areas: **Going concern** There is increased uncertainty in certain assumptions underlying management's assessment of future prospects, which includes the ability of the Company to fund ongoing costs. **Financial Statement disclosures** There is a risk that the impact of COVID-19 is not adequately disclosed in the Financial Statements.	**We performed the following procedures:** **Going concern** We inspected the Directors' assessment of going concern, which includes consideration of the impact of COVID-19, and challenged the assumptions made in the preparation of the revenue and expenses forecast. Where appropriate, we have agreed the inputs and assumptions used in the assessment to the Company's historically observed results. **Financial statements disclosures** We reviewed the adequacy of the COVID-19 and going concern disclosures by evaluating whether they were consistent with the Directors' assessment. We reviewed the disclosures for compliance with the reporting requirements.	As a result of our procedures, we have determined that the Directors' conclusion that there is no material uncertainty relating to going concern is appropriate. We have reviewed the disclosures relating to COVID-19 and going concern and determined that they are appropriate.

We re-assessed the risks determined in the prior year and, due to the uncertainty in global markets caused by the COVID-19 pandemic, we revised our risk assessment to include the Key Audit Matter "Impact of COVID-19". Our other Key Audit Matters are unchanged from the prior year.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £1.84 million (2019: £2.14 million), which is 1% (2019: 1%) of shareholders' funds. We believe that shareholders' funds provide us with materiality aligned to the key measurement of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2019: 75%) of our planning materiality, namely £1.38 million (2019: £1.61 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company, we also applied a separate testing threshold for the revenue column of the Income Statement of £0.38 million (2019: £0.39 million), being 5% of the revenue net return before taxation.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.09 million (2019: £0.11 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable set out on page 34** – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- **Audit and Risk Committee reporting set out on page 33** – the section describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee; or

- **Directors' statement of compliance with the UK Corporate Governance Code set out on page 26** – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and Directors' Reports have been prepared in accordance with applicable legal requirements;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CC JAPAN INCOME & GROWTH TRUST PLC continued

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 36, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.

- We understood how the Company is complying with those frameworks through discussions with the Audit and Risk Committee and Company Secretary, and review of the Company's documented policies and procedures.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate revenue recognition, through incorrect classification of special dividends as revenue or capital in the Income Statement. Further discussion of our approach is set out in the section on key audit matters above.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at **https://www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation of the Audit and Risk Committee we were appointed by the Company on 12 May 2016 to audit the financial statements of the Company for the year ended 31 October 2016 and subsequent financial periods. Our total uninterrupted period of engagement is five years, covering the period from our appointment through to the period ended 31 October 2020.

- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Price (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
25 February 2021

Notes:

1. The maintenance and integrity of the CC Japan Income & Growth Trust plc web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INCOME STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2020

		Year ended 31 October 2020			Year ended 31 October 2019		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	3	–	(29,495)	(29,495)	–	14,207	14,207
Currency gains/(losses)		–	302	302	–	(124)	(124)
Income	4	8,553	–	8,553	8,671	–	8,671
Investment management fee	5	(285)	(1,140)	(1,425)	(293)	(1,173)	(1,466)
Other expenses	6	(556)	–	(556)	(434)	–	(434)
Return on ordinary activities before finance costs and taxation		**7,712**	**(30,333)**	**(22,621)**	**7,944**	**12,910**	**20,854**
Finance costs	7	(63)	(166)	(229)	(74)	(175)	(249)
Return on ordinary activities before taxation		**7,649**	**(30,499)**	**(22,850)**	**7,870**	**12,735**	**20,605**
Taxation	8	(853)	–	(853)	(867)	–	(867)
Return on ordinary activities after taxation		**6,796**	**(30,499)**	**(23,703)**	**7,003**	**12,735**	**19,738**
Return per Ordinary Share	13	5.04p	(22.64)p	(17.60)p	5.26p	9.57p	14.83p

The total column of the Income 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 prepared under guidance from the Association of Investment Companies. There is no other comprehensive income and therefore the return for the year is also the total comprehensive income for the year.

The notes on pages 48 to 63 form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

AT 31 OCTOBER 2020

	Note	31 October 2020 £'000	31 October 2019 £'000
Fixed assets			
Investments at fair value through profit or loss	3	180,927	211,240
Current assets			
Cash and cash equivalents		2,463	2,472
Cash collateral paid in respect of contracts for difference ("CFDs")		41	16
Amounts due in respect of CFDs		3,014	3,258
Other debtors	10	3,100	2,571
		8,618	**8,317**
Creditors: amounts falling due within one year			
Amounts payable in respect of CFDs		(4,969)	(5,140)
Other creditors	11	(216)	(291)
		(5,185)	**(5,431)**
Net current assets		**3,433**	**2,886**
Total assets less current liabilities		**184,360**	**214,126**
Net assets		**184,360**	**214,126**
Capital and reserves			
Share capital	12	1,348	1,348
Share premium		98,437	98,437
Special reserve		64,671	64,671
Capital reserve			
– Revaluation gains on investment held at year end	3	14,746	26,156
– Other capital reserves		(1,578)	17,511
Revenue reserve		6,736	6,003
Total Shareholders' funds		**184,360**	**214,126**
NAV per share – Ordinary Shares (pence)	14	**136.84p**	**158.93p**

Approved by the Board of Directors and authorised for issue on 25 February 2021 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 48 to 63 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2020

	Note	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2019		**1,348**	**98,437**	**64,671**	**43,667**	**6,003**	**214,126**
Return on ordinary activities after taxation		–	–	–	(30,499)	6,796	(23,703)
Dividends paid	9	–	–	–	–	(6,063)	(6,063)
Balance at 31 October 2020		**1,348**	**98,437**	**64,671**	**13,168**	**6,736**	**184,360**

There were no Ordinary Shares issued or share buybacks during the year ended 31 October 2020.

For the year ended 31 October 2019

	Note	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2018		**1,285**	**89,911**	**64,671**	**30,932**	**4,116**	**190,915**
Return on ordinary activities after taxation		–	–	–	12,735	7,003	19,738
Dividends paid	9	–	–	–	–	(5,116)	(5,116)
Issue of Ordinary Shares	12	63	8,665	–	–	–	8,728
Ordinary Shares issue costs		–	(139)	–	–	–	(139)
Balance at 31 October 2019		**1,348**	**98,437**	**64,671**	**43,667**	**6,003**	**214,126**

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

The notes on pages 48 to 63 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2020

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
Operating activities cash flows		
Return on ordinary activities before finance costs and taxation*	(22,621)	20,854
Adjustment for:		
Losses/(gains) on investments	23,290	(12,932)
CFD transactions	48	(857)
Increase in other debtors	(380)	(168)
(Decrease)/increase in other creditors	(75)	65
Tax withheld on overseas income	(853)	(867)
Net cash flow (used in)/from operating activities	**(591)**	**6,095**
Investing activities cash flows		
Purchases of investments	(92,584)	(38,854)
Proceeds from sales of investments	99,458	30,373
Net cash flow from/(used in) investing activities	**6,874**	**(8,481)**
Financing activities cash flows		
Issue of Ordinary Share capital	–	8,728
Payment of Ordinary Share issue costs	–	(139)
Equity dividends paid	(6,063)	(5,116)
Finance costs paid	(229)	(248)
Net cash (used in)/flow from financing activities	**(6,292)**	**3,225**
(Decrease)/increase in cash and cash equivalents	**(9)**	**839**
Cash and cash equivalents at the beginning of the year	2,472	1,633
Cash and cash equivalents at the end of the year	**2,463**	**2,472**

* Cash inflow from dividends was £7,396,000 (2019: £8,506,000)

The notes on pages 48 to 63 form part of these financial statements.

