CC JAPAN INCOME & GROWTH TRUST PLC

HALF YEARLY FINANCIAL REPORT

FOR THE PERIOD FROM 28 OCTOBER 2015 TO 30 APRIL 2016

ASSET MANAGEMENT
CouplandCardiff

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INVESTMENT OBJECTIVE, FINANCIAL INFORMATION AND PERFORMANCE SUMMARY

INVESTMENT OBJECTIVE

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

FINANCIAL INFORMATION

	At 30 April 2016
Net assets	£71.6m
Net asset value ("NAV") per ordinary share ("share")	103.92p
Share price	107.25p
Share price premium to NAV	3.2%

PERFORMANCE SUMMARY

	% change
NAV total return per share	+3.9%
Share price total return	+7.3%
Topix index total return	+3.6%

All the above returns are stated in GBP terms for the period from the Company's launch on 15 December 2015 to 30 April 2016.

CHAIRMAN'S STATEMENT

I am pleased to report a solid start in the first interim period of the Company's life ending 30th April 2016. The share price has risen by 7.25%, while the net asset value ("NAV") has increased by 3.93% on a cum income basis. The shares have consistently traded at a premium since listing on the London Stock Exchange on 15th December 2015 and closed at a 3.19% premium on April 30th 2016. Our managers have had to navigate a weak Japanese stock market with the Topix falling by 11.25% in local currency terms since listing and the surprisingly strong appreciation of the yen since the Bank of Japan moved to negative interest rate policy at the end of January. The currency's subsequent behaviour has confounded many commentators and market participants.

The initial launch size of £66.5 million was smaller than the Board and the Managers had originally envisaged. Based on market soundings, we had hoped to raise a minimum of £100 million but the book building process coincided with a sharp correction in stock markets and deteriorating investor confidence, perturbed by the first increase in US interest rates, waning Chinese and global trade growth, besides the shock of the Paris terror attacks. However, the Board and Managers had confidence in endorsing a smaller sized debut, through the Supplementary Prospectus, because of an underlying conviction in the investment mandate. We are grateful for the encouragement and support of founder shareholders and are pleased that we have subsequently been able to issue 2.4 million new shares, in a number of tap issues, raising a further £2.5m since launch, which underscores the interest in the Company. I should mention that in the Supplementary Prospectus, the managers agreed to reduce their fees charged on net assets from 0.90% to 0.75% per annum. In addition, all directors waived 20% of their fees, the Company Secretary waived 10% of its fee and our brokers suspended their retainer until the Company's net assets reach £100 million. This should help to keep the level of ongoing charges at an acceptable level, particularly as the revenue account grows.

The unorthodox policy of a negative interest rate on cash reserves embraced by the Bank of Japan is yet another attempt to stimulate an economy dogged by deflation. However, therein lies the opportunity for investment mandates with Japanese income strategies which Richard Aston discusses in his manager's review. In a crime-light Japan, domestic safes are now one of the fastest selling items in department stores, reflecting that 53% of household assets are held in cash and bank deposits. Equally, it is costing money to maintain Y100 trillion on corporate balance sheets and with pressure being brought to bear by corporate governance and stewardship reforms, dividend payout ratios and share buy backs are rising strongly.

It is perhaps a strange reversion to the mean to think of Japan in the context of income, a word almost lost to an entire generation of fund managers and investors. However, when the early pioneers of international investment like Harry Seggerman of Fidelity and Richard Thornton of GT fame arrived in Japan in the 1960s, they found companies with attractive levels of dividend yield. The economic case for Japan may be entirely different today but we have a resurrection in income opportunities which should be factored into the radar of those seeking income on a global basis, where so many sectors in other developed markets have or could potentially disappoint.

The initial dividend target is a minimum of 3p per share in the first financial year of the Company's life. I can report that the income account has generated 1.67p per share in the period from the commencement of the Company's operations on 15 December 2015 to 30 April 2016 based on the average number of shares in issue and an interim dividend of 1p will be paid to shareholders on 29 July to those on the register at 1 July 2016. Following notice in the Prospectus, I should report that the Board has successfully applied to the Courts to reduce the share premium account which creates a distributable special reserve allowing the Company greater flexibility to pay dividends.

