

CC JAPAN INCOME & GROWTH TRUST PLC

HALF-YEARLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 APRIL 2021



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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 2021	At 31 October 2020
Net assets (millions)	£208.6	£184.4
Net asset value ("NAV") per Ordinary Share ("Share") ¹	154.8p	136.8p
Share price	145.0p	119.5p
Share price discount to NAV ²	6.3%	12.6%
Ongoing charges ²	1.04%	1.04%
Gearing (net) ²	21.1%	20.7%

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 22 to 24.

PERFORMANCE SUMMARY

	For the six months to 30 April 2021 % change ¹	For the six months to 30 April 2020 % change ¹
NAV ex-income total return per Share ²	+17.0%	-16.3%
NAV cum-income total return per Share ²	+15.5%	-16.5%
Share price total return ^{2,3}	+24.0%	-15.0%
Tokyo Stock Exchange Price Index ("Topix") total return	+8.8%	-7.5%
Revenue return per Share	2.22p	2.84p

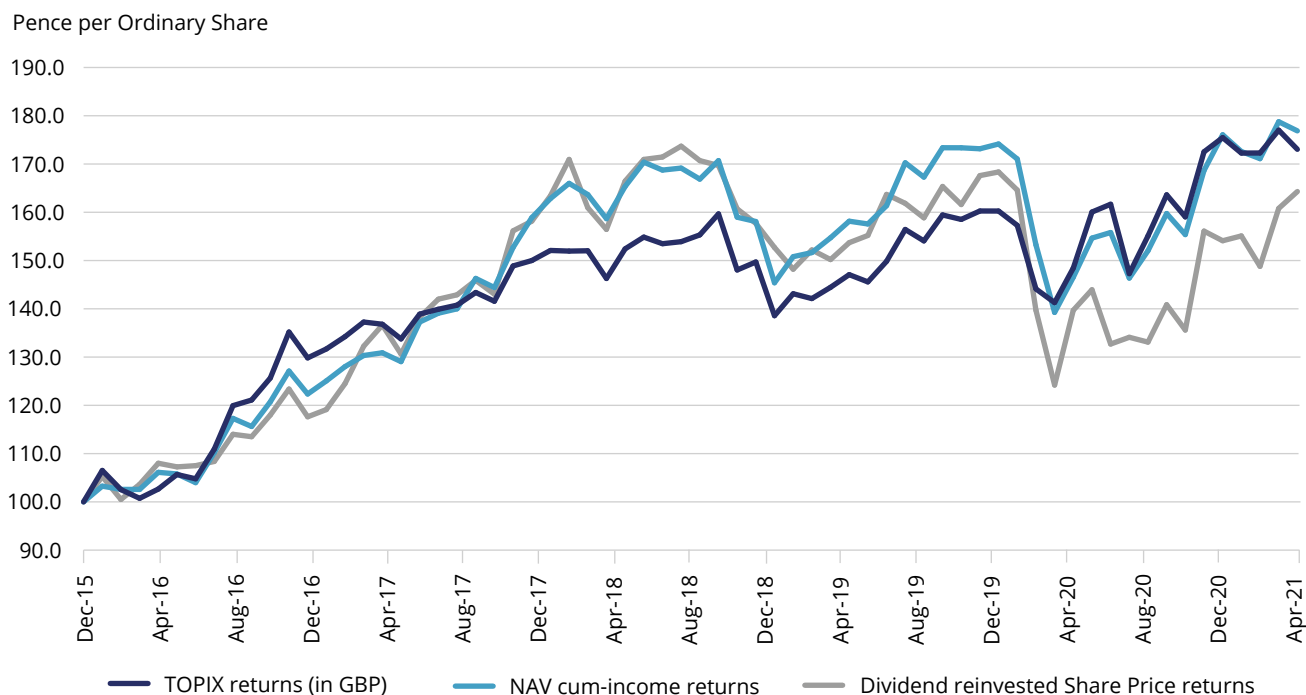
¹ Total returns are stated in GBP sterling, including dividend reinvested.

² These are APMs.

³ The return excludes the accretion effect of the Subscription Share with a closing price of 8.0p (equivalent to a 1.6p increment per Ordinary Share as a 1 for 5 bonus issue) as at 30 April 2021.