NOTES TO THE ACCOUNTS

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. 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 Company's shares were admitted to the Official List of the Financial Conduct Authority with a premium listing on 15 December 2015. On the same day, trading of the Ordinary Shares commenced on the London Stock Exchange.

The Company's registered office is 1st Floor, Senator House, 85 Queen Victoria Street, London, EC4V 4AB.

2. ACCOUNTING POLICIES

The principal accounting policies followed by the Company are set out below:

(a) Basis of accounting

The financial statements have been prepared in accordance with FRS 102 ("the Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council), with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (issued in October 2019) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis. In forming this opinion, the directors have considered any potential impact of the COVID-19 pandemic on the going concern and viability of the Company. In making their assessment, the Directors have reviewed income and expense projections and the liquidity of the investment portfolio, and considered the mitigation measures which key service providers, including the Manager, have in place to maintain operational resilience particularly in light of COVID-19.

The financial statements have been presented in GBP sterling (£), which is also the functional currency as this is the currency of the primary economic environment in which the Company operates. The Board having regard to the currency of the Company's share capital and the predominant currency in which it pays distributions, expenses and its shareholders operate, has determined that sterling is the functional currency. Sterling is also the currency in which the financial statements are presented.

(b) Investments

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are designated as held at fair value through profit or loss in accordance with FRS 102 Section 11: 'Basic Financial Instruments', and Section 12: 'Other Financial Instruments'. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided on this basis to the Board of Directors.

Upon initial recognition investments are designated by the Company "at fair value through profit or loss". They are accounted for on the date they are traded and are included initially at fair value which is taken to be their cost. Subsequently investments are valued at fair value which is the bid market price for listed investments.

Changes in the fair value of investments held at fair value through profit or loss and gains or losses on disposal are included in the capital column of the income statement within "gains on investments held at fair value".

(c) Derivatives

Derivatives comprise Contracts for Difference ("CFD"), which are held at fair value by reference to the underlying market value of the corresponding security. Where the fair value is positive the CFD is presented as a current asset, and where the fair value is negative the CFD is presented as a current liability. Gains or losses on these derivative transactions are recognised in the Income Statement. They are recognised as capital and are shown in the capital column of the Income Statement if they are of a capital nature and are recognised as revenue and shown in the revenue column of the Income Statement if they are of a revenue nature. To the extent that any gains or losses are of a mixed revenue and capital nature, they are apportioned between revenue and capital accordingly.

(d) Foreign currency

Transactions denominated in foreign currencies including dividends are translated into sterling at actual exchange rates as at the date of the transaction. Assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Foreign exchange movements on investments and derivatives are included in the Income Statement within gains on investments. Any other gain or loss is included as an exchange gain or loss to capital or revenue in the Income Statement as appropriate.

(e) Income

Investment income has been accounted for on an ex-dividend basis or when the Company's right to the income is established. Special dividends are credited to capital or revenue in the Income Statement, according to the circumstances surrounding the payment of the dividend. Overseas dividends are included gross of withholding tax recoverable.

Interest receivable on deposits is accounted for on an accrual basis.

(f) Dividend payable

Interim dividends are recognised when the Company pays the dividend. Final dividends are recognised in the period in which they are approved by the shareholders. This year a second interim dividend is being paid in substitution for the final dividend.

(g) Expenses

All expenses are accounted for on an accruals basis and are charged as follows:

- the basic investment management fee is charged 20% to revenue and 80% to capital;
- CFD finance costs are charged 20% to revenue and 80% to capital;
- investment transactions costs are allocated to capital; and
- other expenses are charged wholly to revenue.

(h) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the financial reporting date.

Where expenses are allocated between capital and revenue any tax relief in respect of the expenses is allocated between capital and revenue returns on the marginal basis using the Company's effective rate of corporation taxation for the relevant accounting period.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the financial reporting date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the financial reporting date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the timing differences can be deducted. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise.

(i) Other receivables and other payables

Other receivables and other payables do not carry any interest and are short term in nature and are accordingly stated at their nominal value.

(j) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business being that of an investment trust as disclosed in note 1.

2. ACCOUNTING POLICIES continued

(k) Estimates and assumptions

The preparation of financial statements requires the Directors to make estimates and assumptions that affect items reported in the Statement of financial position and Income Statement and the disclosure of contingent assets and liabilities at the date of the financial statements. Although these estimates are based on management's best knowledge of current facts, circumstances and, to some extent, future events and actions, the Company's actual results may ultimately differ from those estimates, possibly significantly.

There have not been any instances requiring any significant estimates or judgements in the year.

(l) Cash and cash equivalents

Cash comprises cash and demand deposits. Cash equivalents, include bank overdrafts, and short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risks of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3. INVESTMENTS

(a) Summary of valuation

	As at 31 October 2020 £'000	As at 31 October 2019 £'000
Investments listed on a recognised overseas investment exchange	180,927	211,240
	180,927	**211,240**

(b) Movements

In the year ended 31 October 2020

	2020 £'000	2019 £'000
Book cost at the beginning of the year	185,084	174,262
Revaluation gains on investments held at beginning of the year	26,156	15,157
Valuation at beginning of the year	**211,240**	**189,419**
Purchases at cost	92,584	38,854
Sales:		
– proceeds	(99,607)	(29,965)
– (losses)/gains on investment holdings sold during the year	(11,880)	1,933
Movements in revaluation (losses)/gains on investment held at year end	(11,410)	10,999
Valuation at end of the year	**180,927**	**211,240**
Book cost at end of the year	166,181	185,084
Revaluation gains on investment held at year end	14,746	26,156
Valuation at end of the year	**180,927**	**211,240**

Transaction costs on investment purchases for the year ended 31 October 2020 amounted to £45,000 (2019: £19,000) and on investment sales for the year amounted to £48,000 (2019: £15,000).