The Board and the Managers are very keen to grow the Company and the closed end structure should appeal to those investors who see the income opportunity coupled with the potential for capital growth. The Placing Programme laid out in the Prospectus allows the Company to place up to 100 million shares in the period to 11 November 2016 on a non pre-emptive basis. We plan to use this facility in the second half of the Company's financial year.

Harry Wells
16 June 2016

INVESTMENT MANAGER'S REPORT

The period from inception of the Company to 30 April 2016 has been marked by considerable volatility in the Japanese equity market and currency exchange rates. The Topix Total Return (TR) index rose by 3.56% in sterling terms over the period with the value of the Company's holdings boosted by the strength of the Yen against the Pound. The Net Asset Value has increased by 3.93% in sterling terms. This represents outperformance over the Topix TR index in sterling during the period of 0.37%.

With global economic growth moderating and signs of concern emerging in different regions of the world, the last few months have been characterised by weakness in equity markets and volatility in exchange rates. The gyrations have been heavily influenced by the commentary, actions or even inactions of the Central Banks of the major economic regions. This has included the surprise announcement at the end of January by the Bank of Japan to cut the interest rates on excess reserves to -10bps, a negative nominal rate for the first time in history. The initial, albeit brief, success in weakening the currency soon gave way to renewed concerns about global growth and uncertainties over the impact of this additional monetary policy in Japan. The Yen has consequently appreciated from Y123.0/US$ in December to Y106.4/US$ at the end of April, and has been the dominant factor affecting the direction of the equity market and also the sectoral trends within it.

The rapid appreciation of the Yen has heightened concerns about the earnings outlook for the new fiscal year as well as the credibility, in some eyes, of Prime Minister Abe's reflation strategy. While a high percentage of aggregate earnings for the market is generated overseas and consequently has some sensitivity to the exchange rate, the general levels of demand both internationally and domestically remain robust. Criticism of Abenomics ignores areas of notable progress such as the much tighter labour market, evidence of price increases in certain categories and consistently strong inbound tourism. Corporations in Japan are generally in sound financial health and have demonstrated very positive trends with regard to improving their corporate governance in response to another of the Prime Minister's initiatives. Over the last twelve months the aggregate dividend payment for all listed companies rose 14.7% y/y to its third consecutive annual record. The payout ratio increased from 30.7% to 33.6% highlighting not only the scope for offering greater stability in the near term but also the potential for improvement in the long run. Share buybacks also achieved a new record high, rising 50% y/y. This was accompanied by record levels of treasury stock cancellation reflecting the desire to raise productivity and improve return on equity ratios.

In the light of the large currency move and introduction of unconventional monetary policy, the disparity of returns within the equity market has been considerable. Within the portfolio, banks have underperformed sharply as negative interest rates will inhibit their ability to generate returns on their core business operations, while currency sensitive companies such as Mabuchi Motor, Fuji Heavy Industries and Trend Micro have also been weak. This has been offset by strong outperformance of the REIT holdings, which benefit both operationally and also by investors' hunt for assets with yield, and selected holdings such as Daito Trust, a rental apartment developer, Pola Orbis, a leading cosmetics manufacturer, and telecommunication companies KDDI and NTT.

At the margin, there is a possibility that excess deposits in the banking system will be channelled into the real estate sector and therefore into an arguably already overheated Tokyo market. This makes it considerably harder for REITS dependent on external growth (i.e fund raising and property acquisitions) to expand. The fund has consequently sold holdings in Japan Excellent REIT and Kenedix Office REIT, central Tokyo office REITs dependent on third party acquisitions, after the very recent share price rally in favour of REITs with visible rental growth opportunities. Invincible Investment REIT and Japan Hotel REIT are existing holdings and Activia Properties REIT has been added. This company is focused on the Shibuya area of Tokyo, which is experiencing the strongest rental growth and has the smallest percentage of new supply of floor space over the next few years.

The market sell off has created the opportunity to establish new positions in a number of small cap companies. Wellnet, Shoei and Asante have been added since the beginning of the year, funded by the issues of new shares by the Company, as well as small reductions in individual stocks that have performed well such as Japan Tobacco and Daito Trust.