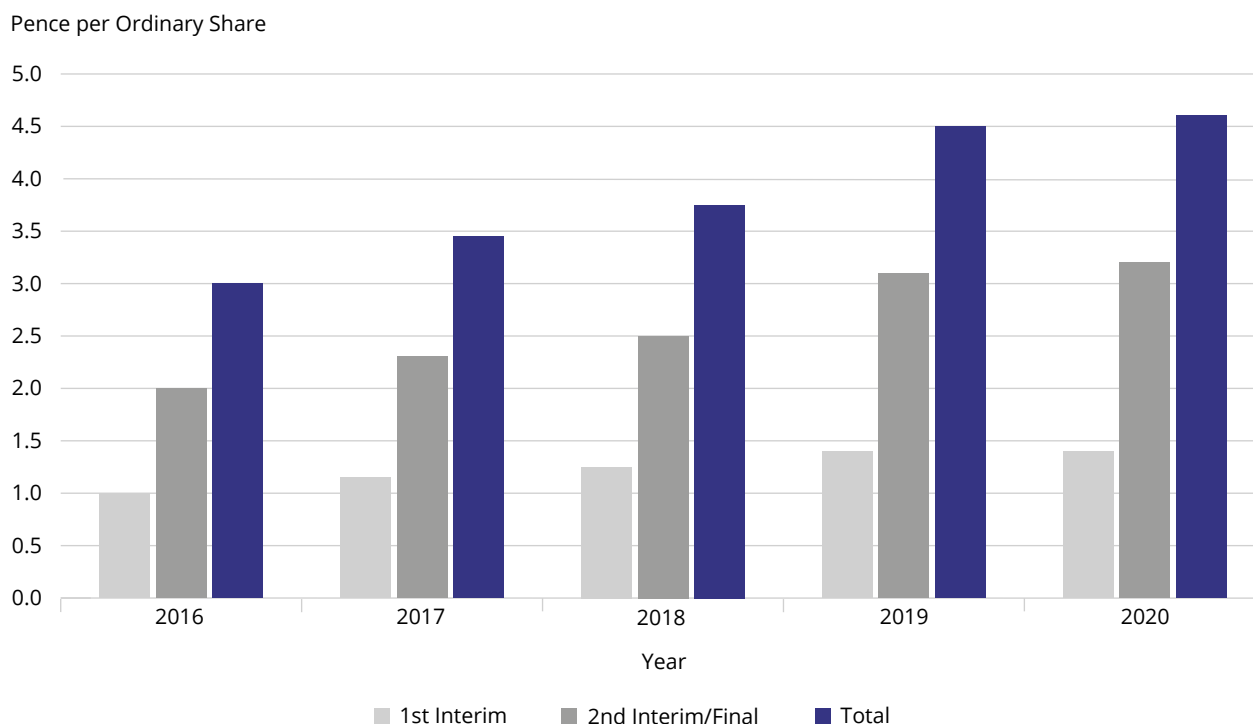
Source: Coupland Cardiff Asset Management LLP April 2021.

TOTAL NAV AND SHARE PRICE* RETURN SINCE INCEPTION



* Share price total return does not include the interim dividend for the period ended 30 April 2021.

DIVIDEND HISTORY



CHAIRMAN'S STATEMENT

Performance

In the first half of this financial year, I can report to Shareholders that the fortunes of your Company have rebounded after the very challenging year to 31 October 2020. Over the six months to 30 April 2021 the Company's ex-income Net Asset Value ("NAV") increased by 17.0%. The share price rose by 24.0% as measured by total return to reflect the final dividend of 3.20p per Ordinary Share. These figures exclude the accretion effect of the 1 for 5 bonus issue of Subscription Shares distributed to Shareholders during the period. For reference, in sterling terms the Tokyo Stock Exchange Price Index ("Topix") rose 8.8% over the period.

The Japanese stock market has gone through a style rotation to benefit cyclical and value shares, eclipsing growth stocks and resurrected by a recovery of world trade and hopes for a broader reopening of the domestic economy. This has suited our mandate and the portfolio has been well positioned to capture the upside from this shift in sentiment. It is also pleasing to see our much better relative performance against the Japanese investment trust peer group over the period and in the calendar year to date, albeit that our differentiated investment objective does not merit a strict comparison, given our income bias.

Reflecting this performance, the Ordinary Share price discount to NAV narrowed to 6.3% as at 30 April 2021, compared to 12.6% as at 31 October 2020.

Subscription Shares – an update

On 18 February 2021, 26,947,000 Subscription Shares ("TSS") were admitted to the London Stock Exchange (Ticker: CCJS). They were issued as a free bonus to Shareholders on the basis of 1 Subscription Share for every 5 Ordinary Shares owned. The Subscription Shares are designed to give Shareholders an opportunity to benefit from a post-COVID-19 Japanese recovery by giving them an option to exercise their Subscription Shares into Ordinary Shares. The Subscription Shares have a limited life but can be exercised by paying the Subscription Price of £1.61 for new Ordinary Shares on a quarterly basis on the last business day of May, August, November and February up until the last business day of February 2023, whereupon they expire.

The trading volumes in the Subscription Shares have inevitably been thin since launch being "out of the money" (the current share price is below the Subscription Price). However, the closing price of 8.0p on 30 April 2021 indicates the scope for incremental value to Shareholders. Their value is predicated on the performance of the Ordinary Shares over that period: if the Ordinary Share price exceeds the Subscription Price, the TSS should trade "in the money." If Shareholders then choose to exercise, the number of shares in issue will increase and, as a result, market liquidity should improve. Alternatively, Subscription Shareholders can sell their TSS in the market.