(c) (Losses)/gains on investments

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
(Losses)/gains on non-derivative investment holdings sold during the year	(11,880)	1,933
Movements in revaluation (losses)/gains on investment held at year end	(11,410)	10,999
Other capital losses	(31)	(24)
Total (losses)/gains on non-derivative investments held at fair value	**(23,321)**	**12,908**
Realised losses on CFD assets and liabilities	(6,101)	(231)
Unrealised (losses)/gains on CFD assets and liabilities	(73)	1,530
Total (losses)/gains on investments held at fair value	**(29,495)**	**14,207**

4. INCOME

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
Income from investments:		
Overseas dividends	8,553	8,670
Deposit interest	–	1
Total	**8,553**	**8,671**

Overseas dividend income is translated into sterling on receipt.

5. INVESTMENT MANAGEMENT FEE

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
Basic fee:		
20% charged to revenue	285	293
80% charged to capital	1,140	1,173
Total	**1,425**	**1,466**

The Investment Manager is entitled to receive a management fee payable monthly in arrears and is at the rate of one-twelfth of 0.75% of Net Asset Value per calendar month. There is no performance fee payable to the Investment Manager.

NOTES TO THE ACCOUNTS continued

6. OTHER EXPENSES

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
Secretarial services	48	58
Administration and other expenses	326	382
Auditor's remuneration – statutory	38	36
Directors' fees	144	141
VAT recovered – Revenue*	–	(183)
Other expenses – Revenue	**556**	**434**

* Other expenses for the year ended 31 October 2019 include a credit of £183,000 of VAT recovered on the Company's expenses since inception to 31 October 2019.

7. FINANCE COSTS

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
Interest paid – 100% charged to revenue	21	30
CFD finance cost and structuring fee – 20% charged to revenue	41	43
Structuring fees – 20% charged to revenue	1	1
	63	**74**
CFD finance cost and structuring fee – 80% charged to capital	164	171
Structuring fees – 80% charged to capital	2	4
	166	**175**
Total finance costs	**229**	**249**

8. TAXATION

	Year ended 31 October 2020			Year ended 31 October 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a) Analysis of tax charge in the year:						
Overseas withholding tax	853	–	853	867	–	867
Total tax charge for the year (see note 8 (b))	**853**	**–**	**853**	**867**	**–**	**867**

(b) Factors affecting the tax charge for the year:

The Company's effective tax rate for the year is 19.00% (2019: 19.00%), which is same as the standard rate of corporation tax in the UK for a large company currently at 19.00% (2019: 19.00%).

The differences are explained below:

	Year ended 31 October 2020			Year ended 31 October 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Total return before taxation	**7,649**	**(30,499)**	**(22,850)**	**7,870**	**12,735**	**20,605**
UK corporation tax at 19.00% (2019: 19.00%)	1,453	(5,795)	(4,342)	1,495	2,420	3,915
Effects of:						
Overseas withholding tax suffered	853	–	853	867	–	867
Non-taxable overseas dividends	(1,625)	–	(1,625)	(1,647)	–	(1,647)
Capital losses/(gains) not subject to tax	–	5,547	5,547	–	(2,676)	(2,676)
Finance costs not tax deductible	12	32	44	14	33	47
Movement in unutilised management expenses	160	216	376	138	223	361
Total tax charge	**853**	**–**	**853**	**867**	**–**	**867**

The Company is not liable to tax on capital gains due to its status as an investment trust. The company has an unrecognised deferred tax asset of £562,000 (2019: £431,000) based on the long term prospective corporation tax rate of 19% (2019: 19%). This asset has accumulated because deductible expenses exceeded taxable income for the year ended 31 October 2020. No asset has been recognised in the accounts because, given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future.

9. DIVIDEND

(i) Dividends paid during the financial year

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
Final dividend – year ended 31 October 2019 of 3.10p (2018: 2.50p)	4,177	3,230
Interim dividend – year ended 31 October 2020 of 1.40p (2019: 1.40p)	1,886	1,886
Total	**6,063**	**5,116**

9. DIVIDEND continued

(ii) The dividend relating to the year ended 31 October 2020, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered is detailed below:

	Year ended 31 October 2020		Year ended 31 October 2019	
	Pence per Ordinary Share	£'000	Pence per Ordinary Share	£'000
Interim dividend	1.40p	1,886	1.40p	1,886
Second interim dividend/final dividend*	3.20p	4,311	3.10p	4,177
	4.60p	**6,197**	**4.50p**	**6,063**

* Not included as a liability in the year ended 31 October 2020 accounts.

The Directors have declared a second interim dividend for the financial year ended 31 October 2020 of 3.20p per Ordinary Share. The dividend will be paid on 5 March 2021 to Shareholders on the register at the close of business on 5 February 2021. This year a second interim dividend is being paid in substitution for the final dividend.

10. OTHER DEBTORS

	As at 31 October 2020 £'000	As at 31 October 2019 £'000
Accrued income	2,860	2,556
Sales for settlement	149	–
VAT receivable	48	–
Prepayments and other receivables	43	15
	3,100	**2,571**

11. OTHER CREDITORS

	As at 31 October 2020 £'000	As at 31 October 2019 £'000
Amounts falling due within one year:		
Accrued finance costs	8	8
Accrued expenses	208	283
	216	**291**

12. SHARE CAPITAL

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

	As at 31 October 2020		As at 31 October 2019	
	No. of shares	£'000	No. of shares	£'000
Allotted, issued & fully paid:				
Ordinary Shares of 1p				
Opening balance	134,730,610	1,348	128,451,781	1,285
Ordinary Shares of 1p issued	-	-	6,278,829	63
Closing balance	**134,730,610**	**1,348**	**134,730,610**	**1,348**

During the year under review, no Ordinary Shares of 1p each were issued (2019: 6,278,829 Ordinary Shares of 1p each were issued at prices ranging from 138.3p to 144.1p and the total amount raised was £8,278,000).

13. RETURN PER ORDINARY SHARE

Total return per Ordinary Share is based on the loss on ordinary activities, including income, for the period after taxation of £23,703,000 (2019: profit of £19,738,000).

Based on the weighted average number of Ordinary Shares in issue for the year to 31 October 2020 of 134,730,610 (2019: 133,109,302), the returns per Ordinary Share were as follows:

	As at 31 October 2020			As at 31 October 2019		
	Revenue	Capital	Total	Revenue	Capital	Total
Return per Ordinary Share	5.04p	(22.64)p	**(17.60)p**	5.26p	9.57p	**14.83p**

14. NET ASSET VALUE PER SHARE

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

	As at 31 October 2020	As at 31 October 2019
Net Asset Value (£'000)	184,360	214,126
Ordinary Shares in issue	134,730,610	134,730,610
NAV per Ordinary Share	**136.84p**	**158.93p**

15. 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, CCAM. The fees for the period are disclosed in note 5 and amounts outstanding at the year ended 31 October 2020 were £116,000 (2019: £136,000).