Recent economic data have disappointed and prompted the Bank of Japan to adopt a negative interest rate policy in its determination to return the economy to growth. Foreign investors appear to have taken a dim view on these developments and have sold Japanese equities consistently over the last few months. Under the current economic and exchange rate conditions, corporate earnings in Japan are likely to remain under pressure. One interesting consequence of the negative interest rate environment, however, is its perceived penalty for companies holding liquid assets. Company managements are therefore being forced to consider the most appropriate strategy for managing surplus cash balances. Improved shareholder return is a justifiable option for many and it seems likely that it will gain further traction as corporate governance improves and will provide further interesting investment opportunities for the Company. We believe that the companies held in the existing portfolio have demonstrated a clear commitment to reward shareholders on a sustainable basis through a combination of dividends and share buybacks whilst also maintaining appropriate levels of underlying business investment which allows them to deliver attractive total returns.

Coupland Cardiff Asset Management LLP
16 June 2016

BOARD OF DIRECTORS, COMPANY SECRETARY AND INVESTMENT MANAGER

From left to right: Anthony Lee (Cavendish Administration Limited, Company Secretary), Richard Aston (Investment Manager, Coupland Cardiff Asset Management LLP), John Scott, Harry Wells (Chairman), Peter Wolton and Mark Smith.

TOP TEN SECTORS AND HOLDINGS
AS AT 30 APRIL 2016

TOP 10 SECTORS

Sector	% of net assets
Real Estate	15.6
Services	14.3
Info & Communications	13.2
Banks	11.0
Electrical Apps	9.8
Construction	8.5
Transport	8.2
Foods	5.8
Rubber Products	5.6
Retail Trade	5.5
Total	**97.5**

TOP 10 HOLDINGS

Holding	% of net assets
Japan Tobacco	5.8
Japan Hotel REIT	5.6
Bridgestone Corp	5.6
Aoyama Trading	5.5
Nippon Telegraph	5.3
KDDI Corp	5.2
Matsui Securities	5.1
Daito Trust	5.0
Tsubaki Nakashima	4.9
Technopro Holdings	4.6
Total	**52.6**

INTERIM MANAGEMENT REPORT

The directors are required to provide an Interim Management Report in accordance with the UK Listing Authority's Disclosure Rules and Transparency Rules and consider that the Chairman's Statement and the Investment Manager's Report on pages 3 and 4 of this Half-yearly Report, the following statement on related party transactions and the Directors' Responsibility Statement below, together constitute the Interim Management Report for the Company for the period from its incorporation to 30 April 2016. The principle risks and uncertainties to the Company are detailed in note 22 of the accounts. The outlook for the Company in the remaining six months of the Company's first financial period is discussed in the Chairman's Statement and Manager's Report.

RELATED PARTY TRANSACTIONS

Details of the amounts paid to the Company's Investment Manager and the directors during the period are detailed in the notes to the financial statements.

DIRECTORS' STATEMENT OF RESPONSIBILITY FOR THE HALF-YEARLY REPORT

The Directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the Half-yearly financial report has been prepared in accordance with FRS 104 Interim Financial Reporting.

- The interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure and Transparency Rules.

Harry Wells
Chairman
16 June 2016

UNAUDITED INCOME STATEMENT

FROM 28 OCTOBER 2015 TO 30 APRIL 2016

	Notes	Revenue £000	Capital £000	Total £000
Gains on investments held at fair value through profit or loss		–	2,844	2,844
Income	3	1,462	–	1,462
Investment Management fee	4	(38)	(151)	(189)
Other expenses	5	(148)	–	(148)
Return before finance costs & taxation		**1,276**	**2,693**	**3,969**
Finance costs	6	(13)	(32)	(45)
Return on ordinary activities before taxation		**1,263**	**2,661**	**3,924**
Taxation on ordinary activities	7	(136)	–	(136)
Return for the period		**1,127**	**2,661**	**3,788**
Return per ordinary share (pence):	17	**1.67p**	**3.95p**	**5.62p**

The notes on pages 12 to 20 form part of these accounts.