I must add a word of warning regarding exercising the Subscription Shares. Every quarter you will receive a "Corporate Action Notice" from your stockbroker, Independent Financial Adviser ("IFA") or platform, or wherever your shares are held, triggered by regulation and not by the Company. For most holders, it only makes sense to exercise any Subscription Shares when the Ordinary Share price is at or near the Subscription Price i.e. "in the money". A small number of Shareholders elected to exercise at the end of May 2021 at the Subscription Price of £1.61, so we offered to return their funds, not wishing to see them lose money, given that, at that date, the Ordinary Share price closed at £1.40.

If you are uncertain about your Subscription Share rights, please consult your financial adviser or refer to the Prospectus and Circular issued to Shareholders on 22 January 2021 which gives full details and is available online at the Company's website www.ccjapanincomeandgrowthtrust.com under the "Documents" tab. Alternatively, Shareholders can contact the Company Secretary. The telephone number for the Company Secretary is +44(0) 20 4513 9260.

Income & Interim Dividend

Earnings for the period were 2.22p per Ordinary Share compared to 2.84p per Ordinary Share in the first half of 2020, a fall of 22%. Inevitably, the revenue account suffered from the fallout of the COVID-19 pandemic, particularly from the closure of hospitality and leisure businesses and a sharp contraction in the Japanese economy in 2020. That said, the outlook for dividends in Japan continues to look healthy. While companies slashed earnings guidance in the pandemic, the dividend picture has been relatively stable. The corporate sector is cash rich and company managements are increasingly committed to maintaining distribution policies, which in many cases now appear to be on an upward trajectory, as discussed in the Investment Manager's review. The strength of sterling has become something of a headwind, where the sterling/yen cross rate rose by 12% over the period impacting the conversion of yen dividend receipts. Shareholders should be aware that we have a policy of not hedging currency so there is a risk of revenue leakage on currency translation. Conversely, there is already evidence that a weaker yen is stimulating Japanese corporate earnings and hence dividends. The Board view hedging strategies as expensive with currency movements notoriously difficult to predict.

The Company has been able to build a revenue reserve as a buffer since inception in December 2015. The accumulated net revenue reserve is 4.02p per Ordinary Share which together with the Special Reserve could be utilised in the event of a revenue shortfall.

The Board has declared an unchanged interim dividend of 1.40p per Ordinary Share, payable on 6 August 2021 with an ex-date of 8 July 2021.

Outlook

Although Japan has suffered considerably less from the pandemic compared to many other countries, the slow roll out of vaccinations and a recent resurgence of cases of COVID-19 saw a “state of emergency” reimposed, albeit with light restrictions. As a result, the domestic economy has struggled with hospitality, leisure and travel at a standstill. Tourism was a major driver of domestic demand in the pre COVID-19 world and even if the Olympics go ahead there will be few foreign spectators.

Nevertheless, there are continued reasons for optimism. The bulk of Japanese corporate earnings are derived from overseas and have benefitted from the recovery in world trade, aided by huge global stimulus. Exports have benefitted from a weaker yen. Japan is a major cyclical beneficiary of global recovery, where foreign institutions are underweight and the vaccine roll out is at last gathering pace. Companies continue to improve rewards to shareholders through the stability of their dividend distribution policies with many increases evident on the back of a recovery in corporate earnings. Despite Japan being relatively unaffected by the pandemic, Prime Minister Suga’s popularity has plummeted, but the opposition are in disarray before the impending election and there is little political animus to reverse the steady improvements in Corporate Governance.

The prospects for Japanese investment returns still look promising and as of 25 June 2021, the Company offers a historic yield of 3.3%. The full year dividend distribution is expected to be at least maintained in the current financial year to 31 October 2021. We hope that portfolio performance will continue to strengthen sufficiently to generate healthy total returns for Shareholders, not least for the Subscription Shares, which can potentially reward loyal Shareholders for their patience during the difficult period of performance over the pandemic.

Keeping in touch

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

Harry Wells
Chairman
25 June 2021

INVESTMENT MANAGER'S REPORT

Performance Review

The ex-income Net Asset Value ("NAV") total return of the Company increased 17.0% between 31 October 2020 and 30 April 2021. During this period, the Company paid last year's second interim dividend of 3.20p (in lieu of a final dividend), which represented a 3.2% increase over last year's final dividend despite the challenging economic and financial conditions resulting from the COVID-19 pandemic.

The period from 31 October 2020 to 30 April 2021 has been notable for sharp investor swings between optimism over the rollout of a global immunisation programme and renewed risks as new variants of the COVID-19 virus have emerged. Japan itself, which managed the initial surge of infections in a relatively favourable manner compared to many other regions, has suffered the negative economic impact of the periodic reintroduction of restrictions.

The Japanese equity market has continued to make steady upward progress since the announcement of the first successful vaccine trial results in early November. However, there has been a notable change in the style characteristics within the market. Research by Nomura Securities, which has produced the style indices Topix Growth and Topix Value since 2009, highlights the fact the move has been a significant reversal of the strong growth trend that dominated the majority of 2020 and indeed the previous five years.

