CC JAPAN INCOME & GROWTH TRUST PLC

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2021

ASSET MANAGEMENT
CouplandCardiff

CONTENTS

INVESTMENT OBJECTIVE, FINANCIAL INFORMATION AND PERFORMANCE SUMMARY

INVESTMENT OBJECTIVE

The investment objective of the CC Japan Income & Growth Trust Plc (the “Company”) is to provide Shareholders with dividend income combined with capital growth, mainly through investment in equities listed or quoted in Japan.

FINANCIAL INFORMATION

	As at 31 October 2021	As at 31 October 2020
Net assets (millions)	£222.9	£184.4
Net asset value (“NAV”) per Ordinary Share ("Share")[1]	165.4p	136.8p
Share price	154.0p	119.5p
Share price discount to NAV[2]	6.9%	12.6%
Transferable Subscription Share price	3.50p	N/A
Ongoing Charges[2]	1.05%	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 77 to 80 of this report.

PERFORMANCE SUMMARY

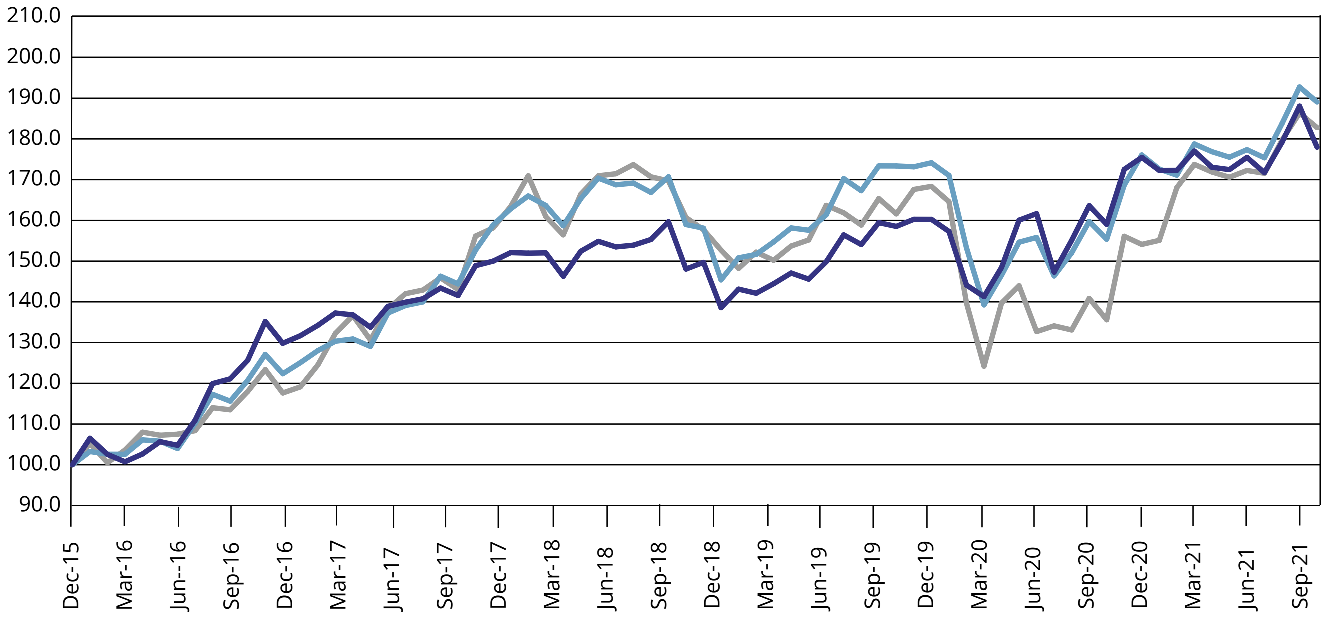
	For the year to 31 October 2021 % change[1]	For the year to 31 October 2020 % change[1]
NAV ex-income total return per Share[2]	+25.1%	-11.2%
NAV cum-income total return per Share[2]	+24.3%	-11.1%
Share price total return[2]	+32.7%	-17.3%
Tokyo Stock Exchange Price Index ("TOPIX") total return	+11.9%	+0.3%
Revenue return per Share (Undiluted)	4.75p	5.04p
Dividends per Share:		
First Interim dividend	1.40p	1.40p
Second interim dividend	3.35p	3.20p
Total dividends per Share for the year	4.75p	4.60p

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

2 These are APMs.

Source: Coupland Cardiff Asset Management LLP – The Company’s Factsheet October 2021.

TOTAL NAV AND SHARE PRICE RETURN SINCE INCEPTION



PERFORMANCE SUMMARY

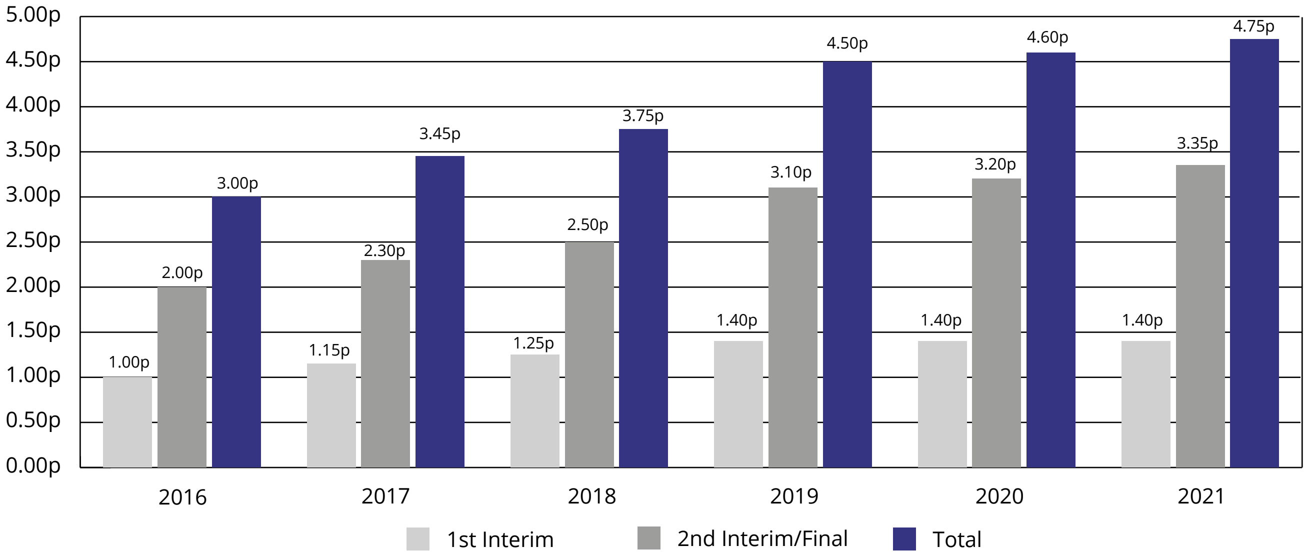
	Launch to Oct 2016*	Year to Oct 2017	Year to Oct 2018	Year to Oct 2019	Year to Oct 2020	Year to Oct 2021
Share price	122.40p	152.00p	153.00p	150.00p	119.50p	154.00p
Share price total return	+23.5%	+27.2%	+2.8%	+0.7%	-17.3%	+32.7%
NAV per Share	123.90p	146.00p	148.60p	158.90p	136.80p	165.40p
NAV (cum-income) total return per Share	+24.9%	+20.7%	+4.1%	+9.9%	-11.1%	+24.3%
TOPIX Index total return in GBP sterling	+32.7%	+10.1%	-0.4%	+7.2%	+0.3%	+11.9%
Revenue return per Share (Undiluted)	3.60p	4.06p	4.55p	5.26p	5.04p	4.75p
Dividends per Share	3.00p	3.45p	3.75p	4.50p	4.60p	4.75p**

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

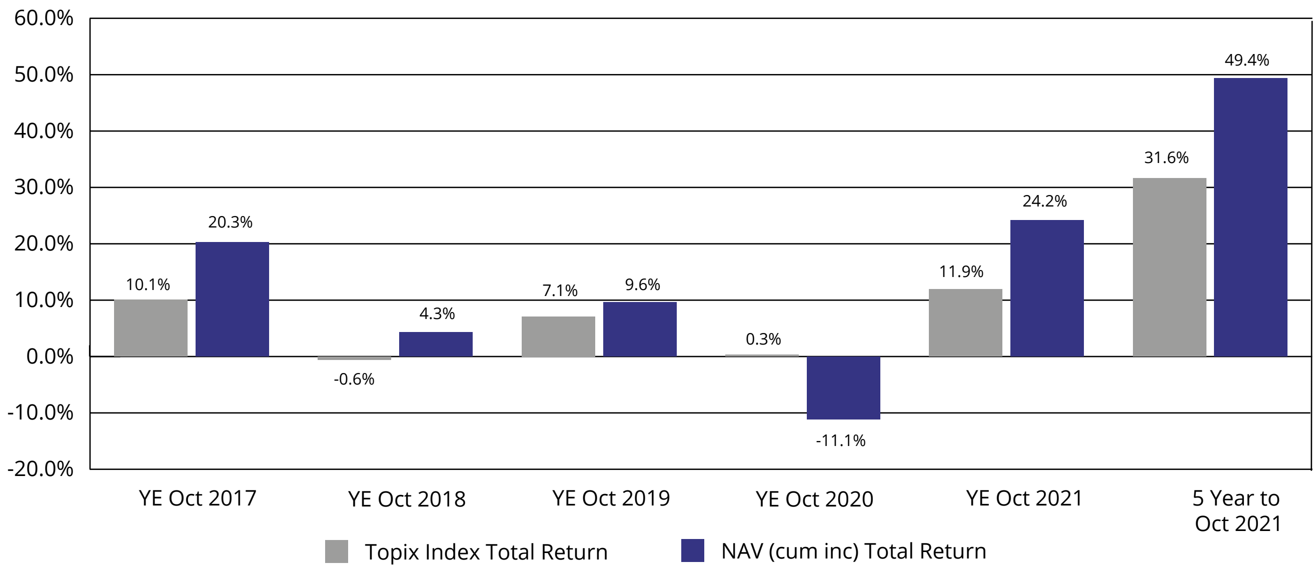
** Includes second interim dividend of 3.35p for the year ended 31 October 2021.

INVESTMENT OBJECTIVE, FINANCIAL INFORMATION AND PERFORMANCE SUMMARY
continued

DIVIDEND PERFORMANCE



COMPARISON OF NAV TOTAL RETURN PERFORMANCE OF THE COMPANY TO TOPIX TOTAL RETURN FOR 5 YEARS



CHAIRMAN'S STATEMENT

Performance

I am pleased to report to Shareholders that your Company experienced a strong recovery during our financial year to 31 October 2021 as Japan and the rest of the world grappled with and emerged from the first onslaught of the COVID-19 pandemic. The Company's cum-income Net Asset Value ("NAV"), measured by total return, rose 24.3% in sterling terms, comfortably outperforming the Tokyo Stock Exchange Price Index ("TOPIX") total return of 11.9% over the same period. The share price, measured by total return to include dividends, increased by 32.7% over the period.