15. RELATED PARTY TRANSACTIONS continued

Research purchasing agreement

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 new 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 2020 to 31 December 2020, as agreed between the Investment Manager and the Company, was £30,000 (31 December 2019: £29,000). The research charge for the year 1 January 2021 to 31 December 2021, as budgeted by the Investment Manager, is £28,000.

Directors’ fees and shareholdings

The Directors’ fees and shareholdings are disclosed in the Directors’ Remuneration Implementation Report on pages 31 to 32 of this Annual Report.

16. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

Risk Management Policies and Procedures

As an investment trust the Company invests in equities and equity related derivatives for the long-term so as to secure its investment objective stated on page 2. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company’s net assets or a reduction of the profits available for dividends.

These risks include market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk, leverage risk and credit risk, and the Directors’ approach to the management of them are set out as follows.

The objectives, policies and processes for managing the risks, and the methods used to measure the risks, are set out below.

(a) Market risk

Economic conditions

Changes in economic conditions in Japan (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events and other factors) and in the countries in which the Company’s investee companies operate could substantially and adversely affect the Company’s prospects. The Company is subject to concentration risk as it only invests in Japanese companies but has diversified investments across the different sectors in the Japanese market.

Sectoral diversification

The Company has no limits on the amount it may invest in any sector. This may lead to the Company having significant concentrated exposure to portfolio companies in certain business sectors from time to time.

Concentration of investments in any one sector may result in greater volatility in the value of the Company’s investments and consequently its NAV and may materially and adversely affect the performance of the Company and returns to Shareholders.

Unquoted companies

The Company may invest in unquoted companies from time to time. Such investments, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed and quoted securities and they may be more difficult to realise.

Management of market risks

The Company is invested in a diversified portfolio of investments. The Company’s investment policy states that no single holding (including any derivative instrument) will represent more than 10% of the Company’s Gross Assets at the time of investment and, when fully invested, the portfolio is expected to have between 30 to 40 holdings although there is no guarantee that this will be the case and it may contain a lesser or greater number of holdings at any time. A maximum of 10% of the Company's Gross Assets at the time of investment may be invested in unquoted or untraded companies at time of investment.

The Investment Manager's approach will in most cases achieve diversification across a number of sectors as shown in the Holdings in Portfolio on pages 18 and 20.

(b) Currency risks

The majority of the Company's assets will be denominated in a currency other than sterling (predominantly in yen) and changes in the exchange rate between sterling and yen may lead to a depreciation of the value of the Company's assets as expressed in sterling and may reduce the returns to the Company from its investments and, therefore, negatively impact the level of dividends paid to shareholders.

Management of currency risks

The Investment Manager monitors the currency risk of the Company's portfolio on a regular basis. Foreign currency exposure is regularly reported to the Board by the Investment Manager. The Company does not currently intend to enter into any arrangements to hedge its underlying currency exposure to investment denominated in yen, although the Investment Manager and the Board will keep this approach under regular review.

Foreign currency exposures

An analysis of the Company's equity investments and CFD that are priced in a foreign currency is:

	As at 31 October 2020 £'000	As at 31 October 2019 £'000
Equity Investments: yen	180,927	211,240
Receivables (due from brokers, dividends, and other income receivable)	3,100	2,571
CFD: yen (absolute exposure)	36,183	42,247
Cash: yen	(1,535)	(1,174)
Total	**218,675**	**254,884**

Foreign currency sensitivity

If the Japanese yen had appreciated or depreciated by 10% as at 31 October 2020 then the value of the portfolio as at that date would have increased or decreased as shown below:

	Increase in Fair Value As at 31 October 2020 £'000	Decrease in Fair Value As at 31 October 2020 £'000	Increase in Fair Value As at 31 October 2019 £'000	Decrease in Fair Value As at 31 October 2019 £'000
Impact on capital return – increase/(decrease)	**21,868**	**(21,868)**	**25,488**	**(25,488)**
Total return/(loss) after taxation	**21,868**	**(21,868)**	**25,488**	**(25,488)**

(c) Leverage risks

Derivative instruments

The Company may utilise long only CFDs or equity swaps for gearing and efficient portfolio management purposes. Leverage may be generated through the use of CFDs or equity swaps. Such financial instruments inherently contain much greater leverage than a non-margined purchase of the underlying security or instrument. This is due to the fact that, generally, only a very small portion (and in some cases none) of the value of the underlying security or instrument is required to be paid in order to make such leveraged investments. As a result of any leverage employed by the Company, small changes in the value of the underlying assets may cause a relatively large change in the Net Asset Value of the Company. Many such financial instruments are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

16 FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

Borrowing risks

The Company may use borrowings to seek to enhance investment returns. While the use of borrowings can enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is rising at a lower rate than the cost of borrowing or falling, further reducing the total return on the Ordinary Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Ordinary Share.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the price of an Ordinary Share). Any reduction in the number of Ordinary Shares in issue (for example, as a result of buy backs) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

Management of leverage risks

The aggregate of borrowings and long only CFD and equity swap exposure will not exceed 25% of Net Asset Value at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate, although the Company's normal policy will be to utilise and maintain gearing to a lower limit of 20% of Net Asset Value at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate. It is expected that any borrowings entered into will principally be denominated in yen.

The Company's level of gearing as at 31 October 2020 is disclosed in the Alternative Performance Measures section on page 65 of this Annual Report.

(d) Interest rate risks

The Company is exposed to interest rate risk specifically through its cash holdings, the interest payable on the overdraft facility and on positions within the CFD portfolio. Interest rate movements may affect the level of income receivable/payable from any cash at bank and on deposits and overdraft facilities. The effect of interest rate changes on the earnings of the companies held within the portfolio may have a significant impact on the valuation of the Company's investments. Movements in interest rates will also have an impact on the valuation of the CFD derivative contracts. Interest receivable on cash balances or paid on overdrafts is at fixed rate.

Management of interest rate risks

The possible effects on Fair Value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions. Derivative contracts are not used to hedge against the exposure to interest rate risk.

Interest income earned on deposits and paid on overdraft by the Company is primarily derived from fixed interest rates, as such do not have a material exposure to interest rate risk.

The bank overdraft is an integral part of cash management and the Company has a legal right of offset and has the intention to settle this at net.

Interest rate exposure

The exposure at 31 October 2020 of financial assets and liabilities to interest rate risk is shown by reference to floating interest rates – when the interest rate is due to be reset. No sensitivity analysis is shown as the exposure to interest rate risk is not material in relation to the Company's finance cost and investments in CFDs.

	As at 31 October 2020 due within one year £'000	As at 31 October 2019 due within one year £'000
Exposure to floating interest rates: CFD derivative contract – (absolute exposure)	36,183	42,247
Collateral in respect of CFDs	41	16

(e) Credit risks

Credit risk is the possibility of a loss to the Company due to the failure of the counterparty to a transaction discharging its obligations under that transaction.

Cash and other assets held by the Depositary

The cash and other assets held by the Depositary or its sub-custodians are subject to counterparty credit risk as the Company's access to its cash could be delayed should the counterparties become insolvent or bankrupt.