The style reversal in the market to favour value has been to the benefit of some of the long-term holdings in the portfolio such as leading mega-banks, Sumitomo Mitsui Financial Group and Mitsubishi UFJ Financial Group, and trading companies Itochu and Mitsubishi Corp. Currently, these are the main industries where this strategy overlaps with 'deep value' investment styles. However, the Company does not have exposure to deeply cyclical, debt laden sectors such as airlines, iron and steel or shipping which have led the value rally. Looking at previous periods when these sectors have risen sharply, we believe that these rallies create nothing more than short term trading opportunities as expectations for a turning point in business conditions rise. But, we believe that their poor record of consistently low capital efficiency and depressed shareholder returns have a greater bearing on the long term performance of the shares and consequently continue to differentiate the stronger investment case for the banks and trading companies compared to airlines or steel companies.

Since the announcement of the first successful vaccine in November 2020, the Company has delivered a positive relative performance. The recognition of the attributes of the banks and trading companies has had a notable contribution and there has also been a recent and more modest positive return from some of

the REIT holdings in the office segment (Invesco Office, UBS MidCity). Employment related companies Dip and Technopro appear to have been given some credit for their recovery potential. However, the consumer staple companies Kao, Noevir and Pigeon have continued to languish despite affirming their shareholder return attractions, through projecting dividend increases in the face of the current trading difficulties. Hikari Tsushin was the largest negative contributor after its share price fell sharply in January, due to a sharp spike in electricity spot prices which was detrimental to its wholesale power business. Our conversations with the company confirm that while material, the shortfall has been offset by the strength in other parts of its business.

Portfolio Positioning

Trading activity in the portfolio has continued to reflect the balance between the near-term intent to maximise the dividend distributed to Shareholders and to establish holdings which have the greatest long-term growth potential.

The disparity amongst different industries in terms of economic activity is visible both in headline macroeconomic data and corporate results. For example, while world trade volumes hit historic highs in early 2021, benefitting many of Japan's exporters and leading industrial companies, the number of international tourists is down over 90% compared to the previous year. Individual companies have consequently sought to adapt to very differing circumstances.

In this environment, the Company exited holdings in Gakkyusha, Yamada Holdings, Pigeon and Nomura, due to concerns over the sustainability of their pre-COVID-19 business success, and sold Hoya and Invesco Office REIT as valuations became less attractive.

Holdings in the Mitsubishi UFJ Holdings and Sumitomo Mitsui Financial Group as well as Sampo Insurance were increased as it became clear that their business prospects were unlikely to be as tumultuous as many initially feared. New positions have been established in Nintendo (home entertainment games), Orix (financial services), Open House (real estate services) and Asahi Holdings (precious metal recycling and waste material processing). The common theme amongst all these companies is their commitment to delivering consistent shareholder returns despite the various challenges they have faced during the last 18 months.

Outlook

We believe that many of the existing portfolio companies have clearly demonstrated that they will not backtrack on their commitment to deliver steady returns to shareholders. For example, the Japanese solar power business, West Holdings recently announced a 13 for 10 stock split but confirmed that it will maintain the same ¥50 per share as a full year dividend on the increased

capital. Consequently, this represents a 30% increase on their original forecast for the current year and a 44% increase on the dividend they paid in the prior year. In another positive move, NTT announced its intention to pay a ¥55 final dividend rather than the ¥50 it originally forecast which will result in a 10.5% increase for the full year. Shin-Etsu Chemical paid an additional ¥10 per share in its second half dividend (¥130 compared to original forecast of ¥120) for a full year increase of 13.6% on financial year 2020, reflecting the strength of their PVC and silicon wafer businesses. Similarly, Tokyo Electron and Murata increased their financial year 2020 dividend payments by a further ¥41 and ¥5 respectively resulting in annual increases of 32.8% and 18.5%. Strong financial markets had a favourable impact on the results of SBI Holdings and the Japan Exchange Group. SBI increased their final dividend by 25% above forecast to ¥100 and Japan Exchange announced the additional payment of a ¥10 special dividend together with a ¥20bn share buyback programme, equivalent to 1.4% of their outstanding equity. It is notable that many companies have announced seemingly conservative forecasts for financial year 2021 due to the general uncertainty about the near-term trends but are anticipating increases in capital investment to match longer term ambitions.

Dividends from Japanese companies in general have demonstrated greater resilience to the impact of the pandemic than many other regions and hence the Japanese equity market has maintained its record of delivering superior growth in shareholder distributions over recent years. We believe that this positive trend is set to continue, given the continuing underlying improvements in corporate governance and capital efficiency that became evident under the policies established by former Prime Minister Abe. The regular review of the Corporate Governance Code along with the revisions to eligibility criteria for inclusion in the indices of the Tokyo Stock Exchange are notable recent initiatives that are having a clear influence on corporate attitudes and medium-term management policies which underpin this investment strategy and have allowed it to recover after the seismic events of early 2020.