Between launch in December 2015 and the recent financial year end, the Company's cum-income NAV return amounted to 89.4% in terms of sterling total return, comparing favourably with the TOPIX total return of 74.6%, while the share price has risen 74.7%, again measured by total return in sterling. This includes the aggregate distribution of 20.7p per Ordinary Share of dividends paid to Shareholders but excludes the potential contribution from the Transferable Subscription Shares issued as a 1 for 5 free bonus in February 2021 which closed at a price of 3.5p (equivalent to a further 0.7p return per Ordinary Share).

The year under review has presented unprecedented challenges for our Investment Manager, who has weathered the COVID-19 storm with considerable aplomb by retaining focus and discipline within the scope of the investment mandate. Richard Aston has continually looked through market volatility, retaining confidence in portfolio holdings with solid prospects while adroitly repositioning the portfolio into companies which have growth trajectories, and improving cash flows and dividends. Many of these companies should benefit from a reopening of the domestic Japanese economy.

Over a 12-month view, our investment performance is a leader in the AIC Japanese investment trust peer group as our Investment Manager's confidence in the intrinsic value of portfolio holdings has been rewarded. However, the steep fall at the beginning of the pandemic continues to depress our 3-year performance numbers. Our premium share price rating has not recovered from the initial fall, although the discount to NAV narrowed to close the year at 6.9% compared to a 12.6% discount at the previous year end.

Growing the Company

While it is pleasing to see the NAV of the Company growing by £38.5 million over the year, reflecting a partial recovery following the initial pandemic related sell-off, a persistent share price discount to NAV during the year has prevented any further share issuance. However, the Board is hopeful that further recovery in the NAV will see the share price exceed the Subscription Price for the Transferable Subscription Shares ("TSS") which were issued with a Subscription price of £1.61 per Ordinary Share as a free 1 for 5 bonus to Shareholders in February 2021. The TSS are listed on the London Stock Exchange (ticker: CCJS) and may be exercised on a quarterly basis, with the next exercise date being the last business day of February 2022. The TSS have a 2-year life with a final expiry on the last business day of February 2023. Full exercise of the TSS entitlements would increase the size of the Company by an additional £40 million. In passing, I should mention that a small number of TSS Shareholders have lodged applications to exercise when it has clearly been financially unfavourable to do so and have had their funds returned.

The Board continues to invest in marketing initiatives to raise the profile of the Company. In particular, we are improving content and web and media distribution to raise awareness of our differentiated mandate which represents a good opportunity for investors to capture both capital growth and income from Japan.

The Board is once again seeking approval from Shareholders to renew the authority to buy back shares at the Annual General Meeting, although it has not hitherto exercised this power. The Board believes that the Company's share price rating is ultimately determined by the investment performance together with the level and growth in the dividend but keeps the level of discount under review.

Income and Dividends

While the revenue return per Ordinary Share declined by 5.77% from the previous financial year, Japanese dividends held up relatively well in the context of the global downturn. This resilience reflects strong balance sheets and corporate governance reforms which have led to a more enlightened approach by Japanese management towards shareholder distributions. The Board and Investment Manager continually review the prospects for the Company's revenue account and currently see a much rosier outlook than six months ago. As I wrote last year, investors looking for equity income can continue to look to Japan. The main risk to the income account is the Yen/GBP cross rate and Shareholders should be aware that we do not have a currency hedging policy. Revenue is potentially at risk from a strengthening of sterling although, conversely, a weaker Yen tends to stimulate Japanese corporate earnings.

The Board has declared a second interim dividend of 3.35p per Ordinary Share, which is covered by earnings received this year. This amounts to an increase of 4.68% over last year's second interim dividend (also paid in lieu of a final dividend). The full year distribution of 4.75p per Ordinary Share represents a 3.26% improvement over last year. The second interim dividend will be paid on 18 March 2022 to those Shareholders on the register as at 18 February 2022 with an ex-dividend date

CHAIRMAN'S STATEMENT
continued

of 17 February 2022. The revenue reserves currently stand at £6.94 million representing 5.15p per Ordinary Share, before taking into account the second interim dividend. In addition, the £64.67 million Special Reserve is available to call upon for distribution to Shareholders in the event of an unforeseen revenue shortfall.

This is the sixth consecutive year of dividend growth since the Company's launch in December 2015 which has seen the dividend grow by 58.33% over the period.

Board Constitution

As announced on 16 December 2021, I am pleased to welcome Mrs June Aitken and Mr Craig Cleland, who have been appointed to the Board with effect from 1 February 2022.

Both June and Craig bring a wealth of oversight and board experience besides familiarity with Japan and investment markets. We are confident that they will make a valuable contribution to the Company with a balance of skills complementary to the Board. You will find details of their biographies on pages 36 and 37 of this report.

Mr John Scott, who has served as a Non-Executive Director since the launch of the Company in December 2015, will retire from the Board at the Annual General Meeting in March 2022. On behalf of Shareholders and the Board, I would like to thank John for his considerable contribution and unerringly wise counsel to our deliberations. While these new appointments reflect an ongoing succession plan to refresh the Board, it should be noted that they also meet diversity and gender guidelines which continue to be in the spotlight.

Annual General Meeting arrangements

In line with the requirements of the Companies Act 2006, the Company will hold an Annual General Meeting ("AGM") of Shareholders to consider the resolutions laid out in the Notice of Meeting on page 84. The Board encourages Shareholders to attend and participate in the Company's forthcoming AGM on 22 March 2022 at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH. Our Investment Manager, Richard Aston, will provide an update on the investments and take questions after the formal business of the meeting. Members of the Board, including myself, will also be available to discuss the Company. I do hope that you will join us.

We recognise it is not possible for everyone to attend the AGM and I would remind Shareholders that any questions relating to the business of the AGM, can be sent by email to **ukfundcosec@PraxisIFM.com**. To the extent that it is appropriate to do so, the Company will respond to any questions received in a Q&A which will be posted on the Company's website **www.ccjapanincomeandgrowthtrust.com** in advance of the AGM.

If Shareholders are unable to attend the meeting in person, they are strongly encouraged to vote by proxy and to appoint the "Chairman of the AGM" as their proxy. Details of how to vote, either electronically, by proxy form or through CREST, can be found in the Notes to the Notice of AGM on pages 87 to 89. The lodging of a form of proxy (or an appointment of a proxy through CREST) will not however prevent a shareholder from attending the AGM and voting in person if they so wish (subject to any restrictions which may be imposed by the UK Government in response to the COVID-19 pandemic).

In addition, there will be a webinar presentation from the Investment Manager with an update immediately after the AGM.

Outlook

In response to the arrival of the COVID-19 Omicron variant, Japan has re-imposed domestic restrictions and closed its borders to travellers again after briefly reopening them. The incidence of infections there remains at a very low level and well over 80% of Japan's population has been double vaccinated. While Omicron may be less virulent than the previous outbreaks, it is still having a profound economic effect as risk averse governments continue to impose lock down restrictions in many countries. These restrictions dislocate labour and supply chains which, in turn, exacerbate shortages, creating yet further global inflationary pressure and imbalances in the energy market. In addition, the Federal Reserve, which initially maintained a dovish course, has now embraced a more hawkish monetary stance to tackle structural inflationary challenges by signalling that more aggressive tapering of bond purchases and interest rate increases lie ahead. Global inflation should be beneficial to the Japanese economy, but weak domestic demand has seen little evidence of price rises in Japan. Inflation is nowhere near the Bank of Japan's ("BOJ") 2% target and there is less likelihood of monetary tightening or a change of policy even after BOJ Governor Kuroda retires in April 2023. That said, the BOJ's Regional Economic Report published in January 2022 raises growth assumptions for all nine of the country's economic regions and sees breakeven inflation expectations rising modestly.

Despite a strong earnings reporting season, the Japanese stock market has made little progress this year; indeed, the market has effectively de-rated on improving earnings. Foreigners have been on the side lines as net sellers of Japanese equities for three successive years, while the BOJ has significantly reduced their equity market buying programme. The market rallied during the LDP leadership campaign, after the resignation of Prime Minster Suga in autumn 2021 and the new Prime

Minister Kishida ushered in yet another fiscal stimulus package.

However, there seems little immediate prospect of the staggering Yen 40 trillion (US$345 billion) household savings returning to the Japanese equity market. These huge sums sit largely on deposit, earning little to no interest. If Japanese inflation gathers momentum, perhaps this could at long last provide some catalyst for some of this money returning to the stock market, which looks unloved and cheap.

Despite the uncertain market environment, Richard Aston and his team continue to find stocks with solid prospects. Their focus is on companies with business models capable of generating rising earnings and cash flow and with improving distribution policies. The emphasis is to invest for total return, with income as an important part of the equation rather than providing a high absolute portfolio yield and falling into value traps with no growth.

The portfolio appears well positioned to capture the benefits of a reopening of the Japanese economy. Recent market action supports our investment strategy with pronounced style rotation away from growth stocks and towards value and cyclicals. We must hope that the world can learn to live with COVID-19 and that rising global geopolitical tensions particularly over the Ukraine do not derail the potential for Japanese and global economic recovery.

On behalf of the Board, I recommend that it is in the best interests of Shareholders to vote in favour of the resolution for the continuation of the Company, which is tabled every third year, and is due to be proposed at this year's AGM on 22 March 2022.

Harry Wells

Chairman

10 February 2022

INVESTMENT MANAGER'S REPORT

Performance Review

The start of the Company's reporting year in November 2020 coincided very closely with the announcement of the first effective vaccination against COVID-19 and this proved the foundation for the strong rally in equity markets that has followed. The TOPIX rose 29.4% in Yen and sterling terms over the subsequent 12-month period, with the Company's NAV cum dividends outperforming the benchmark.

Although equity markets have performed well, on reflection, it has been another turbulent 12 months. Global progress to contain the COVID-19 pandemic has been inhibited by the emergence of new variants and differing regional infection patterns, which has resulted in patchy economic activity. Abnormal levels of recovery demand combined with supply constraints have resulted in levels of inflation not seen in Western economies for decades. The geopolitical environment has evolved with President Biden embarking on an expansionary fiscal policy, while Chinese authorities have imposed increasingly tough regulations on private sector business activities, slowing economic growth. In Japan, the incoming Prime Minister Kishida has announced a large fiscal stimulus package and suggested some subtle changes of policy which will influence the recovery of the economy in 2022.

Portfolio attribution has been strongly positive over the last twelve months with the structural gearing embedded in the investment policy making an important contribution. At the stock level, new positions that were established during the equity market volatility of 2020, feature prominently in the leading performers. Companies such as DIP Corporation, (recruitment) Open House (real estate), Denso (manufacturing technology) and Technopro (technology staffing) have been beneficiaries of the domestic economic recovery to date and their share prices have performed well.

Also, it has been especially pleasing to see the improved share price performance of long-standing holdings in the banking (Sumitomo Mitsui Financial Group & Mitsubishi UFJ Financial Group) and telecommunications (Softbank Corp & NTT Group) sectors. Despite facing considerable business challenges over the past 18 months, these companies have been able to improve their returns to shareholders with increases in annual dividends and share buyback initiatives, which have been favourably received.

The Company returns also benefited from tender offers for two long term holdings whose share prices suffered greatly during 2020. In the case of both GCA (Japan based M&A advisory business) and Invesco Office REIT (office property Real Estate Investment Trust), the position within the portfolio has been increased despite the companies experiencing operational difficulties in the early stages of the pandemic. In each case their strong balance sheet, shrewd management and shareholder awareness had allowed them to deliver a stable dividend over the period and these attributes were recognised by a third party willing to offer a significant premium to the prevailing share price and above a price that the shares had traded at pre-pandemic. We believe that these deals recognised the intrinsic value of these companies and justify our disciplined approach to valuation within the investment strategy.

