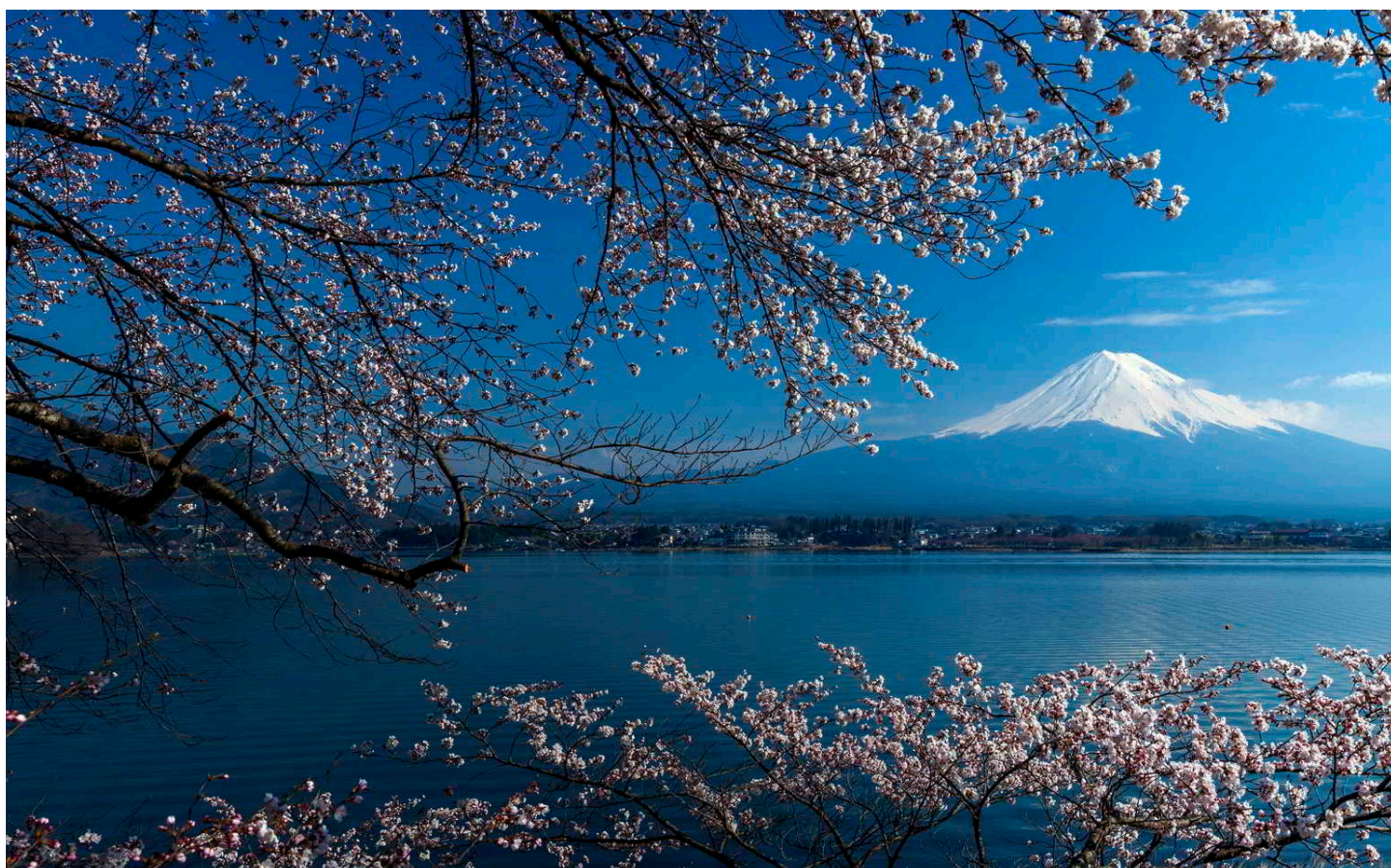


CC JAPAN INCOME & GROWTH TRUST PLC

HALF-YEARLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 APRIL 2020



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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 2020
Net assets (millions)	£174.5
Net asset value ("NAV") per Ordinary Share ("Share") ¹	129.5p
Share price	125.0p
Share price discount to NAV ²	3.5%

¹ Measured on a cum income basis

² This is an Alternative Performance Measure ("APM")

PERFORMANCE SUMMARY

	For the six months to 30 April 2020 % change ¹
NAV total return per Share ²	-16.7%
Share price total return ²	-15.0%
Topix index total return	-7.5%

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

² These are APMs. Definitions of these and other APMs used in this report together with how these measures have been calculated are disclosed on page 20 of this report.