Derivative instruments

The Company's holdings in CFD contracts present counterparty credit risks, with the risk of the counter party (Morgan Stanley & Co International plc) defaulting.

Management of credit risks

Cash and other assets held by the Depositary

Cash and other assets that are required to be held in custody will be held by the depositary or its sub-custodians. Cash and other assets may not be treated as segregated assets and will therefore not be segregated from any custodian's own assets in the event of the insolvency of a custodian. Cash held with any custodian will not be treated as client money subject to the rules of the Financial Conduct Authority ('FCA') and may be used by a custodian in the course of its own business. The Company will therefore be subject to the creditworthiness of its custodians. In the event of the insolvency of a custodian, the Company will rank as a general creditor in relation thereto and may not be able to recover such cash in full, or at all. The Company has appointed Northern Trust Global Services SE as its depositary. The credit rating of Northern Trust was reviewed at time of appointment and will be reviewed on a regular basis by the Investment Manager and/or the Board. The Fitch's credit rating of Northern Trust is BBB.

Derivative instruments

Where the Company utilises CFDs or equity swaps, it is likely to take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. CFD contracts generally require variation margins and the counterparty credit risk is monitored by the Investment Manager.

The Investment Manager monitors the Company's exposure to its counterparties on a regular basis and the position is reviewed by the Directors at Board meetings. Investment transactions are carried out with a number of brokers, whose credit-standing is reviewed periodically by the Investment Manager, and limits are set on the amount that may be due from any one broker.

Other risks to the Company are detailed in the Company's prospectus dated 22 January 2021.

In summary, the exposure to credit risk as at 31 October 2020 was as follows:

	As at 31 October 2020 3 months or less £'000	As at 31 October 2019 3 months or less £'000
Cash at bank	2,463	2,472
Amounts due in respect of CFDs	3,014	3,258
Collateral paid in respect of CFDs	41	16
Debtors	3,100	2,571
Total	**8,618**	**8,317**

None of the above assets or liabilities were impaired or past due but not impaired.

16 FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

(f) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Company is exposed to market price risk arising from its equity investments and its exposure to the positions within the CFD portfolio. The movements in the prices of these investments result in movements in the performance of the Company.

The Company's exposure to other changes in market prices at 31 October 2020 on its equity investments was £180,927,000 (2019: £211,240,000).

In addition, the Company's gross market exposure to these price changes through its CFD portfolio was £36,183,000 through long positions (2019: £44,129,000).

The Company uses CFDs as part of its investment policy. These instruments can be highly volatile and potentially expose investors to a higher risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or loss which is high in proportion to the value of the net exposures in the underlying CFD positions. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses.

The Company limits the gross market exposure, and therefore the leverage, of this strategy to approximately 200% of the Company's net assets. The CFDs utilised have a linear performance to referenced stocks quoted on exchanges and therefore have the same volatility profile to the underlying stocks.

Market exposures to derivative contracts are disclosed below.

The Company's exposure to CFDs is the aggregate of long CFD Positions. The gross and net market exposure is the same as the Company does not hold Short CFD Positions.

Exposures are monitored daily by the Investment Manager. The Company's Board also reviews exposures regularly.

The gross underlying exposures within the CFD portfolio as at 31 October 2020 were:

	As at 31 October 2020		As at 31 October 2019	
	£'000	% of net assets	£'000	% of net assets
CFDs – (absolute exposure)	**36,183**	**19.63%**	**42,247**	**19.73%**
CFDs – net exposure	**36,183**	**19.63%**	**42,247**	**19.73%**

The Board of Directors manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the Investment Manager's compliance with the Company's objective.

Concentration of exposure to other price risks

A sector breakdown of the portfolio is contained in the Portfolio on page 18.

Other price risk sensitivity

The following table illustrates the sensitivity of the profit after taxation for the period to an increase or decrease of 10% in the fair values of the Company's equities and CFDs. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the notional exposure of the Company's equities investments and long CFDs.

	As at 31 October 2020		As at 31 October 2019	
	Increase in Fair Value £'000	Decrease in Fair Value £'000	Increase in Fair Value £'000	Decrease in Fair Value £'000
Impact on capital return – increase/(decrease)	**21,906**	**(21,906)**	**25,537**	**(25,537)**
Return after taxation – increase/(decrease)	**21,906**	**(21,906)**	**25,537**	**(25,537)**

(g) Liquidity Risk

The securities of small-to-medium-sized (by market capitalisation) companies may have a more limited secondary market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they can be more vulnerable to adverse market factors such as unfavourable economic reports.

Management of liquidity risks

The Company's Investment Manager monitors the liquidity of the Company's portfolio on a regular basis.

Liquidity risk exposure

The undiscounted gross cash outflows of the financial liabilities as at 31 October 2020, based on the earliest date on which payment can be required, were as follows:

	As at 31 October 2020 less than 3 months £'000	As at 31 October 2019 less than 3 months £'000
Amounts payable in respect of CFDs	4,969	5,140
Other payables	216	291
Total	**5,185**	**5,431**

The Company is exposed to liquidity risks from the leverage employed through exposure to long only CFD positions. However, timely sale of trading positions can be impaired by many factors including decreased trading volume and increased price volatility. As a result, the Company could experience difficulties in disposing of assets to satisfy liquidity demands. Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. The Company's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place.

(h) 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) on page 48.

16 FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

The table below sets out Fair Value measurements using Fair Value Hierarchy.

As at 31 October 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	180,927	–	–	180,927
CFDs – Fair Value gains	–	3,014	–	3,014
Liabilities:				
CFDs – Fair Value losses	–	(4,969)	–	(4,969)
Total	**180,927**	**(1,955)**	**–**	**178,972**

As at 31 October 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	211,240	–	–	211,240
CFDs – Fair Value gains	–	3,258	–	3,258
Liabilities:				
CFDs – Fair Value losses	–	(5,140)	–	(5,140)
Total	**211,240**	**(1,882)**	**–**	**209,358**

There were no transfers between levels during the year (2019: 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 31 October 2020 (2019: nil).

(i) Capital Management Policies and Procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to provide dividend income combined with capital growth, mainly through investment in equities listed or quoted in Japan and by utilising the leverage effect of CFDs.

The key performance indicators are contained in the strategic report on page 9.

The Company is subject to several externally imposed capital requirements:

- As a public company, the Company has to have a minimum share capital of £50,000.
- In order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

The Company's capital at 31 October 2020 comprises called up share capital and reserves totalling £184,360,000 (2019: £214,126,000).

The Board regularly monitors, and has complied with, the externally imposed capital requirements.

17. SUBSEQUENT EVENTS

On 22 January 2021, the Company published a prospectus (the "Prospectus") setting out details of the proposed Bonus Issue and convening a general meeting to consider a resolution to allow the Company to implement a Bonus Issue, including the adoption of New Articles. Amendments to the Company's articles of association provide for the rights of the Subscription Shares and obtain authority to allot the Subscription Shares.