The weakest performers include Hikari Tsushin (corporate services) and Nippon Gas. Both have suffered due to higher energy prices for their wholesale businesses. Each company has indicated that these are temporary timing issues and have confirmed their confidence in the long-term outlook by increasing the dividends year on year and announcing share buyback programmes. It is disappointing that the share prices of consumer products and services companies such as Kao (consumer products), Noevir (cosmetics) and Nippon Parking development have remained lacklustre despite the end of the restrictive state of emergency in Japan. However, these companies have all increased their dividends consistently over the last two years reflecting their healthy underlying financial position and prospects for better times ahead as the economy normalises.

Portfolio Positioning

Trading activity in the portfolio continues to reflect the bottom-up analysis approach of the strategy, whilst giving consideration to the short-term risks and uncertainties that still prevail. We retain the twin objectives of generating an attractive income stream of distributions to Shareholders whilst investing in companies that have solid financial attributes and the ability to grow in the long-term.

The recent re-introduction of the ban on foreigners travelling to Japan highlights that operating conditions still have some way to go before returning to pre-pandemic levels in many industries, whilst others are experiencing or have identified new opportunities for expansion. The Company has exited holdings in Gakkyusha, Yamada Holdings, Pigeon, Nihon Unisys, Nomura and Japan Metropolitan Fund due to concerns over the sustainability of their pre-COVID-19 business success and hence their long-term shareholder return prospects. Positions in holdings such as Shoei (motorcycle helmets), Itochu (general trading), Tokyo Electron (electricity utility) and West Holdings (solar power) were reduced into strong performance of the shares although they each remain important holdings within the portfolio. However, holdings in Mitsubishi UFJ Group and Sumitomo Mitsui Financial Group along with Sompo Insurance and Orix (diversified financial services) were increased as it became clear that their business prospects were not as disappointing as many had initially feared.

Whereas the portfolio changes in 2020 were an immediate reaction to the COVID-19 outbreak and the rapid government and central bank response, activity in 2021 has better reflected the underlying attributes of the individual companies. This is particularly evident in the new holdings established during the year and highlights the influence of the ongoing corporate governance reforms in Japan. Hitachi, an electrical conglomerate, often historically associated with many of the perceived failings of corporate management in Japan, has made steady progress in de-leveraging its balance sheet, focusing its business portfolio and simplifying its management structure. Having achieved many of its interim goals, it has now indicated a desire to focus on improving its returns to shareholders which management recognises have fallen behind improving national standards in Japan. Carta Holdings (internet advertising platform) has cited the upcoming restructuring of the Tokyo Stock Exchange Indices and its desire to be included in the Primary Section as the important consideration in its recent announcement of a more generous shareholder return policy, which clearly emphasises the importance of stability going forward. New holdings were also established in TRE Holdings (waste material recycling and biomass power generation) and Asahi Holdings (precious metal refining and recycling), reflecting the potentially exciting opportunities for their operations as Japan seeks to enhance its environmental standards increasing the appeal of their attractive approach to shareholder returns.

Outlook

We believe that the steady progress of corporate governance reform and the associated benefits in terms of capital efficiency and shareholder returns provide the real catalyst for Japanese equities rather than short term macro or political considerations. The Corporate Governance Code, first introduced in 2014, is continuing to play a significant role in promoting the necessary improvements as its principles and guidelines are revised and enforced. Certain favourable trends can be measured directly such as the increasing presence of external independent directors, the reduction in cross-shareholdings, the elimination of parent subsidiary listings and general restructuring of non-core assets, although it is in the commentary and actions of corporate management where the change is most evident. The resilient dividend and share buyback profile of the last two years is in stark contrast to the UK and Europe and highlights the significant benefit this offers to Shareholders through greater and more stable returns. The run rate for the current fiscal year suggests that both dividend and share buybacks are on track to exceed their previous peaks in FY19.

We believe that this strategy has demonstrated a strong recovery from the unexpected consequences of the COVID-19 pandemic and the detrimental impact this had on some of the portfolio holdings. Our portfolio construction has resolutely continued to focus on high quality companies with attractive long-term growth prospects and we are encouraged by the response from companies in the portfolio and excited by the increasing number of investment opportunities that the improving outlook is creating.

Richard Aston
Coupland Cardiff Asset Management LLP

10 February 2022

TOP TEN HOLDINGS

Mitsubishi UFJ Financial Group 5.1%

Mitsubishi UFJ Financial Group was established in 2005 through the merger of Mitsubishi Tokyo Financial Group and UFJ Holdings. It is now one of Japan's leading financial services groups with established operations around the world and most prominently in Asia and North America. This includes an alliance and 20% stake in Morgan Stanley which was established in 2008. The company continues to promote a balanced capital management policy maintaining a strong capital base, appropriate allocations to growth, strategic growth opportunities and enhancing shareholder returns.

Sumitomo Mitsui Financial 5.1%

Sumitomo Mitsui Financial Group was established through the merger of Sumitomo Bank and Sakura Bank in 2001. It is one of Japan's leading financial groups offering services such as commercial banking, leasing, securities, consumer finance and asset management. The company targets continued growth in shareholder value by promoting discipline investment and alliances, sound finances and progressive shareholder returns.

Nippon Telegraph & Telephone 4.9%

NTT provides a broad range of telecommunication and business services in Japan and increasingly overseas. As well as benefiting from the focus on data services and IT infrastructure, the company is also seeking synergies from the recent consolidation of mobile telephone subsidiary NTT DoCoMo and cost cutting initiatives that enhance the earnings growth and potential for further returns to shareholders.

Softbank Corp 4.5%

Softbank Corp provides telecommunication and associated network services in Japan and is a subsidiary of the Softbank Group. The company continues to demonstrate strong growth in its business services segment and from its "beyond carrier" strategy which includes ecommerce leader Yahoo Japan, online fashion retailer Zozo, social network Line and electronic payment service PayPal

Itochu Corp 4.5%

ITOCHU Corp is one of Japan's leading trading companies involved in a broad range of business domains from upstream raw materials to downstream retail. In recent years Itochu has successfully introduced a business investment strategy based on high levels of capital efficiency and appropriate cash allocation including rising returns to shareholders in the form of dividend and share buybacks.

SBI Holdings 4.4%

SBI Holdings is a holding company that offers innovative financial services in areas such as securities broking, banking, insurance and asset management. As a group it focuses specifically on organic growth in each of its businesses whilst maintaining a high return on equity ("ROE") to generate value for shareholders.

DIP Corporation 4.2%

DIP operates a number of domestic job listing websites, establishing a strong reputation amongst part-time workers which has experienced the majority of growth in the Japanese labour market in recent years. DIP has been successfully rolling out digital business tools aimed at enhancing labour efficiencies at its clients and seeks to become a 'labour force solution company'.

Tokyo Electron 4.2%

Tokyo Electron is an industry leading manufacturer of semiconductor and flat panel display product equipment that has benefited from the increasing demand for logic and memory devices. The company has grown organically by investing in R&D and a global infrastructure and enhanced the stability of cashflow by increasing recurring field service revenues. It has a shareholder return policy comprised of a dividend pay-out ratio of 50% and a flexible approach to share buybacks based on operating consideration and market conditions.

Shin-Etsu Chemical 4.2%

Shin-Etsu is the largest chemical company in Japan and has top global market share for a range of products including silicon wafer, polyvinyl chloride and photomask substrates. The company has a strong record of promoting research and development and necessary investment in facilities and human resource to capture growth opportunities. This is now being complemented by a focus on long-term distribution of stable returns to shareholders.

Asahi Holdings 4.0%

Asahi Holdings operates three core businesses: the recycling of precious metals in Japan from electronics scrap, jewellery, dentistry and catalytic converters; the refining of precious metals from raw materials in the US; and Environmental Preservation which provides a range of services to support the processing and recycling of a variety of waste materials.

INVESTMENT POLICY, RESULTS AND OTHER INFORMATION

Investment policy

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

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

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

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

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

Borrowing policy

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

Hedging policy

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

Results and dividend

The Company's revenue return after tax for the financial year amounted to £6,404,000 (2020: £6,796,000). In July 2021, the Company paid an interim dividend of 1.40p (2020: 1.40p) per Ordinary Share. On 8 February 2022, the Directors declared a second interim dividend for the year ended 31 October 2021 of 3.35p (2020: 3.20p) per Ordinary Share, which will be paid on 18 March 2022 to Shareholders on the register at 18 February 2022. Therefore, the total dividend in respect of the financial year to 31 October 2021 will be 4.75p (2020: 4.60p) per Ordinary Share.

The Company made a capital gain after tax of £38,673,000 (2020: capital loss of £30,499,000). The total return, including income, after tax for the year was £45,077,000 (2020: loss of £23,703,000).

The Company's Purpose, Values and Culture

The primary focus of the Company is to generate total returns for Shareholders by investing in equities quoted on the recognised exchanges in Japan. The Investment Manager identifies companies which are undervalued, have strong balance sheets, strong business franchises, and favourable attitudes to shareholder returns in the form of sustainable and growing dividends and share buyback policies.

The Company aims to meet the needs of investors through the Investment Manager's dual mandate of generating income and capital growth. The Company has been investing in Japanese equities since launch in 2015. Whilst the Company does not have a benchmark, the Board measures performance against the TOPIX Total Return Index and High Yield Indices.

To achieve this, the Board of Directors has engaged Coupland Cardiff Asset Management LLP, who have the appropriate capability, resources and controls in place to actively manage the Company's assets in order to meet its investment objective. The Investment Manager has a well-defined investment strategy and process which is regularly and rigorously monitored and reviewed by the Board. As the Company has no employees and acts through its service providers, its culture is represented by the values and behaviour of the Board and third parties to which it delegates.

To ensure that the Company's purpose, values, strategy and culture are aligned, the Board comprises independent non-executive Directors from a diverse background, who together bring a wide range of knowledge, skills and experience. The Board members contribute to a transparent culture ensuring effective oversight, critical support and challenge to the Investment Manager, and all other third party suppliers. For more information, please refer to the Company's section 172 statement on pages 23 to 27.

Key performance indicators ("KPIs")

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

(i) Long term capital growth

The Board considers the Company's Net Asset Value ("NAV") total return figures to be the best indicator of performance over time and this therefore is the main indicator of performance used by the Board. The NAV cum-income total return for the year to 31 October 2021 was +24.3% (2020: -11.1%) and the NAV total return from the Company's inception in December 2015 to 31 October 2021 was +89.4%.

The Chairman's Statement on pages 5 to 7 incorporates a review of the highlights during the year. The Investment Manager's Report on pages 8 and 9 gives details on investments made during the year and how performance has been achieved.

(ii) Revenue return per Share and dividends
The Company's revenue return per Ordinary Share, based on the weighted average number of shares in issue during the year, was 4.75p (2020: 5.04p). The Company's proposed total dividend payable in respect of the year ended 31 October 2021, including an interim dividend of 1.40p per Ordinary Share paid on 8 July 2021 and a second interim dividend of 3.35p payable on 18 March 2022, is 4.75p (2020: 4.60p) per Ordinary Share.