Source: Bloomberg

CHAIRMAN'S STATEMENT

Performance

For the first half of the financial year, representing the six months to 30 April 2020, the Company's performance has been affected by the maelstrom of the Covid-19 pandemic which engulfed the global economy and financial markets. As measured by total return, to include last year's final dividend of 3.10p per Ordinary Share paid in March 2020, the share price fell 15% while the Net Asset Value ("NAV") declined 16.7%. The sell-off in value and yield stocks, combined with our structural gearing of 20%, hit us badly. The Topix index total return fell 7.5% in sterling terms. Hopefully, the extent of dislocation in global stock markets reached a nadir in March 2020, although economic recovery may be protracted given the extent of disruption.

Outlook

When I signed off the Chairman's statement for last year's Annual Report published on 24 January 2020, the outlook for Japanese shares seemed promising. This was to be the Olympic year to stimulate both tourism and spending, trade negotiations between the USA and China appeared to be improving and foreign investors had, at last, turned net buyers. Within a month, the Covid-19 outbreak had shattered these hopes. In the short term, the outlook for Japanese corporate earnings is now poor. Operating profits for non-financial companies dropped 42% year-on-year in March 2020. Economic momentum had been stalling before the Covid-19 crisis and GDP is expected to decline significantly in the second calendar quarter of 2020.

However, there are reasons to be positive. Although earnings will be under pressure and guidance is distinctly lacking, the feedback from Japanese companies is that most are committed to sustaining their levels of dividend, reflecting excess capital on balance sheets, albeit with higher operational spend expected to cover any revenue shortfalls. Corporate governance reforms will endure and the recent Foreign Exchange and Foreign Trade Act ("FEFTA") rules have been implemented in a sensible way which should not, as originally suggested, deter foreign investment. The Japanese Government and Bank of Japan ("BOJ") have unleashed powerful stimulus announcing two separate fiscal spending and tax break packages each of over 100 trillion yen (£743 billion), representing in total some 40% of GDP. Importantly, Japan appears to have contained the Covid-19 outbreak, lifting the State of Emergency and allowing businesses to get back to work and normal life to resume. Significantly, economic activity is ramping up in China - a critical trading relationship. A rebound in the Japanese economy can be expected towards the latter half of the year, even if the output gap points to a sluggish picture in 2021. Japanese shares are cheap by historical metrics with attractive dividend yields which your Investment Manager believes offer greater surety than in other developed economies where dividends have been cancelled or sliced by cash

strapped corporates. The Investment Manager's focus on investing in companies with growing and sustainable dividends, combined with our structural gearing, should position us well for a strong resurgence when the global economy emerges from this crisis. Those hunting for equity income should look to Japan.

Of course, risks remain and a second wave of Covid-19 infections would scupper the time frame of recovery both in Japan and elsewhere with rising immediate concerns about renewed outbreaks in Beijing and several key US states. A further deterioration in USA - China relations is also of paramount concern; not least for world trade at a time when supply chains are already migrating from global to national platforms, undermining the tenets of globalisation.

The Investment Manager employs a disciplined approach in the execution of its investment mandate with a clear focus to look through the unsettling volatility of recent events. The Board has confidence that the Investment Manager continues to position the portfolio in companies with sustainable business models, strong balance sheets and the capacity to increase dividends.

Operational Considerations

The Coupland Cardiff office and personnel transitioned to "remote working" before lockdown was implemented in the United Kingdom. This has been a seamless process and the Company's other service providers continue to perform their responsibilities operating virtually.

Shareholder engagement and Annual General Meeting voting update

As stated in the announcement made by the Company on 10 March 2020, the Board has noted the 20.24% of votes cast against Resolution 13 put forward at the Annual General Meeting held on 10 March 2020 to provide authority to allot new Ordinary Shares on a non pre-emptive basis. Although the resolution was passed, I have written to dissenting Shareholders explaining its rationale and seeking their views. The Board continues to believe that the issue of shares at a premium to NAV on a non pre-emptive basis is an important element of its plans to grow the Company's shareholder base and is in the best interests of the Company and Shareholders as a whole.

Dividends

Revenue earnings per share for the period were 2.84p (2019: 2.62p), an increase of 8.2% over the interim period last year. The Board has declared an unchanged interim dividend of 1.40p per Ordinary Share, payable on 24 July 2020 with an ex-dividend date of 2 July 2020. After careful consideration and a thorough examination of the Company's revenue account, the Board intends to recommend a full year dividend for the current financial year, at least at the level of last year's distribution of

CHAIRMAN'S STATEMENT continued

4.50p per Ordinary Share. This represents a [3.6%] yield on today's closing share price.