Richard Aston

Coupland Cardiff Asset Management LLP
25 June 2021

TOP TEN SECTORS AND HOLDINGS

AS AT 30 APRIL 2021

TOP 10 SECTORS

Sector	% of net assets
Information & Communications	13.2
Chemicals	12.5
Real Estate	10.7
Services	9.9
Banks	8.5
Electrical Appliances	7.7
Wholesale	7.0
Insurance	5.0
Securities & Commodities	4.3
Other Products	4.2
Other Sectors	16.1
Other net assets	0.9
Total	100.0

TOP 10 EQUITY HOLDINGS

Company	Sector	% of net assets
Sumitomo Mitsui Financial Group	Banks	4.5
SBI Holdings	Securities & Commodities	4.2
Itochu Corp	Wholesale	4.1
Shin-Etsu Chemical	Chemicals	4.1
Asahi Holdings	Nonferrous Metals	4.0
Mitsubishi UFJ Financial Group	Banks	4.0
Nippon Telegraph & Telephone	Information & Communications	3.9
Softbank	Information & Communications	3.7
Tokyo Electron	Electrical Appliances	3.7
GLP J-REIT	Real Estate	3.5
Other equity holdings	n/a	59.4
Other net assets		0.9
Total		100.0

TOP TEN CONTRACTS FOR DIFFERENCE (CFDs)

Company	Sector	Absolute Value £'000	Absolute value as a % of net assets	Market value £'000
Sumitomo Mitsui Financial Group	Banks	1,882	0.9	(48)
SBI Holdings	Securities & Commodities	1,773	0.9	401
Itochu Corp	Wholesale	1,709	0.8	488
Shin-Etsu Chemical	Chemicals	1,706	0.8	606
Asahi Holdings	Nonferrous Metals	1,681	0.8	63
Mitsubishi UFJ Financial Group	Banks	1,680	0.8	23
Nippon Telegraph & Telephone	Information & Communications	1,637	0.8	5
Softbank	Information & Communications	1,563	0.7	(27)
Tokyo Electron	Electrical Appliances	1,531	0.7	809
GLP J-REIT	Real Estate	1,451	0.7	414
Top ten		16,613	7.9	2,734
Other		24,794	11.9	1,574
Total		41,407	19.8	4,308

INTERIM MANAGEMENT REPORT

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority ("FCA") Disclosure Guidance and Transparency Rules. The Chairman's Statement and the Investment Manager's Report in this half-yearly 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, together, constitute the Interim Management Report for the Company for the six months ended 30 April 2021. The outlook for the Company for the remaining six months of the year ending 31 October 2021 is discussed in the Chairman's Statement and the Investment Manager's Report.

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

A detailed explanation of the principal and emerging risks and uncertainties to the Company are detailed in the Company's most recent Annual Report for the year ended 31 October 2020, which can be found on the Company's website at www.ccjapanincomeandgrowthtrust.com

Since the publication of the 2020 annual financial report on 26 February 2021, the COVID-19 pandemic continues to be a serious threat to most parts of the global economy and the Board continues to monitor the situation closely and is in regular contact with the Investment Manager and the Company's other service providers in order to assess and mitigate the impact on the Company's investment objectives, investment portfolio and shareholders. Otherwise, in the view of the Board, these principal and emerging risks and uncertainties are substantially unchanged from the year end and are as much applicable to the remaining six months of the financial year, as they are to the six months under review.

The Board has a dynamic risk management register and associated risk heat map in place to help identify principal and emerging risks in the business and oversee the effectiveness of internal controls and processes. These key risks fall into four categories:

- Strategic and business risks, including risks associated with the economy;
- Financial risks;
- Operational risks, including business interruption due to COVID-19; and
- Regulatory and compliance risks.

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 2021 were £780,000. 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 2020.

GOING CONCERN

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from 25 June 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 30 April 2021 were £208.6 million (30 April 2020: £174.5 million). As at 30 April 2021, the Company held £207.0 million (30 April 2020: £165.6 million) in quoted investments. In addition, as at 30 April 2021, the Company had gross exposure to Contracts for Difference of £41.4 million (30 April 2020: £33.1 million). The total expenses (excluding finance costs and taxation) for the six months ended 30 April 2021 were £1.1 million (30 April 2020: £1.0 million). The Company has a £12 million (or equivalent in Japanese yen) bank overdraft facility with Northern Trust Company and as at 30 April 2021, £2.7 million had been utilised on the Japanese yen bank account.

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, as had been demonstrated since March 2020.