(iii) Discount/premium to NAV
The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The share price closed at a 6.9% discount to the NAV as at 31 October 2021 (2020: 12.6% discount). This is addressed in the Chairman's Statement on page 5.

(iv) Control of the level of ongoing charges
The Board monitors the Company's operating costs carefully. Growing the size of the Company offers many benefits, as not all of the Company's operating costs increase in line with the Company's assets under management. Based on the Company's average net assets for the year ended 31 October 2021, the Company's ongoing charges figure calculated in accordance with the AIC methodology was 1.05% (2020: 1.04%).

Other information

Modern slavery disclosure

The Company aims to act to the highest standards and is committed to integrating responsible business practices throughout its operations. The prevention of modern slavery is an important part of corporate good governance.

As an investment trust the Company does not offer goods or services to consumers and deals predominantly with professional advisers and service providers in the financial services industry. As such the Board considers that the Company is out of scope of the Modern Slavery Act 2015.

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

The Company has no employees, physical assets, property or operations of its own, does not provide goods or services and does not have its own customers. It follows that the Company has little to no direct environmental impact. In consequence, the Company has limited greenhouse gas emissions to report from its operations aside from Directors' travel to board meetings, nor does it have responsibility for any other sources of emissions under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. As the Company has no material operations and therefore has little energy use, it falls below the threshold to produce an energy and carbon report. The Company's ESG policy is contained on page 21.

Employees

The Company has no employees. As at 31 October 2021, the Company had four Directors, comprising three males (75%) and one female (25%). On 1 February 2022, June Aitken and Craig Cleland joined the Board, bringing with them a wealth of experience and skills. Biographical details can be found on pages 36 and 37. As part of the recruitment process, the Board was mindful of the Company's policy on diversity which is contained in the Corporate Governance statement (see page 38).

Anti-bribery and corruption

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

Prevention of the facilitation of Tax Evasion

The Board has a zero-tolerance approach to the criminal facilitation of tax evasion.

Viability statement

The Directors have assessed the viability of the Company for the period to 31 October 2026 (the "'Period") taking into account the long-term nature of the Company's investment strategy and the principal risks and emerging risks outlined on pages 14 to 20. The Board has chosen a five-year period to assess the Company's viability because of the expected long-term nature of equity investment, the Investment Manager's holding period and the fact that the investment objective is unlikely to change significantly over this period. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the Period.

Notwithstanding the foregoing, the continuation of the Company is subject to approval by Shareholders at the Annual General Meeting due to be held on 22 March 2022 and, if passed, every three years thereafter.

In their assessment of the prospects of the Company, the Directors have considered each of the principal and emerging risks and uncertainties set out on pages 14 to 20 and the liquidity and solvency of the Company.

The Directors have considered the Company's income and expenditure projections and the fact that the Company's investments comprise readily realisable securities which could, if necessary, be sold to meet the Company's funding requirements. Portfolio activity and market developments are discussed at quarterly Board meetings. The internal control framework of the Company is subject to a formal review on at least an annual basis.

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

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

This assessment has included a detailed review of the issues arising from the COVID-19 pandemic as discussed in the Chairman's Statement on page 5, the Investment Manager's Report on page 8 and in the Principal and Emerging Risks section on page 19.

Outlook

The outlook for the Company is discussed in the Chairman's Statement on pages 5 to 7.

Strategic Report

The Strategic Report set out on pages 2 to 30 of this Annual Report was approved by the Board of Directors on 10 February 2022.

RISK AND RISK MANAGEMENT

Principal and emerging risks and uncertainties

The Board is responsible for the management of risks faced by the Company and delegates this role to the Audit and Risk Committee (the "Committee"). The Committee carries out, at least annually, a robust assessment of principal and emerging risks and uncertainties and monitors the risks on an ongoing basis. The Committee has a dynamic risk management register in place to help identify key risks in the business and oversee the effectiveness of internal controls and processes.

The risk management register and associated risk heat map provide a visual reflection of the Company's identified principal and emerging risks. These fall into four categories: strategic and business risk, financial risk, operational risk, and regulatory and compliance risk. The Committee considers both the impact and the probability of each risk occurring and ensures appropriate controls are in place to reduce risk to an acceptable level. The Committee continues to be concerned with the risks posed by the COVID-19 pandemic which has a significant impact on all risk categories. In addition to implementing more regular reviews of investment performance with the Investment Manager, the Committee has worked closely with the Company's key service providers to ensure high standards of service were maintained whilst hybrid working models were implemented.

Further information on how the Committee has considered COVID-19 when assessing its effect on the Company's ability to operate as a going concern and the Company's longer-term viability can be found on page 34.

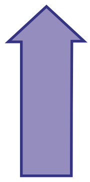
The principal and emerging risks, together with a summary of the processes and internal controls used to manage and mitigate risks where possible are outlined on the following pages.

Principal Risks	Mitigation	Movement During the Year
Poor investment performance The Company's investment performance depends on the Investment Manager's ability to identify successful investments in accordance with the Company's investment policy.	The Investment Manager has a well-defined investment strategy and process which is regularly and rigorously reviewed by the Board. The Board monitors the Company's investment performance against its peer group over a range of periods. Whilst the Company does not have a benchmark, the Board measures performance for reference purposes against the TOPIX and High Yield Indices. At each meeting, the Board discusses the Japanese investment environment. The Investment Manager reports on the composition of the portfolio, any recent sales and purchases, and expectations of dividend income. The Company's investment policy states that no single holding will represent more than 10 per cent. of the Company's Gross Assets at the time of investment and the portfolio is expected to have between 30 to 40 holdings although there is no guarantee that this will be the case and it may contain a lesser or greater number of holdings at any time. An investment management contract is in place which defines the duties and responsibilities of the Investment Manager. Safeguards include the provision to terminate the Management Agreement with 6 months' notice and in line with AIC guidance, the Investment Manager's appointment is considered on an annual basis.	Following a significant downturn at the beginning of the global pandemic in the first quarter of 2020, Investment performance has improved substantially in the year under review.

Principal Risks	Mitigation	Movement During the Year
Currency Risk The Company's investments are denominated in Japanese Yen. Changes in the Yen / Sterling exchange rate may impact returns and lead to a devaluation of the Company's assets when translated into sterling. Income is received from investee companies in Yen. Exchange rate fluctuations could impact distributable income available for dividends.	The currency risk is explained to shareholders in the prospectus and the annual and interim reports. The Board regularly reviews the level of foreign currency exposure and monitors forecast revenues. The revenue forecast presented to the board includes a Yen sensitivity analysis. The Company's policy is not to hedge against any foreign currency movements. Income received from investee companies is translated into sterling on receipt. The Company has built up a revenue reserve and the Board regularly reviews the net income available for distribution using the Investment Manager's sensitivity analysis of revenue estimates. The Company also has a Special Reserve available for distribution in the event of unforeseen revenue shortfall.	

RISK AND RISK MANAGEMENT
continued

Principal Risks	Mitigation	Movement During the Year
Share price does not reflect underlying net asset value ("NAV") The market value of the Company's shares can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the Company's portfolio and the Company may experience fluctuations in its operating results due to a number of factors. Such variability may lead to volatility in the trading price of the Company's shares, in excess of levels acceptable to the Board or shareholders.	The Board closely monitors the Company's share price relative to NAV and the Company's discount / premium relative to their peer group, and recognises the importance that investors attach to the ordinary shares not trading at a significant discount or premium to the prevailing NAV. Should the shares trade at a significant discount to the prevailing NAV, the Board will consider whether the Company should purchase its own ordinary shares, pursuant to the general authority renewed at each AGM. Conversely, the Board will issue new Ordinary Shares should the shares trade at a premium to their prevailing NAV, pursuant to the general authority renewed at each AGM. Extensive marketing is carried out by the Company's Investment Manager, Broker and a specialist PR company. An investment research consultant is engaged to provide independent research for retail shareholders. During the year, a Special Resolution was approved to issue 26,946,122 TSS as a 1 for 5 Bonus Issue. The Board was also granted the authority to repurchase up to 14.99% of the issued Subscription Share capital.	

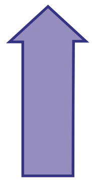
Principal Risks	Mitigation	Movement During the Year
Market Risk Changes in the investment, economic or political conditions in Japan, and/or in the countries in which the Company's investee companies operate could substantially and adversely affect the Company's prospects. In addition to changing economic factors such as interest rates, employment, industry conditions and competition, unpredictable factors such as natural disasters, earthquakes and diplomatic events may impact market risk. Geopolitical instability in the region may threaten global economic growth and, consequently, companies in the portfolio.	The Directors acknowledge that market risk is inherent in the investment process. The Company maintains a diversified portfolio of quoted investments. The Board has imposed guidelines within its investment policy to limit exposure to individual holdings and limits the level of gearing. Further information on financial instruments and risk can be found in note 16 to the Financial Statements beginning on page 69. In addition to regular market updates from the Investment Manager and reports at Board meetings, the Board convenes more often during periods of extreme volatility, for example during the COVID-19 pandemic. The impact on the portfolio from Brexit and other geopolitical changes including the trade war between the US and China are monitored and discussed regularly at Board meetings. Market risk also arises from uncertainty about the future prices of the Company's Japanese equity investments, geopolitical and natural disasters. While it is difficult to quantify the impact of such changes, it is not anticipated that they will fundamentally affect the business of the Company or make the investment case for Japanese equities any less desirable. The longer-term effects of the COVID-19 pandemic, including the unprecedented levels of fiscal stimulus and global travel restrictions are unknown. However, the Board is encouraged by the scope for recovery as Japan emerges from the pandemic.	 In addition to continued uncertainty surrounding the global recovery from the COVID-19 pandemic, geo-political risk has risen in the region.

RISK AND RISK MANAGEMENT
continued

Principal Risks	Mitigation	Movement During the Year
Key Person Risk The Company depends on the diligence, skill and judgment of the Investment Manager's investment professionals and the information and ideas they generate during the normal course of their activities. The Company's future success depends on the continued service of key personnel. The departure of any of these individuals without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations.	The Board meets regularly with other members of the wider team employed by the Investment Manager. The strength and depth of the investment management team provides comfort that there is no over-reliance on one person with alternative portfolio managers available to act if needed.	
Excess leverage The Company may use borrowings to seek to enhance investment returns. While this has the potential to enhance investment returns in rising markets, in falling markets the impact could be detrimental to performance.	An ability to gear is a unique advantage of closed-end companies and structural gearing is a clearly stipulated component of the Company's investment policy. This is highlighted in shareholder communications. Gearing is monitored and strict restrictions on borrowings are imposed: gearing continues to operate within a limit of 25% of NAV at the time of investment.	
Underperforming key service providers The Company's service providers including the Depositary, the Custodian and the Administrator could fail to provide accurate timely information to the Board. External events, such as cyber-crime, natural disasters or pandemics may mean service providers are unable to meet their contractual obligations.	The Board has appointed an experienced independent professional Depositary, Custodian and Administrator. All key service providers produce annual internal control reports for review by the Audit and Risk Committee. These reviews include consideration of their business continuity plans and the associated cyber security risks. Service providers report on cyber risk mitigation and management at least annually, which includes confirmation of business continuity capability in the event of a cyber-attack. Penetration testing is carried out by the Investment Manager and key service providers at least annually.	