The Special Resolution put forward at the General Meeting held on 15 February 2021 to approve the 1 for 5 Bonus Issue of Subscription Shares was passed.

On 16 February 2021, the Board announced a Subscription Price of 161 pence, payable on exercise of each Subscription Share. The Board also announced the allotment of 26,946,122 Subscription Shares pursuant to the terms of the Bonus Issue.

Following admission of the Subscription Shares on 18 February 2021 there were 134,730,610 Ordinary Shares and 26,946,122 Subscription Shares in issue.

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES ("APMS")

Administrator	The Company's administrator, the current such administrator being PraxisIFM Fund 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"	A European Union Directive which came into force on 22 July 2013 and has been implemented in the UK.
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.
Bonus Issue	The issue to qualifying Shareholders of new Subscription Shares on the basis of one new Subscription Share for every five existing Ordinary Shares.
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.
Custodian	An entity that is appointed to safeguard a company's assets.
Depositary	Certain AIFs must appoint depositaries under the requirements of AIFMD. A depositary's duties include, inter alia, safekeeping of the Company's assets and cash monitoring. Under AIFMD the depositary is appointed under a strict liability regime.
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 Net Asset Value per share.

As at 31 October 2020		Page	
NAV per Ordinary Share (pence)	a	2	136.8
Share price (pence)	b	2	119.5
Discount	**(b÷a)-1**		**12.6%**

As at 31 October 2019		Page	
NAV per Ordinary Share (pence)	a	2	158.9
Share price (pence)	b	2	150.0
Discount	**(b÷a)-1**		**5.6%**

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. A bank loan is a common method of gearing.

As at 31 October 2020		Page	£'000
CFD notional market value (note 16)	a	n/a	36,183
Non-base cash borrowings*	b	n/a	1,893
NAV	c		184,360
Gearing (net)	**((a+b)/c)**		**20.7%**

As at 31 October 2019		Page	£'000
CFD notional market value (note 16)	a	n/a	42,247
Non-base cash borrowings*	b	n/a	2,864
NAV	c		214,126
Gearing (net)	**((a+b)÷c)**		**21.1%**

* Overdraft cash balance in JPY with Northern Trust.

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 company | A company formed to invest in a diversified portfolio of assets.

Investment trust | A closed end investment company which is based in the 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) | An alternative word for "Gearing".

Under AIFMD, leverage is any method by which the exposure of an 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.

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES ("APM") continued

As at 31 October 2020		Gross £'000	Commitment £'000
Security market value	a	180,927	180,927
CFD notional market value	b	36,183	36,183
Cash and cash equivalents*	c	1,385	2,653
NAV	d	184,360	184,360
Leverage	**(a+b+c)/d**	**119%**	**119%**

As at 31 October 2019		Gross £'000	Commitment £'000
Security market value	a	211,240	211,240
CFD notional market value	b	42,247	42,247
Cash and cash equivalents*	c	4,554	2,488
NAV	d	214,126	214,126
Leverage	**(a+b+c)/d**	**121%**	**120%**

* Calculation under the commitment method.

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.

Net Asset Value (NAV) per Ordinary Share Net assets divided by the number of Ordinary Shares in issue (excluding any shares held in treasury).

Ordinary Shares The Company's Ordinary Shares in issue.

Ongoing charges (APM) A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.

Year end 31 October 2020		Page	
Average NAV	a	n/a	190,442,282
Annualised expenses	b	44	1,981,000
Ongoing charges	**(b÷a)**		**1.04%**

Year end 31 October 2019		Page	
Average NAV	a	n/a	195,678,342
Annualised expenses	b	44	2,083,000
Ongoing charges	**(b÷a)**		**1.06%**

Portfolio A collection of different investments constructed and held in order to deliver returns to Shareholders and to spread risk.

Premium (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.

Subscription Shares The Company's Subscription Shares in issue in connection with the Bonus Issue.

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, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.

Year end 31 October 2020		Page	Share price	NAV
Opening at 1 November 2019 (in pence)	a	2	150.0	158.9
Closing at 31 October 2020 (in pence)	b	2	119.5	136.8
Price movement (b÷a)-1	c	n/a	-20.3%	-13.9%
Dividend reinvestment	d	n/a	3.0%	2.7%
Total return	**(c+d)**		**-17.3%**	**-11.2%**

Year end 31 October 2019		Page	Share price	NAV
Opening at 1 November 2018 (in pence)	a	2	153.0	148.6
Closing at 31 October 2019 (in pence)	b	2	150.0	158.9
Price movement (b÷a)-1	c	n/a	-2.0%	6.9%
Dividend reinvestment	d	n/a	2.7%	3.0%
Total return	**(c+d)**		**0.7%**	**9.9%**

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

THE SECURITIES FINANCING TRANSACTIONS REGULATION (UNAUDITED)

The Securities Financing Transactions Regulation (SFTR) came into effect on 12 January 2016. Article 13 requires information to be provided as to the use of securities financing transactions (SFTs) and total return swaps (TRS).

A Securities Financing Transaction (SFT) is defined as per Article 3 (11) of the SFTR as:

- a repurchase transaction;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

As at 31 October 2020 the Company held the following types of SFTs:

None (2019: None)

As at 31 October 2020 the Company held the following types of Total Return Swaps:

Contracts for Difference (2019: Same)

The amount of securities and commodities on loan as a proportion of total lendable assets (excluding cash and cash equivalents) was 0% as at 31 October 2020 (2019: 0%).

GLOBAL DATA:

Type of Asset	Absolute Amount £'000	Proportion of AUM %
Security lending	0	0
Repo	0	0
Total return swap	**36,183**	**16.5%**

CONCENTRATION DATA:

The largest collateral issuer across all SFTs and Total Return Swaps is as follows:

	Collateral Issuers	Volume of the collateral securities and commodities £'000
1	JPY Cash Collateral	507

The top counterparties across all SFTs and Total Return Swaps is as follows:

	Counterparty	Gross volume of outstanding trades £'000
1	Morgan Stanley & Co Intl Plc	38,137

AGGREGATE TRANSACTION DATA:

	Type of collateral	Quality	Currency	Maturity tenor (collateral)	Maturity tenor (SFTs/Total Return Swaps)	Country of counterparty establishment *(not collateral)*	Settlement and clearing
Total Return Swap							
Morgan Stanley & Co Intl Plc	Cash	High	JPY	<1 Day	>1yr	UK	Bilateral
Macquarie Bank Limited	Cash	High	JPY	<1 Day	>1yr	Australia	Bilateral

REUSE OF COLLATERAL:

The share of collateral that is reused is 0%, this is in comparison to the maximum of 0% as expressed in the prospectus.

The cash collateral reinvestment returns to the company were 0.