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

25 June 2021

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SIX MONTHS TO 30 APRIL 2021

	Note	Six months to 30 April 2021 (Unaudited)			Six months to 30 April 2020 (Unaudited)			Year ended 31 October 2020 (Audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		-	26,199	26,199	-	(38,952)	(38,952)	-	(29,495)	(29,495)
Currency gains		-	415	415	-	376	376	-	302	302
Income	4	3,861	-	3,861	4,743	-	4,743	8,553	-	8,553
Investment management fee		(156)	(624)	(780)	(147)	(590)	(737)	(285)	(1,140)	(1,425)
Other expenses		(305)	-	(305)	(266)	-	(266)	(556)	-	(556)
Return on ordinary activities before finance costs and taxation		3,400	25,990	29,390	4,330	(39,166)	(34,836)	7,712	(30,333)	(22,621)
Finance costs	5	(28)	(82)	(110)	(35)	(89)	(124)	(63)	(166)	(229)
Return on ordinary activities before taxation		3,372	25,908	29,280	4,295	(39,255)	(34,960)	7,649	(30,499)	(22,850)
Taxation	6	(386)	-	(386)	(474)	-	(474)	(853)	-	(853)
Return on ordinary activities after taxation		2,986	25,908	28,894	3,821	(39,255)	(35,434)	6,796	(30,499)	(23,703)
Return per Ordinary Share	10	2.22p	19.23p	21.45p	2.84p	(29.14)p	(26.30)p	5.04p	(22.64)p	(17.60)p

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

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

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

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2021

	Note	30 April 2021 (Unaudited) £'000	30 April 2020 (Unaudited) £'000	31 October 2020 (Audited) £'000
Fixed assets				
Investments at fair value through profit or loss	3	207,036	165,644	180,927
Current assets				
Cash and cash equivalents		–	11,162	2,463
Cash collateral in respect of Contracts for Difference ("CFDs")		–	101	41
Amounts receivable in respect of CFDs		5,534	530	3,014
Other debtors		3,121	5,532	3,100
		8,655	17,325	8,618
Creditors: amounts falling due within one year				
Bank overdraft		(5,346)	–	–
Cash collateral in respect of contracts for difference ("CFDs")		(242)	–	–
Amounts payable in respect of CFDs		(1,226)	(6,646)	(4,969)
Other creditors		(304)	(1,808)	(216)
		(7,118)	(8,454)	(5,185)
Net current assets		1,537	8,871	3,433
Net assets		208,573	174,515	184,360
Capital and reserves				
Share capital	8	1,348	1,348	1,348
Share premium		98,067	98,437	98,437
Special reserve		64,671	64,671	64,671
Capital reserve				
– Revaluation gains on investment held at period end		23,243	3,565	14,746
– Other capital reserves		15,833	847	(1,578)
Revenue reserve		5,411	5,647	6,736
Total Shareholders' funds		208,573	174,515	184,360
NAV per share – Ordinary Shares (pence)	11	154.81p	129.53p	136.84p

Approved by the Board of Directors and authorised for issue on 25 June 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 16 to 21 form part of these interim financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS TO 30 APRIL 2021 (Unaudited)

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2020	1,348	98,437	64,671	13,168	6,736	184,360
Return on ordinary activities after taxation	-	-	-	25,908	2,986	28,894
Dividends paid	-	-	-	-	(4,311)	(4,311)
Shares issue costs	-	(370)	-	-	-	(370)
Balance at 30 April 2021	1,348	98,067	64,671	39,076	5,411	208,573

SIX MONTHS TO 30 APRIL 2020 (Unaudited)

	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)
Balance at 30 April 2020	1,348	98,437	64,671	4,412	5,647	174,515

YEAR ENDED 31 OCTOBER 2020 (Audited)

	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	-	-	-	-	(6,063)	(6,063)
Balance at 31 October 2020	1,348	98,437	64,671	13,168	6,736	184,360

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

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

CONDENSED STATEMENT OF CASH FLOWS

SIX MONTHS TO 30 APRIL 2021

	Six months to 30 April 2021 (Unaudited) £'000	Six months to 30 April 2020 (Unaudited) £'000	Year ended 31 October 2020 (Audited) £'000
Operating activities cash flows			
Return on ordinary activities before finance costs and taxation*	29,390	(34,836)	(22,621)
Adjustment for:			
(Gains)/losses on investments	(18,381)	30,685	23,290
CFD transactions	(5,980)	4,250	48
(Increase)/decrease in other debtors	(84)	125	(380)
Increase/(decrease) in other creditors	87	(17)	(75)
Tax withheld on overseas income	(386)	(474)	(853)
Net cash flow from/(used in) operating activities	4,646	(267)	(591)
Investing activities cash flows			
Purchases of investments	(58,804)	(46,039)	(92,584)
Proceeds from sales of investments	51,139	59,398	99,458
Net cash flow (used in)/from investing activities	(7,665)	13,359	6,874
Financing activities cash flows			
Share issue costs	(370)	–	–
Equity dividends paid	(4,311)	(4,177)	(6,063)
Finance costs paid	(109)	(124)	(229)
Net cash used in financing activities	(4,790)	(4,301)	(6,292)
(Decrease)/increase in cash and cash equivalents	(7,809)	8,791	(9)
Cash and cash equivalents at the beginning of the period/year	2,463	2,472	2,472
Cash and cash equivalents at the end of the period/year	(5,346)	11,263	2,463

* Cash inflow from dividends was £3,418,000 (30 April 2020: £4,880,000 and 31 October 2020: £7,396,000).