Principal Risks Emerging risk	Mitigation	Movement During the Year
Business Interruption due to COVID-19 Failure in services provided by key service providers, meaning information is not processed correctly or in a timely manner, resulting in regulatory investigation or financial loss, failure of trade settlement, or potential loss of investment trust status.	Each service provider has business continuity policies and procedures in place to ensure that they are able to meet the Company's needs and all significant breaches are brought to the attention of the Board. Due to the COVID-19 pandemic and the restrictions on gatherings and travel introduced by the UK Government, the Audit and Risk Committee requested assurances from the Company's key service providers that business continuity plans had been enacted where necessary, with service providers enabling remote and hybrid working arrangements. This provided a satisfactory level of assurance that there had not been, and there was no expectation of any disruption to service quality. Details of the Directors' assessment of the going concern status of the Company, which considered the adequacy of the Company's resources and the impacts of the COVID-19 pandemic, are given on page 34.	

RISK AND RISK MANAGEMENT
continued

Principal Risks	Mitigation	Movement During the Year
ESG and Climate Change Potential reputational damage from non-compliance with regulations or incorrect disclosures. Climate change leads to additional costs and risks for portfolio companies. The Company could suffer as a result of increased investor demand for products which promote ESG investments.	The Company's ESG Policy, which is updated annually is published on the Company's website and the AIC website. The Company's approach to ESG, including the ESG factors that are considered in the investment process, such as climate change, where they are relevant and have a material impact on stock performance, is included in the Annual Report on page 21. It also includes examples of responsible engagement. Coupland Cardiff Asset Management LLP (the Investment Manager) is a signatory to the Principles of Responsible Investment Initiative("PRI") and reports annually according to the PRI reporting framework. The Investment Manager also complies with the obligations of both the UK Stewardship Code and the Japan Stewardship Code. Investment trusts are currently exempt from the Task Force on Climate-Related Financial Disclosures ("TCFD ") disclosure, but the Board will continue to monitor the situation.	 Shareholders expectations are increasingly focused on sustainability and ESG factors. Climate change is impacting operating conditions of portfolio companies and their reporting obligations.

APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

The Board believes that ESG related issues can affect both the performance and sustainability of an investment portfolio and that ESG factors can be potential indicators of management quality and operational performance. Companies with strong, sustainable profiles will, it believes, have greater potential to grow and survive in all market conditions.

The Investment Manager is responsible for engagement on ESG matters and has a structured yet flexible approach to incorporating ESG into the investment process. Its fundamental, hands-on research approach allows it to seamlessly integrate its responsible investing efforts alongside the Company's investment strategy in an effective manner, which the Board believes will achieve the best long-term results for the Company's investors.

ESG Research

The ESG factors considered vary by the industry and company under review, though in all cases the Investment Manager considers whether the following factors are relevant and may have a material impact on stock performance:

- **Environmental:** Pollution, site management/ consideration, greenhouse gas emissions, climate change, habitat protection, recycling, water
- **Social:** Human/employee rights, working conditions, health and safety, firm-employee relations, child/ forced labour, conflict zones
- **Governance:** Board composition, independence, transparency, compensation and accountability, shareholder rights and relations, cyber security, protection of personal data, corruption.

The ESG factors are integrated into the Investment Manager's bottom-up investment process and these issues are considered alongside financial and strategic issues during assessment and engagement with companies. The ESG risks are qualitative factors rather than quantitative inputs in a financial model.

The Investment Manager has a policy that prohibits investment in a list of companies that manufacture controversial weapons but does not specifically exclude investment in industries or individual companies on standardised ESG factors.

Engagement and Stewardship

A key component of the ESG process is engagement. The Investment Manager dedicates a significant amount of time and resource focusing on the ESG characteristics of the companies in which the Investment Manager invests, and monitoring is carried out through investment reviews.

The strategy of the portfolio has an explicit focus on improving relationships between corporate managers and shareholders in Japan. Consequently, corporate governance is a key point of discussion in every meeting held with company management. The goal in each case is to help the senior representatives of the company develop not only an understanding of the role and requirements of long-term shareholders but also the realisation that their actions must be consistent with mutually determined objectives.

The team at Coupland Cardiff Asset Management LLP ("CCAM") conducts over 300 meetings and calls a year with the management of many different companies. Engagement serves three main purposes as it relates to ESG:

1. **Due Diligence** –engaging with companies, conducting due diligence, and understanding potential risks and opportunities relating to the investment.
2. **Education** – through engagement with companies, sharing best practices and providing insights into the ESG practices of peers (e.g., disclosures, targets, and benchmarking).
3. **Action** – engaging with companies to encourage disclosures and target setting.

Although the Investment Manager does not seek to agitate management through aggressive behaviour with public disclosures or proposals, it does and will vote on resolutions which it believes are consistent with the future growth and development of the company. Conversely, it will vote against those that do not and would be prepared to sell the shareholding if this were deemed to be the most appropriate course of action.

<u>Japan Stewardship Code:</u> The Investment Manager's commitment to the Japan Stewardship Code is set out on its website: **https://www.couplandcardiff.com/legal-disclosures**

<u>UK Stewardship Code:</u> The Investment Manager's statement of compliance with the UK Stewardship Code can be found on its website: **www.couplandcardiff.com**

<u>Principles of Responsible Investment ("PRI"):</u> CCAM became a signatory to the UN-supported Principles for Responsible Investment ("PRI") on 6 December 2018. The PRI is fast becoming a global standard for investment managers' ESG alignment. As a signatory to the Principles, the Investment Manager publicly commits to adopt and implement them, where consistent with its fiduciary responsibilities. The Principles can be found here: **https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment**. The Investment Manager also commits to evaluate the effectiveness and improve the content of the Principles over time. It believes this will improve its ability to meet

APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")
continued

commitments to beneficiaries as well as better align its investment activities with the broader interests of society. CCAM reports annually to the PRI on the firm's responsible investment initiatives, activities and achievements and seeks to meet the standards expected by the PRI in doing so.

EXAMPLES OF ENGAGEMENT

The two examples below demonstrate our stewardship approach through constructive, ongoing engagement.

Company 1 (Consumer Durables) – Governance remuneration:

In response to a number of proposals for the AGM regarding changes to the remuneration of directors and retirement benefits, the Investment Manager contacted the company for clarification. The company explained that these changes had been introduced as a direct consequence of a desire to adhere to the principles of the Corporate Governance Code. The Investment Manager particularly liked the intention to alter the cash payment for directors, from one based on length of service as a director, to one that incorporated a share allocation reward based on the company's performance. Having received this explanation for the changes, it was felt that the proposed changes were appropriate, the amounts considered reasonable, and the vote was cast in favour of the amendments.

Company 2 (Manufacturer) – Dividend policy:

The company withdrew its dividend forecast for the full year after the Q1 results. Despite the general uncertainties surrounding the pandemic, given the company's previous comments and healthy financial position, this course of action was inappropriate. During a subsequent call with the company, it became clear that this was likely to be a precursor to cutting the dividend. The Investment Manager expressed its belief that this was not consistent with prior communication from management and not in alignment with its requirements as a long-term shareholder. As a result of this conversation with the company, the Investment Manager sold out of its position.

STAKEHOLDER ENGAGEMENT

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

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

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

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

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

STAKEHOLDER ENGAGEMENT
continued

Key stakeholders	Why it is important to engage	Engagement and Key Board Decisions
Shareholders	The Board maintains an open dialogue between Shareholders, the Investment Manager and other service providers. The Investment Manager along with the Company's corporate broker regularly meets with the Company's Shareholders to provide Company updates and to foster regular dialogue. Feedback from meetings between the Investment Manager and Shareholders is communicated with the Board.	The principal forum for this is the Company's Annual General Meeting ("AGM"). Unfortunately, due to the COVID-19 pandemic, the Company's last AGM had to be held as a closed meeting. However, Shareholders were given the opportunity to vote by proxy, and were invited to submit questions in advance of the AGM. The Company's forthcoming AGM is expected to be open to Shareholders. The Company's Annual and Interim Reports are made available on the Company's website and also circulated to Shareholders as requested. This information is supplemented by the daily publication of the NAV per Share, and monthly factsheets. The Company's website was recently redesigned to incorporate more user-friendly features and information. The Board has appointed a professional PR company, Cornerstone, and an independent research consultancy, Kepler, to ensure that information and news about the Company is regularly available for existing and potential Shareholders. I met with most major Shareholders to discuss the issue of the TSS, which were admitted to the London Stock Exchange (Ticker: CCJS) on the 18 February 2021. They were issued as a free bonus to Shareholders on the basis of 1 TSS for every 5 Ordinary Shares owned. The TSS are designed to give Shareholders an opportunity to benefit from a post-COVID-19 Japanese recovery by giving them an option to exercise their TSS into Ordinary Shares. The TSS 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.

Key stakeholders	Why it is important to engage	Engagement and Key Board Decisions
Shareholders continued		Additionally, the Investment Manager along with the Company's corporate broker regularly meets with the Company's shareholders to provide Company updates and to foster regular dialogue. Feedback from meetings between the Investment Manager and Shareholders is communicated with the Board.
	The 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. A fundamental consideration of the Board is whether the investment objective of the Company is continuing to meet shareholder expectations.	The Board has declared a total dividend for the 2021 year of 4.75p per Ordinary Share, an increase of 3.26% on last year's full year distribution of 4.60p per Ordinary Share; paid out of income received. The dividend has risen every year since inception. The strategy is validated on a triennial basis - the latest vote being in March 2019 with 99.98% of shareholders voting for the continuation of the Company. The next continuation vote will be proposed at the forthcoming AGM.

STAKEHOLDER ENGAGEMENT
continued

Key stakeholders	Why it is important to engage	Engagement and Key Board Decisions
Investment Manager	CCAM is the Company's appointed Investment Manager. The Investment Manager is responsible for the management of the Company's portfolio in accordance with the Company's investment policy and the terms of the Investment Management Agreement. The Investment Manager has also been appointed as the Company's AIFM in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"), for the purpose of providing portfolio management and risk management services to the Company.	The Board monitors the Company's investment performance in relation to its objectives and investment policy and strategy. The Board regularly assesses the experience and resources of the Investment Management team and the commitment of the Investment Manager to promote the Company, foster Shareholder relations and to ensure that the Company's objective of providing dividend income combined with capital growth for its investors is met. An open and active relationship is maintained with the Investment Manager, at Board meetings, and at additional meetings which are held when needed. During the volatile market environment caused by the global pandemic the Board continued to hold a number of additional ad hoc meetings with the Investment Manager. The Company has been managed by Richard Aston since launch in 2015 and the team has been strengthened in recent years, with the addition of Megumi Takayama as an investment analyst. During the year under review the Board has also received regular reports from the newly strengthened marketing team at CCAM who are responsible for marketing the Company. The Management Engagement Committee met during the year and unanimously endorsed the continued appointment of the Company's Investment Manager.
Service Providers	As an externally managed investment trust, the Company conducts all its business through its key service providers. Before the engagement of a service provider, the Board ensures that the Company's business outlook as well as its values are similar to those of the service provider.	The Board has strong working relationships with the Investment Manager, Broker, Company Secretary, Administrator and Depositary. The Board receives internal control reports from the service providers and the Investment Manager. Annual reviews are conducted on the performance of all the key service providers. During the year under review, the Board sought, and received, reassurance that all key service providers had appropriate business continuity plans in place. All key service providers have maintained a high standard of service and demonstrated operational resilience whilst working remotely during the lockdowns caused by the COVID-19 crisis.