Board responsibilities

On 11 March 2020, Kate Cornish-Bowden was appointed Chair of the Audit and Risk Committee in succeeding John Scott, who remains a Director of the Company and member of the Audit and Risk Committee.

Keeping in touch

I would encourage you to keep in touch by looking at the Company's website which is currently being upgraded. www.ccjapanincomeandgrowthtrust.com. This provides regular updates including the Investment Manager's monthly factsheets.

Harry Wells
Chairman

15 June 2020

INVESTMENT MANAGER'S REPORT

Performance Review

The Company's NAV fell from 158.9p to 129.5p between 31 October 2019 and 30 April 2020. During this period, the Company paid a final dividend of 3.10p per Ordinary Share for the financial year ended 31 October 2019, representing a 24% increase over the final dividend paid the previous year.

The global spread of the Covid-19 virus and the subsequent changes to social behaviour and economic policies have been the most significant considerations for investors over the period. The underperformance of high dividend yield stocks has been a notable feature across global equity markets. Despite strong evidence that the pressure to cut dividends in Japan is much less than many of its international peers, price weakness of stocks with higher distributions to shareholders has also been very apparent in Japan. This reflects the fact that many of the companies in question have business models which are potentially most exposed to the immediate changes in the behaviour of individuals and potentially the negative consequences of higher credit risk.

The most significant detractors to performance over the period have been stocks whose business focus is most exposed to the social and economic developments since the outbreak became a global pandemic. The rise in credit risk has negative ramifications for the financial and real estate sectors and the Company's exposure to companies in these segments was detrimental to relative performance. The combined weighting in these sectors at the end of February was over 25%. The consequences of the restriction on social interaction has also been particularly relevant for the portfolio given its exposure to a number of companies in the leisure and consumer staples industries which have experienced unprecedented business conditions prevailing under international lockdowns and the domestic 'State of Emergency'. The Company has had longstanding positions in many of the companies affected and despite some reductions in position sizing as the situation developed, the portfolio was unable to avoid the impact of the sharp share price falls.

The most significant share price declines and the majority of the recent aggregate underperformance has occurred in the Real Estate Investment Trust ("REIT") sector. The holdings of the Company suffered disproportionately, given that two of the positions, Japan Hotel REIT and Invincible Investment, specialise almost exclusively in hotel assets. Operating trends for the accommodation industry in recent years have been favourable given the strong demand from domestic business and leisure travel together with the significant rise in the number of foreign visitors to Japan. Demand all but disappeared in the last quarter impacting the immediate operating and financial performance of these holdings. The near-term prospects are uncertain

even if previous financial crises and natural disasters have demonstrated that positive trends are resilient in the long term. The REIT as an asset class has been an important positive contributor to the income growth and capital appreciation of the Company since inception and will continue to offer investment opportunities for the future.

The restriction on movement in many countries and more recently Japan has had a detrimental impact on a great number of companies across a broad spectrum of industries. Bridgestone and Tsubaki Nakashima have suffered from the reduction in automobile production; and Kakaku.com, Japan's leading online reservation booking company, from the instruction to remain at home and reduce social contact. Pola Orbis and Noevir, both leading, domestic cosmetic manufacturers, which might have been expected to offer stability in uncertain economic times, have experienced difficulties as their retail distribution channels have unusually been forced to close temporarily. Importantly, despite the obvious near-term challenges, these companies paid dividends as forecast for the fiscal year just completed and reconfirmed their ongoing commitment to future shareholder returns.

Some of the holdings mentioned above would have been positive contributors to performance to the end of February. This highlights the severity of the share price reaction once the Covid-19 virus developed into an international crisis. There were positive contributions from a number of the holdings in the portfolio notably established in the last twelve months. West Holdings, a provider of solar energy and related services, Kyowa Exeo, a communications network and social infrastructure construction company, Softbank, a mobile phone operator, SBI Holdings, a financial services company, and Hoya, a leading optical technology company, all performed well during the period.