SAFEKEEPING – Collateral Received:

Custodian	Collateral assets safe-kept
Northern Trust Global Services Limited	–

SAFEKEEPING – Collateral Granted:

The proportion of collateral held in segregated accounts, in pooled accounts or any other accounts is 100%.

RETURN/COSTS:

Type of Asset	Cost £'000	Absolute Returns £'000	% overall returns of Transaction Type
Alternative Investment Fund:			
Total Return Swaps	205	4,147	100
Manager of the Alternative Investment Fund:	0	0	0
Third parties:	0	0	0

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SEDOL	BYSRMH1 / BM90B01 (Subscription Shares)
BLOOMBERG TICKER	CCJI LDN / CCJS (Subscription Shares)
LEGAL ENTITY IDENTIFIER (LEI)	549 300 FZANMYIORK 1K98
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* Registered in England no. 9845783

NOTICE OF ANNUAL GENERAL MEETING

In line with the requirements of the Companies Act 2006, the Company will hold an Annual General Meeting ("AGM") of shareholders to consider the resolutions laid out in the Notice of Meeting below. As a result of the COVID-19 pandemic and associated UK Government guidance, physical attendance at the AGM will not be possible. The AGM will be held virtually via video conference as the safety of Shareholders and of the Company's service providers is the Board's primary concern. Shareholders (other than those required to form the quorum for the AGM) therefore cannot attend the meeting. There will be an opportunity to ask questions in advance of the AGM. If Shareholders have a question relating to the business of the meeting, they should send it by email to **ukfundcosec@PraxisIFM.com**. To the extent that it is appropriate to do so, the Company will respond to any questions received in a Q&A which will be posted on the Company's website **www.ccjapanincomeandgrowthtrust.com** in advance of the AGM. Please note that all questions should be submitted by close of business on 22 March 2021 to ensure that the Company is able to respond to them in advance of the AGM. Voting on the resolutions will be conducted on a poll.

AGM voting

Shareholders are requested to vote by proxy. Given the restrictions on attendance, shareholders are encouraged to appoint the "Chairman of the Meeting" as their proxy rather than another person who will not be permitted to attend the meeting. Details of how to vote, either electronically, by proxy form or through CREST, can be found in the Notes to the Notice of AGM on pages 73 to 74. The outcome of the resolutions will as usual be determined by shareholder vote based on the proxy votes received. All valid proxy appointments (whether submitted electronically or in hard copy form) will be included. The results of the AGM will be announced to the London Stock Exchange and placed on the Company's website, as soon as practicable after the conclusion of the AGM. Shareholders should monitor the Company's website at **https://www.ccjapanincomeandgrowthtrust.com/** and London Stock Exchange announcements for any updates regarding the AGM.

Alternatively, shareholders can contact the Registrar, Link Asset Services, for updated information (please see Notes to the Notice of AGM for the Registrar's contact details). The Board would like to thank all shareholders for their continued support and understanding in these extraordinary times.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of CC Japan Income & Growth Trust plc will be held on 26 March 2021 at 12 noon for the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 to 13 will be proposed as special resolutions.

Ordinary resolutions

1. To receive the Company's Annual Report and Accounts for the year ended 31 October 2020, with the reports of the Directors and auditors thereon.

2. To approve the Directors' Remuneration Implementation Report included in the Annual Report for the year ended 31 October 2020.

3. To re-elect Kate Cornish-Bowden as a Director of the Company.

4. To re-elect Harry Wells as a Director of the Company.

5. To re-elect John Scott as a Director of the Company.

6. To re-elect Peter Wolton as a Director of the Company.

7. To authorise the Directors to declare and pay dividends on a semi-annual basis.

8. To reappoint Ernst & Young LLP as auditors to the Company.

9. To authorise the Directors to fix the remuneration of the auditors until the conclusion of the next Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING continued

10. That the Directors be and are hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused) to exercise all powers of the Company to allot relevant securities (as defined in section 551 of the Companies Act 2006) up to an aggregate nominal amount equal to £134,730.61 **PROVIDED THAT** the Directors may not allot relevant securities of an aggregate nominal amount more than 10% of the nominal value of the issued Ordinary Share capital (excluding Treasury Shares) at the date of the Annual General Meeting and that this authority shall expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution (the "section 551 period") but so that the Directors may, at any time prior to the expiry of the section 551 period, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of the section 551 period and the Directors may allot relevant securities in the pursuance of such an offer or agreement as if the authority granted by this resolution had not expired.

Special resolutions

11. That, subject to the passing of resolution 10, in substitution for any existing power under section 570 of the Companies Act 2006 but without prejudice to the exercise of any such power prior to the date hereof, the Directors be and are hereby empowered, pursuant to section 570 of that Act, to allot and make offers or agreements to allot equity securities (as defined in section 560 of that Act) and/or sell equity securities held as Treasury shares pursuant to section 573 of that Act, in each case for cash pursuant to the authority and for the period of the authority conferred by resolution 10, up to an aggregate nominal amount of £134,730.61 as if section 561(1) of that Act did not apply to such allotment (subject to a maximum of 10% of the aggregate nominal value of the issued Ordinary Share capital at the date of this resolution).

12. That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares of 1p each, provided that:

    (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 20,196,118 (representing 14.99 per cent of the Company's issued Ordinary Share capital (excluding shares held in Treasury) at the date of the notice of this meeting);

    (b) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is 1p;

    (c) the maximum price (excluding expenses) which may be paid for an Ordinary Share is not more than the higher of (i) 5 per cent above the average of the middle market quotations for the Ordinary Shares for the five business days immediately before the day on which it purchases that share and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares;

    (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and

    (e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

13. That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 days' notice, provided that this authority shall expire at the conclusion of the Company's next Annual General Meeting after the date of the passing of this resolution.

Registered Office:

1st Floor, Senator House
85 Queen Victoria Street
London EC4V 4AB

By order of the Board

Brian Smith
For and on behalf of
PraxisIFM Fund Services (UK) Limited
Company Secretary

25 February 2021

NOTES TO NOTICE OF ANNUAL GENERAL MEETING

Website address

1. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from **www.ccjapanincomeandgrowthtrust.com**.

Entitlement to attend and vote

2. Only those holders of Ordinary Shares registered on the Company's register of members at close of business on 24 March 2021 or, if this meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to vote at the meeting. As explained in the Notice of Meeting, there is no place of meeting and members cannot attend the AGM in person. Instead, Shareholders should submit their votes by proxy and submit any questions relating to the business of the meeting to **ukfundcosec@PraxisIFM.com**, by close of business on 22 March 2021.

   In the case of joint holders of a voting right, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

Appointment of Proxies

3. Pursuant to Section 324 of the Companies Act 2006, a member entitled to attend and vote at the meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

   Given Shareholders will not be able to attend the AGM, Shareholders are strongly urged to appoint the Chairman as their proxy to vote on their behalf. If you appoint someone else (other than the Chairman) to be your proxy, this would result in your proxy not being counted since he/she will not be able to attend the meeting.