Key stakeholders	Why it is important to engage	Engagement and Key Board Decisions
Wider community and environment	The Company and its appointed professional suppliers keep abreast of the rules and regulations affecting the investment company sector. The Investment Manager, CCAM, as steward of the Company's assets, engages with investee companies to ensure high standards of governance. The investment strategy of the Company is predicated upon the improving standards of Shareholder governance in Japan and the commitment of investee companies to act in the interests of all stakeholders.	The Company Secretary and AIFM regularly report to the Board any changes in the regulatory environment. As Association of Investment Company ("AIC") members, the Board draws on their resources including the detailing of regulatory changes. During the year, the Audit and Risk Committee contributed to the BEIS Consultation on Audit Reform The Company has articulated its policy on ESG factors involved in the investment decision making and evidence of constructive engagement with investee companies. See pages 21 and 22. The ESG policy is available on both the Company's website and the AIC's website.

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

For and on behalf of the Board

Harry Wells
Chairman of the Board

10 February 2022

HOLDINGS IN PORTFOLIO

AS AT 31 OCTOBER 2021

Company	Sector	Market value £'000	% of net assets
Mitsubishi UFJ Financial Group	Banks	9,529	4.3
Sumitomo Mitsui Financial Group	Banks	9,493	4.3
Nippon Telegraph & Telephone	Information & Communications	9,150	4.1
Softbank	Information & Communications	8,315	3.7
Itochu Group	Wholesale	8,269	3.7
SBI Holdings	Securities & Commodities	8,157	3.7
DIP Corporation	Services	7,807	3.5
Tokyo Electron	Electrical Appliances	7,744	3.5
Shin-Etsu Chemical	Chemicals	7,740	3.5
Asahi Holdings	Nonferrous Metals	7,452	3.3
Denso	Transport Equipment	7,328	3.3
Sompo Holdings	Insurance	7,257	3.3
GLP J-REIT	Real Estate	7,106	3.2
Mitsubishi	Wholesale	6,909	3.1
Noevir	Chemicals	6,206	2.8
Open House	Real Estate	5,970	2.7
Hitachi	Electrical Appliances	5,850	2.6
Orix	Other Financing Business	5,535	2.5
Shoei	Securities & Commodities	5,534	2.5
Tre Holdings	Services	4,849	2.2
Technopro Holdings	Services	4,822	2.2
Nitto Denko	Chemicals	4,809	2.2
Star Asia Investment	Real Estate	4,608	2.1
Tokio Marine Holdings	Insurance	4,590	2.1
Kyocera	Electrical Appliances	4,244	1.9
Kyowa Exeo	Construction	4,105	1.8
Gmo Internet	Information & Communications	3,993	1.8
Hikari Tsushin	Information & Communications	3,915	1.7
Carta Holdings	Information & Communications	3,892	1.7
Murata Manufacturing Company	Electrical Appliances	3,857	1.7
Toyota	Transport Equipment	3,834	1.7
Tokyo Ohka Kogyo	Chemicals	3,669	1.6
Nippon Gas	Retail Trade	3,460	1.5
Fujitec	Machinery	3,453	1.5

Company	Sector	Market value £'000	% of net assets
Industrial & Infrastructure	Real Estate	3,322	1.5
Kao	Chemicals	3,281	1.5
Nintendo	Other Products	2,879	1.3
Aoyama Zaisan Networks	Real Estate	2,317	1.0
West Holdings	Services	2,217	1.0
Nippon Parking	Real Estate	1,824	0.8
Intage Holdings	Information & Communications	980	0.4
Total holdings		**220,271**	**98.8**
Other net assets		2,599	1.2
Net asset value		**222,870**	**100.0**

TOP TEN SECTORS
AS AT 31 OCTOBER 2021

Sector	% of net assets
Chemicals	11.5
Real Estate	11.3
Electrical Appliances	9.7
Information & Communications	9.6
Services	8.8
Banks	8.5
Wholesale	6.8
Securities & Commodities	6.1
Insurance	5.3
Transport Equipment	5.0
Other Sectors	16.0
Other net assets	1.4
Total	**100.0**

TOP TEN CONTRACTS FOR DIFFERENCE ("CFDs")
AS AT 31 OCTOBER 2021

Company	Sector	Absolute value £'000	Absolute value as a % of net assets	Market value £'000
Mitsubishi UFJ Financial Group	Banks	1,906	0.9	(127)
Sumitomo Mitsui Financial Group	Banks	1,899	0.9	(99)
Nippon Telegraph & Telephone	Information & Communications	1,830	0.8	29
Softbank	Information & Communications	1,663	0.7	20
Itochu	Wholesale	1,654	0.7	(45)
SBI Holdings	Securities & Commodities	1,631	0.7	(53)
DIP Corporation	Services	1,561	0.7	(52)
Tokyo Electron	Electrical Appliances	1,549	0.7	54
Shin-Etsu Chemical	Chemicals	1,548	0.7	55
Asahi Holdings	Nonferrous Metals	1,490	0.7	(114)
Top Ten		**16,731**	**7.5**	**(332)**
Other		27,324	12.3	37
Total		**44,055**	**19.8**	**(295)**

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31 October 2021.

Strategic report

The Directors' Report should be read in conjunction with the Strategic Report on pages 2 to 30.

Corporate governance

The Corporate Governance Statement on pages 36 to 41 forms part of this report.

Legal and taxation status

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company conducts its affairs to meet the requirements for approval as an investment trust under section 1158 of the Corporation Tax Act 2010. In the opinion of the Directors, the Company has met the conditions and requirements for approval as an investment trust for the year ended 31 October 2021 and intends to continue to do so.

Management

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

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

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

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

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

Management engagement

The Board carefully reviewed the Investment Manager's appointment during the year. The Directors are satisfied that the Investment Manager has the suitable skills and experience to manage the Company's investments and believes that the continuing appointment of the Investment Manager is in the interests of Shareholders as a whole. Since inception, the Company has met its objectives set out in the prospectus in relation to the annual dividend, which has risen every year since inception.

Alternative Investment Fund Managers Directive ("AIFMD")

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

The AIFM is required to make certain disclosures on its remuneration in respect of the AIFM's relevant reporting period which is the year ended 31 December 2020. These disclosures are available on the AIFM's website (**www.couplandcardiff.com/aifm-remuneration-disclosure**) or are available on request from the AIFM.

Leverage (under AIFMD)

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

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

	Gross method	Commitment method
Maximum leverage limit	200%	200%
Actual leverage at 31 October 2021	120%	119%

Dividend policy

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

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

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

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

The Company declared an interim dividend of 1.40p per Ordinary Share in June 2021, which was paid on 8 July 2021. On 8 February 2022 the Company declared a second interim dividend in respect of the year ended 31 October 2021 of 3.35p per Ordinary Share, which, will be paid on 18 March 2022, to Shareholders on the register at 18 February 2022.

General authority to issue shares

A general authority to issue up to 13,473,061 Ordinary Shares and to disapply pre-emption rights when issuing those shares was granted at the Company's last Annual General Meeting. This authority will expire at the time of the Annual General Meeting to be held in March 2022. During the year ended 31 October 2021, the Company did not utilise its authority to issue shares. However, the Board recommends that the Company is granted a new authority to issue up to a maximum of 13,473,061 Ordinary Shares (representing approximately 10% of the shares in issue at the date of this document) and to disapply pre-emption rights when issuing those Ordinary Shares. Resolutions to this effect will be put to Shareholders at the Annual General Meeting.

Any Ordinary Share issues will be issued at a premium to (cum income) Net Asset Value.

Treasury shares

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

No Ordinary Shares were bought back during the year ended 31 October 2021 and no Ordinary Shares are currently held in treasury.

Authority to repurchase Subscription Shares

Authority to repurchase Subscription Shares was granted at the Company's General Meeting on 15 February 2021. The Board recommends that the Company is granted a new authority to buy back up to 14.99 per cent. of the issued Subscription Share capital. Any repurchases of Subscription Shares will be made at the discretion of the Board, and will only be made when market conditions are considered by the Board to be appropriate and in accordance with the Listing Rules. Purchases through the market will not exceed the higher of (i) 5 per cent. above the average of the middle market quotations (as derived from the Official List for the 5 consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made) and (ii) the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for Subscription Shares on the trading venue where the purchase is carried out. Any Subscription Shares repurchased by the Company will be cancelled and will not be held in treasury for re-issue or resale. A resolution to this effect will be put to Shareholders at the Annual General Meeting.

Discount management

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

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

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

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

Life of the Company

The Company has no fixed life but, pursuant to the Articles, an ordinary resolution for the continuation of the Company will be proposed at the Annual General Meeting to be held on 22 March 2022 and, if passed, every three years thereafter. Upon any such resolution not being passed, within 90 days proposals will be put forward to the effect that the Company be wound up, liquidated, reconstructed or unitised.

Market information

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

Bank overdraft facility

The Company has a bank overdraft facility with The Northern Trust Company. Under the terms of the facility a maximum of £12 million, or the equivalent in Japanese Yen, can be drawn down. As at the year end, the equivalent of £2,936,000 (2020: £1,534,000) of the overdraft facility has been utilised on the Japanese Yen bank account.

Derivatives

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

As at 31 October 2021, the Company held contracts for difference with an absolute exposure of £44,055,000 (2020: £36,183,000).

Financial instruments

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

Depositary and custodian

The depositary of the Company has changed with effect from 27 November 2021. The depositary is the entity we are required by regulation to appoint to carry out certain services in relation to the Company, namely, safekeeping of the assets, cash monitoring and regulatory oversight. The depositary of the Company was Northern Trust Global Services SE, UK branch ("NTGS-UK"). NTGS-UK is the UK branch of Northern Trust Global Services SE, which is a bank established in Luxembourg, and was permitted to provide trustee and depositary services into the UK by virtue of having extra permissions in the UK.

As a consequence of the UK's decision to leave the European Union, however, the UK financial services regulator which regulates NTGS-UK, the Financial Conduct Authority ("FCA"), has provided that UK branches of EU banks are no longer able to provide trustee and depositary services into the UK and those services have to be provided from a UK incorporated company. The FCA has provided a grace period for firms to implement the new rules which came into force on 1 January 2021.

In order to comply with the new rules, Northern Trust has established Northern Trust Investor Services Limited ("NTISL") to be the new trustee and depositary. NTISL is a company established in England and Wales and is authorised by the FCA to be a trustee and depositary. NTISL will provide the same services as NTGS-UK with the same processes and procedures in place. The change of depositary took place on 27 November 2021.

Company Secretary and administrator

PraxisIFM Fund Services (UK) Limited provide company secretarial and administration services to the Company, including calculation of its daily Net Asset Value. However, following the Company's year-end, Sanne Group plc acquired the PraxisIFM Funds Business and subsequently the name of the Company's Administrator and Company Secretary changed from PraxisIFM Fund Services (UK) Limited to Sanne Fund Services (UK) Limited.