The total column of this statement is the profit and loss account of the company.

All the revenue and capital items in the above statement derive from continuing operations.

There is no other comprehensive income.

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2016

	Notes	£000
Fixed assets		
Investments at fair value through profit or loss	8	**70,915**
Current assets		
Debtors	9	2,373
Collateral paid in respect of contracts for difference		769
Cash at bank		542
		3,684
Creditors – amounts falling due within one year		
Creditors	10	**(2,999)**
Net current assets		**685**
Total assets less current liabilities		**71,600**
Net assets		71,600
Capital and reserves		
Share capital	11	689
Share premium	12	2,452
Special reserve	13	64,671
Capital reserve	14	2,661
Revenue reserve	15	1,127
Total shareholders' funds		**71,600**
NAV per share – Ordinary Shares (pence)	18	**103.92p**

The notes on pages 12 to 20 form part of these accounts.

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 28 OCTOBER 2015 TO 30 APRIL 2016

	Share capital £000	Share Premium Account £000	Special Reserve £000	Capital Reserve £000	Revenue Reserve £000	Total £000
Beginning of period	–	–	–	–	–	–
Return on ordinary activities	–	–	–	2,661	1,127	3,788
Issue of Ordinary Shares	689	68,287	–	–	–	68,976
Transfer to Special Reserve	–	(64,671)	64,671	–	–	–
Share Issue Costs	–	(1,164)	–	–	–	(1,164)
Balance at 30 April 2016	**689**	**2,452**	**64,671**	**2,661**	**1,127**	**71,600**

Distributable reserves comprise: the revenue reserve; and capital reserves attributable to realised profits including the special reserve.

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

All investments are held at fair value through profit or loss. When the Company revalues the investments still held during the period, any gains or losses arising are credited/charged to the capital reserve.

The notes on pages 12 to 20 form part of these accounts.

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 28 OCTOBER 2015 TO 30 APRIL 2016

	£000
Cash flows from operating activities	
Profit before finance costs and taxation	3,969
Adjustments for:	
Movement in Investments held at fair value through profit or loss	(2,844)
Finance costs paid	(37)
Increase in trade and other debtors	(741)
Increase in trade creditors	161
Tax on unfranked income – overseas	(136)
Net cash generated from operating activities	372
Cash flows from investing activities	
Purchases of investments	(74,044)
Proceeds from sales of investments	7,171
Net cash used in investing activities	(66,873)
Cash flows from financing activities	
Issue of ordinary share capital	68,976
Share issue costs	(1,164)
Net cash from financing activities	67,812
Net increase in cash and cash equivalents	1,311
Cash and cash equivalents at the beginning of period	0
Cash and cash equivalents at the end of the period	1,311

The notes on pages 12 to 20 form part of these accounts.

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 intends to carry 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 UK Listing 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 registered office is Mermaid House, 2 Puddle Dock, London, EC4V 3DB.

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 the applicable UK Accounting Standards, including Financial Reporting Standard 104 - Interim Financial Reporting - The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 104') - and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (issued in November 2014). 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.

The functional and presentational currency of the Company is Sterling (£).

(b) Investments

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/(losses) on investments held at fair value through profit or loss".

(c) Derivatives

Derivatives which comprise of Contracts for Differences (CFDs) are held at fair value based on traded prices. Gains and 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 are translated into sterling at actual exchange rates as at the date of the transaction. Assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the income statement as appropriate. Foreign exchange movements on investments are included in the Income Statement within gains on investments.

(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.

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

(f) 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.

(g) Taxation

The charge for taxation is based upon the net revenue for the year. The tax charge is allocated to the revenue and capital accounts according to the marginal basis whereby revenue expenses are first matched against taxable income arising in the revenue account. Deferred taxation will be recognised as an asset or a liability if transactions have occurred at the initial reporting date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset will not be recognised to the extent that the transfer of economic benefit is uncertain.