   Section 324 does not apply to persons nominated to receive information rights pursuant to Section 146 of the Companies Act 2006. Persons nominated to receive information rights under Section 146 of the Companies Act 2006 have been sent this notice of meeting and are hereby informed, in accordance with Section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

   Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements. The statement of rights of Shareholders in relation to the appointment of proxies does not apply to nominated persons.

Proxies' rights to vote

4. On a vote on a show of hands, each proxy has one vote.

   If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

   On a poll, all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, Section 285(4) of the Companies Act does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

   Given Shareholders will not be able to attend the AGM, Shareholders are strongly urged to appoint the Chairman as their proxy to vote on their behalf. If you appoint someone else (other than the Chairman) to be your proxy, this would result in your proxy not being counted since he/she will not be able to attend the meeting.

   Voting on the Resolution will be conducted by way of a poll.

   As soon as practicable following the meeting, the results of the voting will be announced via a regulatory information service and also placed on the Company's website.

NOTES TO NOTICE OF ANNUAL GENERAL MEETING continued

Voting by corporate representatives

5. Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with Section 323 of the Companies Act provided they do not do so in relation to the same shares. However, members should note that there is no place of meeting and a corporate representative cannot attend the AGM.

Receipt and termination of proxies

6. The Form of Proxy and any power of attorney (or a notarially certified copy or office copy thereof) under which it is executed must be received by Link Asset Services at 12 noon on 24 March 2021 in respect of the meeting. Any Forms of Proxy received before such time will be deemed to have been received at such time. In the case of an adjournment, the Form of Proxy must be received by Link Asset Services no later than 48 hours before the rescheduled meeting. We strongly urge you to appoint the Chairman of the meeting as your proxy. If you appoint someone else (other than the Chairman of the meeting) to be your proxy, this would result in your proxy not being counted since he/she will not be able to attend the meeting.

   On completing the Form of Proxy, sign it and return it to Link Asset Services at the address shown on the Form of Proxy in the envelope provided. As postage has been pre-paid no stamp is required.

   A member may terminate a proxy's authority at any time before the commencement of the AGM. Termination must be provided in writing and submitted to the Company's Registrar. In accordance with the Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

   Alternatively, you may appoint a proxy or proxies electronically by visiting **https://www.signalshares.com/**. You will need to register using your investor code and follow the instructions on how to vote. Proxies submitted via **www.signalshares.com** for the AGM must be transmitted so as to be received by the Company's Registrar, Link Group, no later than 48 hours before the time appointed for the meeting (excluding weekends and public holidays) or any adjournment of the meeting. Proxies received after that date will not be valid.

   If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to **www.proxymity.io**. Your proxy must be lodged by 12.00 noon on 24 March 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Appointment of Proxy through CREST

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy's appointee through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be lodged at 12 noon on 24 March 2021 in respect of the meeting. Any such messages received before such time will be deemed to have been received at such time. In the case of an adjournment, all messages must be lodged with Link Asset Services no later than 48 hours before the rescheduled meeting.

Nominated Persons

8. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights:

    - You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the meeting.

    - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

    - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in the notes to the form of proxy.

Questions at the Meeting

9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless:

    - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

    - the answer has already been given on a website in the form of an answer to a question; or

    - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

    Note that as attendance at the AGM will not be possible, the Company will not be taking any questions at the AGM and instead, Shareholders are invited to submit their questions to **ukfundcosec@PraxisIFM.com**. To the extent that it is appropriate to do so, the Directors and the Investment Manager will respond to any questions received in a Q&A which will be posted on the Company's website in advance of the AGM. Please note all questions should be submitted by close of business on 22 March 2021.

NOTES TO NOTICE OF ANNUAL GENERAL MEETING continued

Issued Shares and total voting rights

10. The total number of shares in the Company in respect of which members are entitled to exercise voting rights is 134,730,610 Ordinary Shares of £0.01 each, of which 0 is held in treasury. The total number of voting rights in relation to the Ordinary Shares in the Company is 134,730,610.

Communication

11. Except as provided above, members who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

    - calling Link Asset Services' Shareholder helpline (lines are open from 9:00 a.m. to 5:30 p.m. Monday to Friday, excluding public holidays) +44 371 664 0300 (calls cost 12p per minute plus network extras); or

    - in writing to Link Asset Services. You may not use any electronic address provided either in this notice of meeting or in any related documents (including the Form of Proxy for this meeting) to communicate with the Company for any purposes other than those expressly stated.

CC JAPAN INCOME & GROWTH TRUST PLC
FORM OF PROXY

I/We ....

of ....
(BLOCK CAPITALS PLEASE)

being (a) member(s) of CC Japan Income & Growth Trust plc appoint the Chairman of the meeting, or ....

(see note 1) ....

of ....

as my/our proxy and, on a poll, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 26 March 2021 at 12 noon and any adjournment thereof.

Please indicate with an 'X' in the spaces provided how you wish your votes to be cast on the resolutions specified.

	Resolution	For	Against	Withheld	Discretionary
1.	To receive and adopt the Annual Report and Accounts for the year ended 31 October 2020				
2.	To approve the Directors' remuneration implementation report				
3.	To re-elect Kate Cornish-Bowden as a Director				
4.	To re-elect Harry Wells as a Director				
5.	To re-elect John Scott as a Director				
6.	To re-elect Peter Wolton as a Director				
7.	To authorise the Directors to declare and pay dividends on a semi-annual basis				
8.	To re-appoint Ernst & Young LLP as auditors to the Company				
9.	To authorise the Directors to fix the remuneration of the auditors				
10.	To give authority to allot new shares				
11.	To give authority to allot new shares free from pre-emption rights				
12.	To give authority for the Company to purchase its own shares				
13.	To authorise calling general meetings (other than Annual General Meetings) on 14 clear days' notice				

Subject to any voting instructions so given the proxy will vote, or may abstain from voting, on any resolution as he may think fit.

Signature .... Dated this .... day of 2021

NOTES

1. If any other proxy is preferred, strike out the words "Chairman of the Meeting" and add the name and address of the proxy you wish to appoint and initial the alteration. The proxy need not be a member.
2. If the appointer is a corporation this form must be completed under its common seal or under the hand of some officer or attorney duly authorised in writing.
3. A vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for or against a resolution.
4. The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
5. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
6. To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power, must reach the registrars of the Company, Link Asset Services not less than forty-eight hours before the time appointed for holding the Annual General Meeting or adjournment as the case may be.
7. The completion of this form will not preclude a member from attending the Meeting and voting in person.
8. Any alteration of this form must be initialled. Your completed and signed proxy form should be posted, in the enclosed reply paid envelope, to the Company's Registrars, Link Asset Services, PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to arrive before 12 noon on 24 March 2021.

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