Portfolio Positioning

The strategy generally experiences low trading activity due to its focus on the long-term fundamentals of the companies in which it invests. Substantial dislocations to the outlook such as those presented by the Covid-19 pandemic forced reappraisal of some of the assumptions relevant for each individual company. Any associated market volatility creates interesting opportunities as a result. The current period has been one such occasion. Concerns about a number of companies as the virus outbreak first spread in China resulted in further appraisal of Daiwa House, Inpex, Canon, Komatsu, Mabuchi Motor and Resona Holdings and particularly their willingness to continue to deliver incremental improvement in shareholder returns. Better opportunities were identified at telecommunication companies KDDI and Softbank Corp, solar energy provider West Holdings and technology related companies Hoya and Kyocera. The holdings in the REIT

INVESTMENT MANAGER'S REPORT continued

sector were in the process of being reconfigured ahead of the steep decline in the asset class with MCUBS Office REIT sold entirely and Invesco Office REIT being reduced after a strong appreciation of their respective share prices. New holdings were established in Star Asia Investment REIT, due to its exciting restructuring opportunities, and GLP J-REIT, which has an extensive portfolio of modern logistics properties.

Outlook

The companies in the portfolio have strong balance sheets and the majority have significant net cash positions. As such, first and foremost, their survival is not an issue. Undoubtedly short-term earnings are being affected with varying levels of severity. However, our belief in the long-term prospects for many of these well-managed companies is undiminished.

Japanese companies are arguably more accustomed to challenges presented by the current pandemic than their international peers due to the long period of financial repression in Japan and the nation's susceptibility to natural disasters. These are often cited by Japanese corporate managers as reason for taking a more cautious approach to total shareholder returns. This prudence has been vindicated by the ability of most of these companies at least to expect to maintain dividend payments for the current fiscal year at a time when dividend cuts are becoming commonplace amongst their peers in Europe particularly, but also other regions.

Despite the difficult period for the Company resulting from this unprecedented and unpredictable event, there is much to be encouraged by at the individual company level with regard to the stability of dividends in these challenging times and the commitment to growth potential longer term which we believe will overcome the market volatility experienced in the short term.

Coupland Cardiff Asset Management LLP

15 June 2020

TOP TEN SECTORS AND HOLDINGS

AS AT 30 APRIL 2020

TOP 10 SECTORS

Sector	% of net assets
Information & Communications	16.5
Chemicals	13.0
Services	12.7
Real Estate	8.9
Wholesale	6.8
Banks	5.4
Electrical Appliances	5.4
Securities & Commodities	5.2
Insurance	4.2
Machinery	3.6
Other Sectors	13.2
Other net assets	5.1
Total	100.0

TOP 10 EQUITY HOLDINGS

Company	Sector	% of net assets
Shin-Etsu Chemical	Chemicals	4.9
Itochu Corp	Wholesale	4.3
Nippon Telegraph	Information & Communications	4.3
Tokio Marine	Insurance	4.2
Softbank	Information & Communications	3.5
Noevir Holding	Chemicals	3.2
Sumitomo Mitsui Financial	Banks	3.1
West Holdings	Services	3.1
Kyowa Exeo Corp	Construction	3.1
SBI Holdings	Securities & Commodities	3.1
Other equity holdings	n/a	58.1
Other net assets		5.1
Total		100.0

TOP TEN SECTORS AND HOLDINGS continued

TOP TEN CONTRACTS FOR DIFFERENCE (CFDs)

AS AT 30 APRIL 2020

Company	Sector	Gross exposure £'000	Gross exposure as a % of net assets	Market value £'000
Shin-Etsu Chemical	Chemicals	1,711	1.0	21
Itochu Corp	Wholesale	1,528	0.9	(223)
Nippon Telegraph	Information & Communications	1,520	0.9	(213)
Tokio Marine	Insurance	1,464	0.8	(245)
Softbank	Information & Communications	1,251	0.7	(28)
Noevir Holding	Chemicals	1,100	0.6	(237)
Sumitomo Mitsui Financial	Banks	1,073	0.6	(445)
West Holdings	Services	1,070	0.6	315
Kyowa Exeo Corp	Construction	1,068	0.6	(99)
SBI Holdings	Securities & Commodities	1,066	0.6	(123)
Top Ten		12,851	7.3	(1,277)
Other CFDs		20,277	11.7	(4,839)
Total		33,128	19.0	(6,116)

INTERIM MANAGEMENT REPORT

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority ("FCA") Disclosure Guidance and Transparency Rules and consider the Chairman's Statement and the Investment Manager's Report in this half-yearly report provide details of the important events which have occurred during the period and their impact on the financial statements. The following statements on related party transactions, going concern and the Directors' Responsibility Statement below, together constitute the Interim Management Report for the Company for the six months ended 30 April 2020.

RISKS AND UNCERTAINTIES

The principal risks and uncertainties to the Company are detailed in the Company's most recent Annual Report for the year ended 31 October 2019 which can be found on the Company's website at www.ccjapanincomeandgrowthtrust.com. The principal risks and uncertainties facing the Company were unchanged during the period under review. The principal risks and uncertainties facing the Company are as follows:

- Market risks, including risks associated with the economy, sectoral diversification and exposure to unquoted companies;
- Corporate governance and internal control risks, including cyber crime;
- Regulatory risks; and
- Financial risks.