Capital structure and voting rights

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

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

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

A General Meeting was held during the year on the 15 February 2021 to approve the 1 for 5 Bonus Issue of the TSS. Following admission of the TSS on 18 February 2021 there were 26,946,122 TSS in issue. TSS Shareholders are not entitled to attend or vote at meetings of Shareholders.

Significant Shareholders

As at 31 October 2021, the Directors have been formally notified of the following shareholdings comprising 3% or more of the issued share capital of the Company in accordance with DTR 5 (The Disclosure and Guidance Transparency Directive):

Significant Shareholder	Holding	%
1607 Capital Partners LLC	27,268,664	20.24
Rathbone Investment Management Ltd	13,404,704	9.95
City of London Investment Management Company Limited	7,013,404	5.20
Close Asset Management Limited	6,778,757	5.03
WM Thomson	6,454,660	4.79
Charles Stanley Group PLC	5,689,763	4.22
J M Finn Nominees Limited	5,455,300	4.05
Brooks Macdonald Asset Management Limited	4,725,154	3.51

Since the year end, the Company has been notified of one change to the above shareholdings, being 1607 Capital Partners LLC, who have sold 485,082 Ordinary Shares, resulting in a holding of 19.88% of the issued share capital of the Company.

Settlement of ordinary share transactions

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

Political donations

There were no political donations made during the financial year to 31 October 2021 (2020: nil).

Notice of general meetings

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

Going concern

The Directors have adopted the going concern basis in preparing the accounts. The following is a summary of the Directors' assessment of the going concern status of the Company, which should be read in conjunction with the Viability Statement on page 12.

The Company's ability to continue as a going concern for the period assessed by the Directors, being the period to 31 October 2023 which is at least 18 months from the date the financial statements were authorised for issue. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income, and expense flows. The Company's net assets as at 31 October 2021 were £222.9 million (2020: £184.4 million). As at 31 October 2021, the Company held £220.3 million in quoted investments (2020: £180.9 million) and had cash overdraft of £0.05million (2020: cash balance of £2.5 million).

The total expenses (excluding finance costs and taxation) for the year ended 31 October 2021 were £2.2 million (2020: £2.0 million), which represented approximately 1.05% (2020: 1.04%) of average net assets during the year. At the date of approval of this report, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.

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

The Board is confident that Shareholders will support the continuation vote to be proposed at the forthcoming 2022 AGM.

The market and operational risks associated with the COVID-19 pandemic, and the ongoing economic impact of measures introduced to combat its spread, are continually monitored by the Board. The Investment Manager, Administrator and other key service providers provide regular updates on operational resilience. The Board is satisfied that the key service providers have the ability to continue to operate efficiently in a remote or virtual working environment, as has been demonstrated during 2020 and 2021.

Appointment and replacement of Directors

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

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

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

Articles of Association

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

Directors' indemnities

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

Auditor information

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

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

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

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

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

Future trends

Details of the main trends and factors likely to affect the future development, performance and position of the Company's business can be found in the Investment Manager's Report section of this Strategic Report on pages 8 and 9. Further details as to the risks affecting the Company are set out in the 'Principal and Emerging Risks and Uncertainties' on pages 14 to 20.

Annual General Meeting

The Company's forthcoming AGM will be held at 12 noon on 22 March 2022. The Notice of the AGM can be found on pages 84 to 86 of this Annual Report and downloaded from the website.

By order of the Board

Ciara McKillop
For and on behalf of
Sanne Fund Services (UK) Limited
Company Secretary

10 February 2022

CORPORATE GOVERNANCE

Introduction

The Listing Rules and the Disclosure Guidance and Transparency Rules of the UK Listing Authority ("Listing Rules") require listed companies to disclose how they have applied the principles and complied with the provisions of The UK Corporate Governance Code 2018 (the "UK Code"), as issued by the Financial Reporting Council ("FRC"). The UK Code can be viewed on the FRC's website.

The Board of the Company has considered the Principles and Provisions of the 2019 Association of Investment Companies Code of Corporate Governance (the "AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Code, as well as setting out additional Provisions on issues that are of specific relevance to the Company, as an investment trust. The AIC Code is available on the AIC website (**www.theaic.co.uk**). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

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

During the financial year ended 31 October 2021, the Company has complied with the recommendations of the AIC Code and the relevant provisions of The UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

(i) the role of the chief executive;

(ii) executive Directors' remuneration; and

(iii) the need for an internal audit function.

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

The Board of Directors

As at 31 October 2021, the Company had four non-executive Directors including the Chairman, comprising three male (75%) and one female (25%). On 1 February 2022, June Aitken and Craig Cleland joined the Board, bringing with them a wealth of experience and skills. Biographical details can be found on pages 36 and 37. As part of the recruitment process, the Board was mindful of the Company's policy on diversity which is contained in the Corporate Governance statement (see page 38).

Mark Smith who had served as a Non-Executive Director since the launch of the Company in December 2015, retired from the Board during the year, at the Company's AGM on 26 March 2021.

John Scott, who has served as a Non-Executive Director since the launch of the Company in December 2015, will retire from the Board at the AGM in March 2022.

Peter Wolton is the Senior Independent Director and Kate Cornish-Bowden is the Audit and Risk Committee Chair.

All Directors, including the Chairman, Harry Wells are regarded as independent of the Company's Investment Manager.

The Board believes that during the year ended 31 October 2021 its composition was appropriate for an investment company of the Company's nature and the new appointments made following the year end allow the Company to also meet diversity and gender guidelines which continue to be in the spotlight.

All of the Directors are able to allocate sufficient time to the Company to discharge their responsibilities effectively.

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

Harry Wells (Chairman)

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

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

Kate worked for Morgan Stanley Investment Management for 12 years, where she was a Managing Director and head of Morgan Stanley Investment Management's Global Core Equity business. Prior to joining Morgan Stanley, Kate worked for M&G Investment Management as a research analyst. Kate is a non-executive Director and Senior Independent

Director of both Schroder Oriental Income Fund Limited and International Biotechnology Trust plc, and a non-executive Director of Finsbury Growth & Income Trust plc. Kate was formerly the Chair of the Audit Committee of Calculus VCT plc. Kate is an Associate of the Institute of Investment Management and Research (formerly AIMR, now Chartered Financial Analyst Institute)' holds a Master's in Business Administration (MBA), and has completed the Financial Times Non- Executive Director Diploma. She is also a Mentor for The Prince's Trust.

John Scott (Director)

John has considerable experience of both Asian markets and of the investment trust sector. He is also Chairman of the specialist trusts, Impax Environmental Markets plc, JP Morgan Global Core Real Assets Ltd. and Jupiter Emerging and Frontiers Income Trust plc, and Chairman of the Lloyd's Members' agent, Alpha Insurance Analysts. His other Directorships include a Guernsey registered business, Bluefield Solar Income Fund Limited. John started his career in Hong Kong with Jardine Matheson in 1974 and joined investment bank, Lazard Brothers in London in 1981, where he spent 20 years, including three years in Tokyo. John is a Fellow of the Chartered Insurance Institute. He has a degree in Economics from Cambridge University and an MBA from INSEAD, France.

Peter Wolton (Senior Independent Director)

Peter has wide experience of Japan and the investment trust sector. He was resident in Tokyo from 1994 to 1998 where he was responsible for Schroders' asset management activities and, from 1996, Schroders' Country Head. He is a former Director of Dunedin Income Growth Investment Trust plc, TR Property Investment Trust plc and Schroder Japan Growth Fund plc. He commenced his career with Savills, qualifying as a Chartered Surveyor in 1980. From 1983 until 2001 he worked for Schroders, specialising in the management of UK equity portfolios for pension funds and charities until 1993 when he was transferred to Japan. From 1998 to 2001 he headed Schroders' global retail businesses and from 2002 to 2003 was Chief Executive Officer of the Investment Management Group of Baring Asset Management. Peter has degrees in Land Economy from Cambridge University and Contextual Theology from Middlesex University.

June Aitken (Director)

June has over 30 years of experience in Asian and emerging equity markets, and held numerous senior roles at HSBC Bank plc, London and at UBS AG. June is a non-executive director of JP Morgan Asia Growth and Income plc, a non-executive director of Greengage Global Holding, and Chair of PEAL Capital Partners UK Limited. June was previously on the board of HSBC Bank Japan, Aquarius Fund, an Asian fixed income fund, Australian Securities Exchange listed Emerging Markets Masters Fund and the Asian Masters Fund Limited, Erudine Holdings Ltd, a financial software consultancy firm and the Shepherds Bush Housing Group. She was a founding partner and investor of Osmosis Investment Management LLP. June holds a degree in Politics, Philosophy and Economics from Oxford University and is a member of the Chartered Banker Institute.

Craig Cleland (Director)

Craig has over 35 years of investment trust and fund management experience. Since 2013, he has been Head of Corporate Development and Investment Trusts at CQS (UK) LLP, a multi-asset asset management firm in London business with a focus on credit markets. He is also a Non-Executive Director of Invesco Select Trust plc and Blackrock Latin American Investment Trust. Craig also served as a member of the AIC Technical Committee for 10 years and is an Associate of the Institute of Bankers in Scotland. Craig was a Managing Director at JPMorgan Asset Management (UK) Limited as a Client Director of their investment trust business. He was also Director and Senior Company Secretary at Fleming Investment Trust Management, transferring to JPMorgan Chase after the acquisition of Robert Fleming Holdings Limited.

Responsibilities of the Chairman, the Board, and its Committees

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

Tenure, Independence and Succession

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

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

No Director of the Company has served for nine years or more and all Directors remain independent of the Company's Investment Manager. However, the Board is mindful that three of the Board members would reach their ninth anniversary simultaneously on 10 November 2024.

Following the decision of John Scott to retire at the forthcoming AGM to be held in March 2022, and the retirement of Mark Smith at the Company's 2021 AGM, (and in accordance with the succession plan), the Board began a recruitment process and engaged the services of recruitment specialists, Cornforth Consulting. Cornforth are independent of both the Company and individual directors. Following an extensive search and thorough interview and selection process, the Nomination Committee recommended June Aitken and Craig Cleland to the Board. The Board subsequently appointed June Aitken and Craig Cleland with effect from 1 February 2022.

Induction and Training and Performance Appraisal

On appointment, each Director receives a complete induction programme including the opportunity to meet with the Investment manager and other service providers. The Directors receive other relevant training as necessary.

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

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

Board committees

Audit and Risk Committee

A report on pages 45 to 47 provides details of the role and composition of the Audit and Risk Committee together with a description of the work of the Audit Committee in discharging its responsibilities.

Management Engagement Committee

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

Nomination Committee

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

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

Board diversity

The Company's policy is that the Board should have an appropriate level of diversity in the boardroom, taking into account relevant skills, experience, gender, social and ethnic backgrounds, cognitive and personal strengths. Brief biographies of the Directors are shown on pages 36 and 37. The policy is to ensure that the Company's Directors bring a wide range of knowledge, experience skills, backgrounds and perspectives to the Board. There will be no discrimination on the grounds of gender, religion, race, ethnicity, sexual orientation, age or physical ability. The overriding aim of the policy is to ensure that the Board is composed of the best combination of people for ensuring effective oversight of the Company and constructive support and challenge to the Investment Manager. Consideration is given to the recommendations of the AIC Code and the Board supports the recommendations of the Hampton-Alexander Review.