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CC Japan Income & Growth Trust plc (the “Company”) was incorporated in England and Wales on 28 October 2015 with registered number 9845783, as a closed-ended investment company. The Company commenced its operations on 15 December 2015. 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 1st Floor, Senator House, 85 Queen Victoria Street, London, EC4V 4AB.

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 2020. The Annual Report and Accounts for the year ended 31 October 2020 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 2020 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 2020.

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

3. INVESTMENTS

	As at 30 April 2021 (Unaudited) £'000	As at 30 April 2020 (Unaudited) £'000	As at 31 October 2020 (Audited) £'000
Investments listed on a recognised overseas investment exchange	207,036	165,644	180,927
	207,036	165,644	180,927

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 2020.

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 2021 (Unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	207,036	–	–	207,036
CFDs – Fair Value gains	–	5,534	–	5,534
Liabilities:				
CFDs – Fair Value losses	–	(1,226)	–	(1,226)
Total	207,036	4,308	–	211,344

30 April 2020 (Unaudited)	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

31 October 2020 (Audited)	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

There were no transfers between levels during the period to 30 April 2021 (30 April 2020: nil and 31 October 2020: nil).

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

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

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

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data. There are no Level 3 investments as at 30 April 2021 (30 April 2020: nil and 31 October 2020: nil).

NOTES TO THE INTERIM FINANCIAL STATEMENTS continued

4. INCOME

	Six months to 30 April 2021 (Unaudited) £'000	Six months to 30 April 2020 (Unaudited) £'000	Year ended 31 October 2020 (Audited) £'000
Income from investments:			
Overseas dividends	3,861	4,743	8,553
	3,861	4,743	8,553

Overseas dividend income is translated into sterling on receipt.

5. FINANCE COSTS

	Six months to 30 April 2021 (Unaudited) £'000	Six months to 30 April 2020 (Unaudited) £'000	Year ended 31 October 2020 (Audited) £'000
Interest paid – 100% charged to revenue	8	13	21
CFD finance cost and structuring fee – 20% charged to revenue	20	22	41
Structuring fees – 20% charged to revenue	–	–	1
	28	35	63
CFD finance cost and structuring fee – 80% charged to capital	80	87	164
Structuring fees – 80% charged to capital	2	2	2
	82	89	166
Total finance costs	110	124	229

6. TAXATION

	Six months to 30 April 2021 (Unaudited)			Six months to 30 April 2020 (Unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Analysis of tax charge in the period:						
Overseas withholding tax	386	–	386	474	–	474
Total tax charge for the period	386	–	386	474	–	474

	Year ended 31 October 2020 (Audited)		
	Revenue £'000	Capital £'000	Total £'000
Analysis of tax charge in the year:			
Overseas withholding tax	853	–	853
Total tax charge for the year	853	–	853

7. INTERIM DIVIDEND

During the six months ended 30 April 2021, the Company paid a dividend of 3.20p per Ordinary Share in respect of the year ended 31 October 2020.

The Directors have declared an interim dividend for the six months ended 30 April 2021 of 1.40p (2020: 1.40p) per Ordinary Share. The dividend will be paid on 6 August 2021, to Ordinary Shareholders on the register at the close of business on 9 July 2021. The Ordinary Shares will go ex-dividend on 8 July 2021.

8. 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 30 April 2021 (Unaudited)		As at 30 April 2020 (Unaudited)		As at 31 October 2020 (Audited)	
	No. of shares	£'000	No. of shares	£'000	No. of shares	£'000
Allotted, issued & fully paid:						
Ordinary Shares of 1p						
Opening balance	134,730,610	1,348	134,730,610	1,348	134,730,610	1,348
Closing balance	134,730,610	1,348	134,730,610	1,348	134,730,610	1,348

On 18 February 2021, the Company issued 26,946,122 Subscription Shares to qualifying Shareholders on the register of members of the Company by close of business on 15 February 2021, pursuant to the terms of the Bonus Issue. None of the Subscription Shares were exercised during the period to 30 April 2021.

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

9. FINANCIAL COMMITMENTS

As at 30 April 2021, there were no commitments in respect of unpaid calls and underwritings (30 April 2020: nil and 31 October 2020: nil).

10. RETURN PER ORDINARY SHARE

Total return per Ordinary Share is based on the return on ordinary activities, including income, for the period after taxation of £28,894,000 (30 April 2020: loss of £35,434,000 and 31 October 2020: loss of £23,703,000).