The Board is of the opinion that these key principal risks remain, but mindful of its obligations under the changes to the AIC Code of Corporate Governance in February 2019 have also reviewed emerging risks which may impact the forthcoming six-month period. These emerging risks include:

- The ongoing impact of the global pandemic; and
- The increasing geopolitical tensions in the region.

RELATED PARTY TRANSACTIONS

The Company's Investment Manager is Coupland Cardiff Asset Management LLP. Coupland Cardiff Asset Management LLP is considered a related party under the Listing Rules. The Investment Manager is entitled to receive a management fee payable monthly in arrears at the rate of one-twelfth of 0.75% of Net Asset Value per calendar month. Investment management fees paid during the six-month period to 30 April 2019 were £737,000. There is no performance fee payable to the Investment Manager. There have been no changes to the related party transactions that could have a material effect on the financial position or performance of the Company since the year ended 31 October 2019.

GOING CONCERN

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the following twelve-month period from the date of this report. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows. The Company's net assets as at 30 April 2020 were £174.5 million (30 April 2019: £195.8 million). As at 30 April 2020, the Company held £165.6 million (30 April 2019: £194.4 million) in quoted investments and had cash and cash equivalents of £11.3 million (30 April 2019: £2.6 million). In addition, as at 30 April 2020, the Company had gross exposure to Contracts for Difference of £33.1 million (30 April 2019: £38.9 million). The total expenses (excluding finance costs and taxation) for the six months ended 30 April 2020 were £1.0 million (30 April 2019: £0.9 million).

In 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 any 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 are 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.

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 Guidance and Transparency Rules.

Harry Wells

Chairman

For and on behalf of the Board of Directors

15 June 2020

UNAUDITED CONDENSED INCOME STATEMENT

SIX MONTHS TO 30 APRIL 2020

	Note	Six months to 30 April 2020			Six months to 30 April 2019			Year ended 31 October 2019		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments		-	(38,952)	(38,952)	-	(2,999)	(2,999)	-	14,207	14,207
Currency gains/(losses)		-	376	376	-	(167)	(167)	-	(124)	(124)
Income	4	4,743	-	4,743	4,215	-	4,215	8,671	-	8,671
Investment management fee		(147)	(590)	(737)	(138)	(553)	(691)	(293)	(1,173)	(1,466)
Other expenses*		(266)	-	(266)	(182)	-	(182)	(434)	-	(434)
Return on ordinary activities before finance costs and taxation		4,330	(39,166)	(34,836)	3,895	(3,719)	176	7,944	12,910	20,854
Finance costs	5	(35)	(89)	(124)	(33)	(84)	(117)	(74)	(175)	(249)
Return on ordinary activities before taxation		4,295	(39,255)	(34,960)	3,862	(3,803)	59	7,870	12,735	20,605
Taxation	6	(474)	-	(474)	(422)	-	(422)	(867)	-	(867)
Return on ordinary activities after taxation		3,821	(39,255)	(35,434)	3,440	(3,803)	(363)	7,003	12,735	19,738
Return per Ordinary Share	10	2.84p	(29.14)p	(26.30)p	2.62p	(2.89)p	(0.27)p	5.26p	9.57p	14.83p

* 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.

The total column of the Condensed 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 period is also the total comprehensive income for the period.

The notes on pages 14 to 19 form part of these interim financial statements.

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2020

	Note	30 April 2020 £'000	30 April 2019 £'000	31 October 2019 £'000
Fixed assets				
Investments at fair value through profit or loss	3	165,644	194,411	211,240
Current assets				
Cash and cash equivalents		11,162	2,693	2,472
Cash collateral in respect of Contracts for Difference ("CFDs")		101	1	16
Amounts receivable in respect of CFDs		530	1,642	3,258
Other debtors		5,532	2,299	2,571
		17,325	6,635	8,317
Creditors: amounts falling due within one year				
Amounts payable in respect of CFDs		(6,646)	(4,958)	(5,140)
Other creditors		(1,808)	(239)	(291)
		(8,454)	(5,197)	(5,431)
Net current assets		8,871	1,438	2,886
Net assets		174,515	195,849	214,126
Capital and reserves				
Share capital	8	1,348	1,348	1,348
Share premium		98,437	98,375	98,437
Special reserve		64,671	64,671	64,671
Capital reserve				
– Revaluation gains on investment held at period end		3,565	13,466	26,156
– Other capital reserves		847	13,663	17,511
Revenue reserve		5,647	4,326	6,003
Total Shareholders' funds		174,515	195,849	214,126
NAV per share - Ordinary Shares (pence)	11	129.53p	145.36p	158.93p