3. INCOME

	Period ended 30 April 2016 £000
Income from investments	
Overseas dividends	**1,462**
	1,462

4. INVESTMENT MANAGEMENT FEE

	Period ended 30 April 2016 £000
Basic fee:	
20% charged to revenue	38
80% charged to capital	151
	189

5. OTHER EXPENSES

	Period ended 30 April 2016 £000
Secretarial services	19
Administration expenses	63
Auditor's remuneration – audit services	14
– non-audit	10
Directors' fees	42
	148

The Directors, Secretary and the Company's Broker have agreed to reductions to their contractual fees while the Company's net assets are less than £100m.

6. FINANCE COSTS

	Period ended 30 April 2016 £000
Interest paid	5
CFD finance cost and structuring fee – 20% charged to income	8
	13
CFD finance cost and structuring fee – 80% charged to capital	32
	45

7. TAXATION ON ORDINARY ACTIVITIES

	Period ended 30 April 2016 £000
Overseas taxation	136
	136

8. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 April 2016 £000
Investments listed on a recognised investment exchange:	
Overseas	70,915
	70,915

9. DEBTORS

	30 April 2016 £000
Amounts due from brokers	1,352
Amounts due in respect of contracts for difference	280
Accrued income and prepayments	741
	2,373

10. CREDITORS

	30 April 2016 £000
Amounts falling due within one year:	
Purchases for future settlement	1,360
Amounts payable in respect of contracts for difference	1,477
Other Creditors	162
	2,999

11. SHARE CAPITAL

	30 April 2016 No. of Shares	30 April 2016 £000
Allotted, issued & fully paid:		
Ordinary shares of 1p	68,900,000	689
	68,900,000	**689**

On incorporation, the issued share capital of the Company was £0.01 represented by one Ordinary Share, held by Coupland Cardiff Asset Management LLP as subscriber to the Company's memorandum of association. The Ordinary share was fully paid up.

To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under Section 761 of the Act, on 10 November 2015, 50,000 redeemable shares were allotted to the Investment Manager. The redeemable shares were paid up as to one quarter of their nominal value and were redeemed at the same price, immediately following Admission 15 December 2015 out of the proceeds of the Issue.

On 15 December 2015, 66,499,999 ordinary shares of 1p each were allotted and issued to shareholders as part of the placing and offer for subscription in accordance with the Company's prospectus dated 13 November 2015.

During the period under review a further 2.4 million shares were issued. The price paid per share ranged from 100.80p to 107.80p and the total amounted to £2,501,000.

11. SHARE CAPITAL continued

Share Movement

The table below sets out the share movement since incorporation (28 October 2015) to 30 April 2016.

For the period from 28 October 2015 to 30 April 2016

	Shares issued	Shares redeemed	Shares in issue at 30 April 2016
Redeemable shares	50,000	50,000	0
Ordinary shares of 1p	68,900,000	0	68,900,000

12. SHARE PREMIUM

	30 April 2016 £000
Share premium arising on issue of ordinary shares	68,287
Transfer to Special Reserve	(64,671)
IPO costs	(1,164)
Closing balance	**2,452**

13. SPECIAL RESERVE

	30 April 2016 £000
Transfer from Share Premium	64,671
Closing balance	**64,671**

As stated in the Company's prospectus dated 13 November 2015, in order to increase the distributable reserves available to facilitate the flexibility and source of future dividends, the Company had resolved that, conditional upon First Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the First Issue be cancelled and transferred to a special distributable reserve. Following approval by the Court, the cancellation became effective on 23 March 2016 and an amount of £64,671,250 was transferred to the above special reserve at that time.

14. CAPITAL RESERVE

	30 April 2016 £000
Gains on investments - held at fair value through profit or loss	2,844
Investment management fee charged to capital	(151)
CFD finance costs and structuring fees charged to capital	(32)
Closing balance	**2,661**

15. REVENUE RESERVE

	Periodended 30 April 2016 £000
Retained profit for the period	1,127
Closing balance	**1,127**

16. FINANCIAL COMMITMENTS

At 30 April 2016 there were no commitments in respect of unpaid calls and underwritings.

17. RETURN PER ORDINARY SHARE

Total return per ordinary share is based on the return on ordinary activities after taxation of £3,788,000.