Based on the weighted average number of Ordinary Shares in issue for the period to 30 April 2021 of 134,730,610 (30 April 2020: 134,730,610,000 and 31 October 2020: 134,730,610,000), the returns per Ordinary Share were as follows:

	As at 30 April 2021 (Unaudited)			As at 30 April 2020 (Unaudited)			As at 31 October 2020 (Audited)		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Return per Ordinary Share	2.22p	19.23p	21.45p	2.84p	(29.14)p	(26.30)p	5.04p	(22.64)p	(17.60)p

NOTES TO THE INTERIM FINANCIAL STATEMENTS continued

11. NET ASSET VALUE PER SHARE

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

	As at 30 April 2021 (Unaudited)	As at 30 April 2020 (Unaudited)	As at 31 October 2020 (Audited)
Net Asset Value (£'000)	208,573	174,515	184,360
Ordinary Shares in issue	134,730,610	134,730,610	134,730,610
NAV per Ordinary Share	154.81p	129.53p	136.84p

12. RELATED PARTY TRANSACTIONS

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

The Company provides additional information concerning its relationship with the Investment Manager and AIFM, Coupland Cardiff Asset Management LLP. Investment management fees for the six-month period to 30 April 2021 were £780,000 (30 April 2020: £737,000 and 31 October 2020: £1,425,000). The fees outstanding at the period ended 30 April 2021 were £131,000 (30 April 2020: £102,000 and 31 October 2020: £116,000).

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 estimated research charge for the period 1 January 2021 to 31 December 2021, as budgeted by the Investment Manager, is approximately £28,000 (2020: £30,000).

Directors' fees and shareholdings

Directors' fees 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 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 ordinary shareholdings in the Company, all of which were beneficially owned.

	Ordinary Shares As at 30 April 2021 (Unaudited)	Subscription Shares As at 30 April 2021 (Unaudited)	Ordinary Shares As at 30 April 2020 (Unaudited)	Ordinary Shares As at 31 October 2020 (Audited)
Harry Wells	40,000	8,000	40,000	40,000
Kate Cornish-Bowden	40,000	8,000	30,000	30,000
John Scott	62,500	12,500	62,500	62,500
Peter Wolton	67,250	13,449	60,000	67,250
Mark Smith*	–	–	10,000	10,000

* Mr Mark Smith retired from the Board on 26 March 2021.

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 2020 has been extracted from the last published audited financial statements, unless otherwise stated. The audited financial statements have been delivered to the Registrar of Companies. The Auditors reported on those accounts and their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006.

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (“APM”)

Administrator	The Company's administrator, the current such administrator being 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.

As at 30 April 2021		Page	
NAV per Ordinary Share	a	2	154.8
Share price	b	2	145.0
Discount	(b÷a)-1		6.3%

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.
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Financial Conduct Authority or “FCA”	The independent body that regulates the financial services industry in the UK.
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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.
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As at 30 April 2021		Page		£'000
CFD Notional Market Value	a	n/a		41,407
Non-base cash borrowings	b	n/a		2,615
NAV	c	13		208,573
Gearing (net)	((a+b)/c)			21.1%

Gross assets (APM)	The Company's total assets including any leverage amount.
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Index	A basket of stocks which is considered to replicate a particular stock market or sector.
In the Money	The Subscription Shares are “In the Money” when the Ordinary Share price trades at a level that exceeds the Subscription Price.
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 maximum limits of leverage for the Company of 200%. A leverage percentage of 100% equates to nil leverage.

As at 30 April 2021		Gross £'000	Commitment £'000
Security Market value	a	207,036	207,036
CFD Notional market value	b	41,407	41,407
Cash and cash equivalents	c	7,793	5,525
NAV	d	208,573	208,573
Leverage	(a+b+c)/d	123%	122%

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.
Out of the Money	The Subscription Shares are “Out of the Money” when the Ordinary Shares trade at less than the Subscription Price.
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.

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (“APM”) continued

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 A Subscription Share confers the right (but not the obligation) to subscribe for one Ordinary Share on exercise of the rights attached to the Subscription Share and on payment of the Subscription Price of £1.61 at the end of each calendar quarter between 31 May 2021 and 28 February 2023.

Subscription Price The Subscription Price is set at £1.61 being the price that holders of the Subscription Shares can pay to exercise these shares into New Ordinary Shares of the Company on a quarterly basis up until the end of February 2023.

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

Total return (APM) A measure of performance that takes into account both income and capital returns.

Period ended 30 April 2021		Page	Share price	NAV ex-income
Opening at 1 November 2020 (in pence)	a	2	119.5	133.2
Closing at 30 April 2021 (in pence)	b	2	145.0	152.6
Price movement (b÷a)-1	c	n/a	21.3%	14.6%
Dividend reinvestment	d	n/a	2.7%	2.4%
Total return	(c+d)		24.0%	17.0%

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

COMPANY INFORMATION

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

DIRECTORS

Harry Wells (Chairman)
Kate Cornish-Bowden (Audit Chair)
John Scott
Peter Wolton

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AUDITOR

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E14 5EY

COMPANY SECURITY INFORMATION/IDENTIFICATION CODES

ISIN	GB00BYSRMH16 / GB00BM90B010 (Subscription Shares)
SEDOL	BYSRMH1 / BM90B01 (Subscription Shares)
TICKER	CCJI LDN / CCJS (Subscription Shares)
WEBSITE	www.ccjapanincomeandgrowthtrust.com
BLOOMBERG	CCJI LDN / CCJS (Subscription Shares)
GIIN	6 HEK HT – 99 999 –SL – 826

* Registered in England and Wales with registration number 9845783