Approved by the Board of Directors and authorised for issue on 15 June 2020 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 14 to 19 form part of these interim financial statements.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS TO 30 APRIL 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		-	-	-	(39,255)	3,821	(35,434)
Dividends paid		-	-	-	-	(4,177)	(4,177)
Issue of Ordinary Shares	8	-	-	-	-	-	-
Ordinary Shares issue costs		-	-	-	-	-	-
Balance at 30 April 2020		1,348	98,437	64,671	4,412	5,647	174,515

SIX MONTHS TO 30 APRIL 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		-	-	-	(3,803)	3,440	(363)
Dividends paid		-	-	-	-	(3,230)	(3,230)
Issue of Ordinary Shares	8	63	8,665	-	-	-	8,728
Ordinary Share issue costs		-	(201)	-	-	-	(201)
Balance at 30 April 2019		1,348	98,375	64,671	27,129	4,326	195,849

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		-	-	-	-	(5,116)	(5,116)
Issue of Ordinary Shares	8	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 14 to 19 form part of these interim financial statements.

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

SIX MONTHS TO 30 APRIL 2020

	Six months to 30 April 2020 £'000	Six months to 30 April 2019 £'000	Year ended 31 October 2019 £'000
Operating activities cash flows			
Return on ordinary activities before finance costs and taxation*	(34,836)	176	20,854
Adjustment for:			
Losses/(gains) on investments	30,685	2,644	(12,932)
CFD transactions	4,250	592	(857)
Decrease/(increase) in other debtors	125	104	(168)
(Decrease)/increase in other creditors	(17)	13	65
Tax withheld on overseas income	(474)	(422)	(867)
Net cash flow (used in)/from operating activities	(267)	3,107	6,095
Investing activities cash flows			
Purchases of investments	(46,039)	(26,305)	(38,854)
Proceeds from sales of investments	59,398	19,077	30,373
Net cash flow from/(used in) investing activities	13,359	(7,228)	(8,481)
Financing activities cash flows			
Issue of Ordinary Share capital	–	8,728	8,728
Payment of Ordinary Share issue costs	–	(201)	(139)
Equity dividends paid	(4,177)	(3,230)	(5,116)
Finance costs paid	(124)	(116)	(248)
Net cash flow (used in)/from financing activities	(4,301)	5,181	3,225
Increase in cash and cash equivalents	8,791	1,060	839
Cash and cash equivalents at the beginning of the period	2,472	1,633	1,633
Cash and cash equivalents at the end of the period	11,263	2,693	2,472

* Cash inflow from dividends was £4,880,000 (30 April 2019: £4,454,000 and 31 October 2019: £8,506,000).

The notes on pages 14 to 19 form part of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CC Japan Income & Growth Trust plc (the “Company”) was incorporated in England and Wales on 28 October 2015 with registered number 9845783, as a closed-ended investment company. The Company commenced its operations on 15 December 2015. 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 principal activity of the Company is that of an investment trust company within the meaning of section 1158 of the Corporation Tax Act 2010.

The Company's 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 Company's registered office is Mermaid House, 2 Puddle Dock, London, EC4V 3DB.

2. ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with FRS 104 Interim Financial Reporting and the Statement of Recommended Practice “Financial Statements of Investment Trust Companies and Venture Capital Trusts” issued by the Association of Investment Companies in October 2019.

This half-yearly Financial Report is unaudited and does not include all the information required for full annual financial statements. The half-yearly Financial Report should be read in conjunction with the Annual Report and Accounts of the Company for the year ended 31 October 2019. The Annual Report and Accounts for the year ended 31 October 2019 were prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) and received an unqualified audit report. The financial information for the year ended 31 October 2019 in this half-yearly Financial Report has been extracted from the audited Annual Report and Accounts for that year end. The accounting policies in this Half-yearly Financial Report are consistent with those applied in the Annual Report for the year ended 31 October 2019.

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

3. INVESTMENTS

	As at 30 April 2020 £'000	As at 30 April 2019 £'000	As at 31 October 2019 £'000
Investments listed on a recognised overseas investment exchange	165,644	194,411	211,240
	165,644	194,411	211,240

Fair Value Measurements of Financial Assets and Financial Liabilities

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

The valuation techniques for investments and derivatives used by the Company are explained in the accounting policies notes 2 (b and c) in the Annual report for the year ended 31 October 2019.