Based on the weighted average of number of 67,445,985 ordinary shares in issue from commencement of the Company's operations on 15 December 2015 to 30 April 2016, the returns per share were as follows:

	Revenue	Capital	Periodended 30 April 2016 £000
Return per ordinary share	**1.67**	**3.95p**	**5.62p**

Based on the weighted average of 49,687,097 ordinary shares in issue during the period from the Company's incorporation on 28 October 2015 to 30 April 2016, the returns per share were as follows:

	Revenue	Capital	Periodended 30 April 2016 £000
Return per ordinary share	**2.27p**	**5.35p**	**7.62p**

18. NET ASSET VALUE PER SHARE

Total shareholders' funds and the net asset value per share attributable to the ordinary shareholders at the period end calculated in accordance with the Articles of Association were as follows:

	Net Asset Value per share 30 April 2016 pence	Net assets available 30 April 2016 £000
Ordinary Shares (68,900,000 shares in issue)	**103.92**	**71,600**

The net asset value per share is based on total shareholders' funds above, and on 68,900,000 ordinary shares in issue at the period end.

NOTES TO THE ACCOUNTS continued

19. RELATED PARTY TRANSACTIONS

Transactions with the Investment Manager and the Alternative Investment Fund Manager 'AIFM'

The Company provides additional information concerning its relationship with the Investment Manager and AIFM, Coupland Cardiff Asset Management LLP. The fees outstanding at the period ended 30 April 2016 were £42,751.

Directors' fees and shareholdings

As detailed in the Company's prospectus dated 13 November 2015, directors' fees are payable at the rate of £24,000 per annum for each Director other than the Chairman, who is entitled to receive £36,000. The Chairman of the Audit Committee is also entitled to additional fees of £5,000 per annum and the senior independent director is entitled to an additional fee of £1,000. However, the directors have agreed to a 20% reduction in fees while the Company's net assets are less than £100m.

The directors purchased the following number of shares at the time of the Company's listing on the London Stock Exchange.

	Ordinary shares
Harry Wells	30,000
John Scott	25,000
Mark Smith	10,000
Peter Wolton	25,000

The above shareholdings were unchanged at 30 April 2016.

20. INTERIM DIVIDEND

The Directors have declared an interim dividend for the financial period ending 31 October 2016 of 1.0p per ordinary share. The dividend will be paid on 29 July 2016, to Shareholders on the register at the close of business on 1 July 2016.

21. POST BALANCE SHEET EVENTS

Cavendish Administration Limited is the secretary of the Company. Cavendish Administration Limited was acquired by the PraxisIFM Group in November 2015. The Company's contract with Cavendish Administration Limited has been novated to PraxisIFM Fund Services (UK) Limited and the novation will take effect from 1 July 2016 at which point PraxisIFM Fund Services (UK) Limited will become the secretary of the Company.

22. PRINCIPLE RISKS AND UNCERTAINTIES

(i) Market risks

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.

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.

(ii) Liquidity risks

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.

(iii) 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 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.

(iv) Leverage risks

Derivative instruments

The Company may utilise long only contracts for difference or equity swaps for gearing and efficient portfolio management purposes. Leverage may be generated through the use of contracts for difference 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.

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.

22. PRINCIPLE RISKS AND UNCERTAINTIES continued

(iv) Leverage risks continued

Management of leverage risks

The aggregate of borrowings and long only contracts for difference 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.

(v) Interest rate risks

The Company pays interest on its borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.

Management of interest rate risks

Prevailing interest rates are taken into account when deciding on borrowings.

(vi) 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 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.

Derivative instruments

Where the Company utilises contracts for difference 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.

Management of credit risks

The Company has appointed Northern Trust Global Services Limited 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 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.

Other risks to the Company are detailed in the Company's prospectus dated 13 November 2015.

23. STATUS OF THIS REPORT

These financial statements are not the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006. They are unaudited. The Half-yearly financial report will be made available to the public at the registered office of the Company. The report will also be available on the Company's website (www.ccjapanincomeandgrowthtrust.com).

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* Registered in England no. 9845783

** With effect from 1 July 2016, PraxisIFM Fund Services (UK) Limited will be appointed as the Company's Corporate Secretary, having acquired Cavendish Administration Limited.