The table below sets out fair value measurements using fair value hierarchy in accordance with “Amendments to FRS 102: Fair Value Hierarchy Disclosure (March 2016)” published by the FRC.

30 April 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	165,644	–	–	165,644
CFDs – Fair Value gains	–	530	–	530
Liabilities:				
CFDs – Fair Value losses	–	(6,646)	–	(6,646)
Total	165,644	(6,116)	–	159,528

30 April 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	194,411	–	–	194,411
CFDs – Fair Value gains	–	1,642	–	1,642
Liabilities:				
CFDs – Fair Value losses	–	(4,958)	–	(4,958)
Total	194,411	(3,316)	–	191,095

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

Categorisation within the fair value 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 were no Level 3 investments as at 30 April 2020 (30 April 2019: nil and 31 October 2019: nil).

NOTES TO THE INTERIM FINANCIAL STATEMENTS continued

4. INCOME

	Six months to 30 April 2020 £'000	Six months to 30 April 2019 £'000	Year ended 31 October 2019 £'000
Income from investments:			
Overseas dividends	4,743	4,214	8,670
Deposit interest	–	1	1
Total income	4,743	4,215	8,671

Overseas dividend income is translated into sterling on receipt.

5. FINANCE COSTS

	Six months to 30 April 2020 £'000	Six months to 30 April 2019 £'000	Year ended 31 October 2019 £'000
Interest paid – 100% charged to revenue	13	13	30
CFD finance cost and structuring fee – 20% charged to revenue	22	20	43
Structure fees – 20% charged to revenue	–	–	1
	35	33	74
CFD finance cost and structuring fee – 80% charged to capital	87	82	171
Structure fees – 80% charged to capital	2	2	4
	89	84	175
Total finance costs	124	117	249

6. TAXATION

	Six months to 30 April 2020			Six months to 30 April 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Analysis of tax charge in the period:						
Overseas withholding tax	474	–	474	422	–	422
Total tax charge for the period	474	–	474	422	–	422

	Year ended 31 October 2019		
	Revenue £'000	Capital £'000	Total £'000
Analysis of tax charge in the year:			
Overseas withholding tax	867	–	867
Total tax charge for the year	867	–	867

7. INTERIM DIVIDEND

During the six months ended 30 April 2020, the Company paid a dividend of 3.10p per Ordinary Share in respect of the year ended 31 October 2019.

The Directors have declared an interim dividend for the six months ended 30 April 2020 of 1.40p (2019: 1.40p) per Ordinary Share. The dividend will be paid on 24 July 2020 to Ordinary Shareholders on the register at the close of business on 3 July 2020. The Ordinary Shares will go ex-dividend on 2 July 2020 and the dividend will be funded from the Company's Revenue reserves. This dividend has not been accrued in the financial statements for the six months ended 30 April 2020 as, under IFRS, interim dividends are not recognised until paid. Dividends are debited direct to distributable reserves.

8. SHARE CAPITAL

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

	As at 30 April 2020		As at 30 April 2019		As at 31 October 2019	
	No. of shares	£'000	No. of shares	£'000	No. of shares	£'000
Allotted, issued & fully paid:						
Ordinary Shares of 1p						
Opening balance	134,730,610	1,348	128,451,781	1,285	128,451,781	1,285
Ordinary Shares of 1p issued	-	-	6,278,829	63	6,278,829	63
Closing balance	134,730,610	1,348	134,730,610	1,348	134,730,610	1,348

Since the period end, the Company has not issued any new Ordinary Shares.

9. FINANCIAL COMMITMENTS

As at 30 April 2020, there were no commitments in respect of unpaid calls and underwritings (30 April 2019: nil and 31 October 2019: nil).

10. RETURN PER ORDINARY SHARE

Total loss per Ordinary Share is based on the return on ordinary activities, including income, for the period after taxation of £35,434,000 (30 April 2019: loss of £363,000 and 31 October 2019: profit of £19,738,000).

Based on the weighted average number of Ordinary Shares in issue for the period to 30 April 2020 of 134,730,610 (30 April 2019: 131,461,124 and 31 October 2019: 133,109,302), the returns per share were as follows:

	As at 30 April 2020			As at 30 April 2019			As at 31 October 2019		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Return per Ordinary Share	2.84p	(29.14)p	(26.30)p	2.62p	(2.89)p	(0.27)p	5.26p	9.57p	14.83p

NOTES TO THE INTERIM FINANCIAL STATEMENTS continued

11. 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 30 April 2020 £'000	As at 30 April 2019 £'000	As at 31 October 2019 £'000
Net Asset Value	174,515	195,849	214,126
Ordinary Shares in issue	134,730,610	134,730,610	134,730,610
NAV per Ordinary Share	129.53p	145.36p	158.93p

12. RELATED PARTY TRANSACTIONS

Transactions with the Investment Manager and the Alternative Investment Fund Investment Manager ("AIFM")

The Company provides additional information concerning its relationship with the Investment Manager and AIFM, Coupland Cardiff Asset Management LLP. Investment management fees paid during the six-month period to 30 April 2019 were £737,000 (30 April 2019: £691,000 and 31 October 2019: £1,466,000). The fees outstanding at the period ended 30 April 2020 were £102,000 (30 April 2019: £120,000 and 31 October 2019: £136,000).

Research purchasing agreement

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

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

Directors' fees and Shareholdings

Directors' fees with effect from 1 November 2019 are payable at the rate of £25,000 per annum for each Director other than the Chairman, who is entitled to receive £37,500. The Chairman of the Audit and Risk Committee is also entitled to an additional fee of £5,125 per annum and the Senior Independent Director is entitled to an additional fee of £1,000.

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

	As at 15 June 2020	As at 30 April 2020	As at 30 April 2019	As at 31 October 2019
Harry Wells	40,000	40,000	40,000	40,000
Kate Cornish-Bowden	40,000	30,000	30,000	30,000
John Scott	62,500	62,500	62,500	62,500
Mark Smith	10,000	10,000	10,000	10,000
Peter Wolton	67,250	67,250	60,000	60,000

13. POST BALANCE SHEET EVENTS

There are no post balance sheet events other than as disclosed in this Half-Yearly Financial Report.

14. STATUS OF THIS REPORT

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

The information for the year ended 31 October 2019 has been extracted from the last published audited financial statements, unless otherwise stated. The audited financial statements has been delivered to the Registrar of Companies. The Auditors reported on those accounts and their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006.

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (“APM”)

Administrator	The Company's administrator, the current such administrator being 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.																
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.																
Depository	Certain AIFs must appoint depositaries under the requirements of AIFMD. A depository's duties include, inter alia, safekeeping of the Company's assets and cash monitoring. Under AIFMD the depository is appointed under a strict liability regime.																
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.																
<table><tr><th colspan="2">As at 30 April 2020</th><th colspan="2">Page</th></tr><tr><td>NAV per Ordinary Share (in pence)</td><td>a</td><td>2</td><td>129.5</td></tr><tr><td>Share price (in pence)</td><td>b</td><td>2</td><td>125.0</td></tr><tr><td>Discount</td><td>(b÷a)-1</td><td></td><td>3.5%</td></tr></table>		As at 30 April 2020		Page		NAV per Ordinary Share (in pence)	a	2	129.5	Share price (in pence)	b	2	125.0	Discount	(b÷a)-1		3.5%
As at 30 April 2020		Page															
NAV per Ordinary Share (in pence)	a	2	129.5														
Share price (in pence)	b	2	125.0														
Discount	(b÷a)-1		3.5%														
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.																
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.

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

As at 30 April 2020		Gross £'000	Commitment £'000
Security Market value	a	165,644	165,644
CFD Notional market value	b	33,128	33,128
Cash and cash equivalents*	c	9,427	12,815
NAV	d	174,515	174,515
Leverage	(a+b+c)/d	119%	121%

* Calculation under 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.

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.

Treasury shares

A company's own shares held in Treasury account by the company but which are available to be resold in the market.

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (“APM”) continued

Total return (APM)

A measure of performance that takes into account both income and capital returns.

Period ended 30 April 2020		Share price	NAV
Opening at 1 November 2019 (in pence)	a	150.0	158.9
Closing at 30 April 2020 (in pence)	b	125.0	129.5
Price movement (b÷a)-1	c	-16.7%	-18.5%
Dividend reinvestment	d	1.7%	1.8%
Total return	(c+d)	-15.0%	-16.7%

Volatility

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

CORPORATE INFORMATION

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

DIRECTORS

Harry Wells (Chairman)
Kate Cornish-Bowden
John Scott
Mark Smith
Peter Wolton

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COMPANY SECURITY INFORMATION/IDENTIFICATION CODES

ISIN	GB00BYSRMH16
SEDOL	BYSRMH1
TICKER	CCJI
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BLOOMBERG	CCJI: LN
GLOBAL INTERMEDIARY	
IDENTIFICATION NUMBER (GIIN)	6 HEK HT – 99 999 –SL – 826
LEGAL ENTITY IDENTIFIER (LEI)	549 300 FZANMYIORK 1K98

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