The Board appraises its collective set of cognitive and personal strengths, independence and diversity on an annual basis, and especially during the recruitment process, so as to ensure it is aligned with the Company's strategic priorities. The performance appraisal process is described below. The Board believes its composition is appropriate for the Company's circumstances. However, in line with the Board's succession planning and tenure policy, or should strategic priorities change, the Board will review and, if required, adjust its composition.

Following the year end and the appointment of 2 new Directors on 1 February 2022, the Board comprises two female and four male Board members, with one male Board member retiring at this year's AGM.

Meeting attendance

The number of formal meetings of the Board and Committees held during the year ended 31 October 2021 are as follows, together with individual Directors' attendance at those meetings.

	Quarterly Board	Audit and Risk Committee	Management Engagement Committee	Nomination Committee
Number of meetings held	4	3	1	3
Harry Wells	4	3	1	3
Kate Cornish-Bowden	4	3	1	3
John Scott	4	3	1	3
Peter Wolton	4	3	1	3
Mark Smith*	2	2	–	–

* Mark Smith attended all meetings before his retirement from the Board on 26 March 2021.

June Aitken and Craig Cleland were appointed Directors on 1 February 2022.

There were several other ad hoc Board and Committee meetings to deal with administrative matters, board selection and approve documentation.

Performance appraisal

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

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

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

Conflicts of Interest

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

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

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

CORPORATE GOVERNANCE continued

Internal control

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

Financial aspects of internal control

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

The key procedures include a review of the Company's management accounts and the Net Asset Value and the monitoring of performance of the key service providers at the quarterly Board meetings. The Directors also employ independent auditors to review the valuation of securities and recognition of revenue received. The administrative function is segregated from that of securities and cash custody, and from the investment management function. Appropriate insurance is in place and renewed annually. The Company's key service providers report periodically to the Board on their procedures to mitigate cyber security risks. In addition, procedures have been put in place for the authorisation of all expense payments.

The Statement of Directors' Responsibilities in respect of the accounts is on page 48 and a Statement of Going Concern is on page 34. The Report of the Independent Auditor is on pages 49 to 55.

Other aspects of internal control

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

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

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

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

Principal and emerging risks

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

Shareholder relations

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

Exercise of voting powers and stewardship code

The Company and the Investment Manager support the UK Stewardship Code issued by the Financial Reporting Council. The Investment Manager has published its proxy voting policy and statement of commitment to the principles of best practice of the Stewardship Code on its website at **https://www.couplandcardiff.com/stewardship-code/**. It is also a signatory to the Japan Stewardship Code and has published its statement of commitment to its principles on its website at **https://www.couplandcardiff.com/japan-stewardship-code**

DIRECTORS' REMUNERATION IMPLEMENTATION REPORT

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

The Directors' Remuneration Implementation Report is put forward for approval by Shareholders on an annual basis. The result of the Shareholder resolution on the Implementation Report is non-binding on the Company, although it gives Shareholders an opportunity to express their views, which will be taken into account by the Board. An ordinary resolution to approve this Directors' Remuneration Implementation Report will be put forward for approval at the Company's Annual General Meeting to be held on 22 March 2022.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures are audited they are indicated as such. The auditor's opinion is on page 49.

Remuneration

Directors' fees, with effect from 1 November 2020, were payable at the rate of £37,500 for the Chairman of the Company; £30,125 for the Chair of the Audit and Risk Committee; £26,000 for the Senior Independent Director and £25,000 per annum for the other Board members. There was no increase from the previous year.

The Board has not established a separate Remuneration Committee. Board fees are considered annually by the Board as a whole through the Nomination Committee.

With effect from 1 November 2021, annual fees were increased by 4%, resulting in Directors' fees of £39,000 for the Chairman of the Company; £31,330 for the Chair of the Audit and Risk Committee; £27,040 for the Senior Independent Director and £26,000 per annum for the other Board members.

The Board believes that the level of increase and resulting fees appropriately reflects prevailing market rates for an investment trust of the Company's complexity and size, the increasing level of regulation and resultant time spent by the Directors on matters, and it will also enable the Company to continue to attract appropriately experienced Directors in the future. The Board also takes into consideration RPI, CPI and other inflationary measures and the impact to the Company's ongoing charges following a rise in fees. Board fees are not considered against any performance measure.

Due to the size and nature of the Company, it was not deemed necessary to use a remuneration consultant although the Nomination Committee did take into consideration views from external search consultants on the level of the Company's fees against prevailing market rates and took these into account in its deliberations.

The Directors' fees and taxable benefits are shown in the table on page 43.

Directors' service contracts

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

Directors' indemnities

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

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

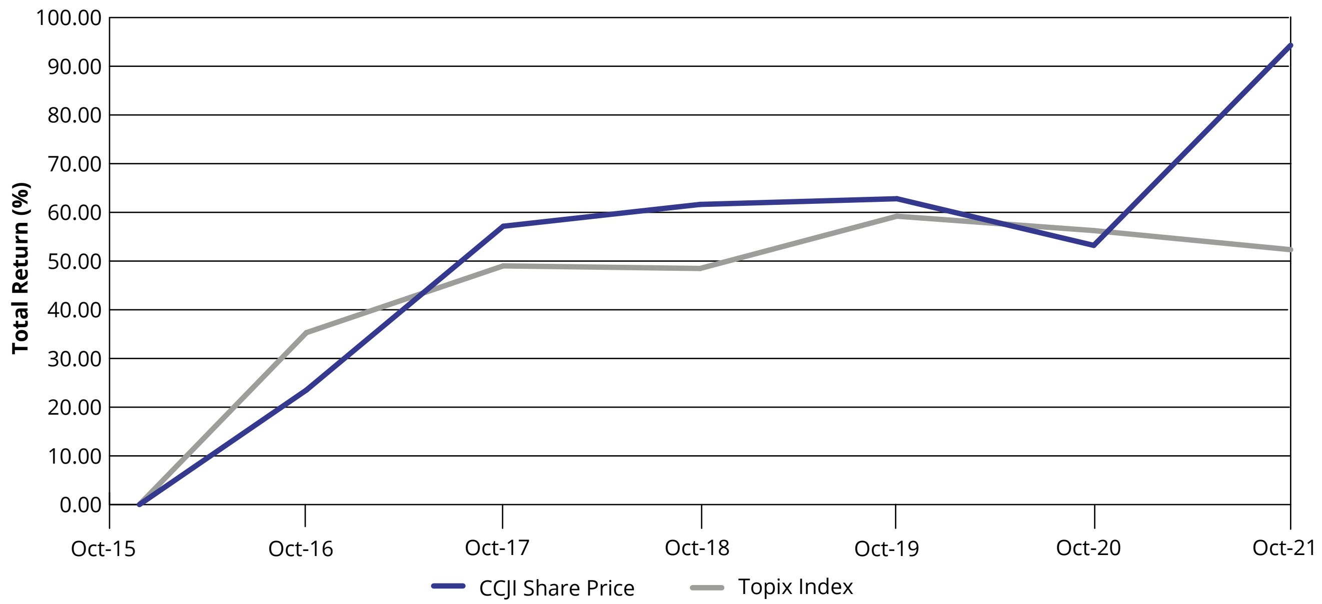
Director search and selection fees

Following the decision of John Scott to retire at the forthcoming AGM to be held in March 2022, and the retirement of Mark Smith at the Company's 2021 AGM, (and in accordance with the succession plan), the Board began a recruitment process and engaged the services of recruitment specialists, Cornforth Consulting. Cornforth are independent of both the Company and individual directors. Following an extensive search and thorough interview and selection process during the year, the Committee recommended June Aitken and Craig Cleland to the Board. The Board subsequently appointed June Aitken and Craig Cleland with effect from 1 February 2022.

Director search and selection fees of £15,000 plus expenses were incurred during the year. Following the Company's year end, search and selection fees of £16,000 plus expenses were incurred.

Performance

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



Directors' emoluments for the year ended 31 October 2021 (audited)

The Directors who served during the year ended 31 October 2021 received the following remuneration for qualifying services.

Fees and taxable benefits

	Fees 2021 £'000	Taxable benefits 2021 £'000	Fees 2020 £'000	Taxable benefits 2020 £'000	Percentage increase/ (decrease)
Harry Wells	37,500	–	37,500	–	Nil
Kate Cornish-Bowden	30,100	–	28,300	–	6.4%
John Scott	25,000	–	26,800	–	(6.7%)
Peter Wolton	26,000	–	26,000	–	Nil
Mark Smith*	6,300	–	25,000	–	–
Total	**124,900**	**–**	**143,600**	–	**–**

* Mark Smith retired at the AGM on 26 March 2021.

In addition to the above, the Company paid £nil (2020: £530) in expenses to the Directors. None of the above fees was paid to third parties.

A non-binding ordinary resolution to approve the Directors' Remuneration Implementation Report contained in the Annual Report for the year ended 31 October 2020 was put forward at the Annual General Meeting held on 26 March 2021. The resolution was passed with proxies representing 99.93% of the shares voted being in favour of the resolution.

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

Relative importance of spend on pay

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

	2021 £'000	2020 £'000
Directors' fees	125	144
Management fees and other expenses	2,225	1,981
Dividends paid and payable to Shareholders	6,399	6,197

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

Directors' holdings (Audited)

The interests of the Directors in the Ordinary Shares of the Company as at 31 October 2021 and at 31 October 2020 were as follows. All share holdings are beneficially owned.

	Ordinary Shares as at 31 October 2021	Transferable Subscription Shares* as at 31 October 2021	Ordinary Shares as at 31 October 2020	Transferable Subscription Shares as at 31 October 2020
Harry Wells	40,000	58,000	40,000	–
Kate Cornish- Bowden	40,000	8,000	40,000	–
John Scott	62,500	12,500	62,500	–
Peter Wolton	67,250	13,449	67,250	–

* On 18 February 2021 Transferable Subscription Shares were issued on a 1 for 5 basis to all Shareholders.

June Aitken was appointed to the Board on 1 February 2022 and holds 40,000 Ordinary Shares.

Directors are not specifically required to own shares in the Company.

Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year to 31 October 2021:

(a) the major decisions on Directors' remuneration;

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

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

Harry Wells
Chairman

10 February 2022

REPORT OF THE AUDIT AND RISK COMMITTEE

Role of the Audit and Risk Committee

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

Role of the Audit and Risk Committee

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

Composition

All the Directors of the Board are members of the Committee, and each committee member has recent and relevant financial experience. The UK Code recommends that the Chair of the Board should not be a member of the Committee. However, as permitted by the AIC Code, the Directors believe that membership of the Committee of the independent Chair of the Board, Harry Wells is appropriate, and welcome his contribution.

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

Performance Evaluation

The Committee are subject to an annual review of its effectiveness. Further details of the evaluation of the Committee can be found on page 39.

Internal controls and risk management

The Directors have a dynamic risk management register in place to help identify key risks and ensure there are measures in place to manage and mitigate risk; and oversee the effectiveness of internal controls and processes. The risk management register and associated risk heat map provide a visual reflection of the Company's identified principal and emerging risks. These fall into four categories: strategic and business risk, financial risk, operational risk, and regulatory and compliance risk. The Committee carries out, at least annually, a robust assessment of the principal and emerging risks and uncertainties and monitors the risks on an ongoing basis.

The Board has overall responsibility for the Company's risk management and systems of internal controls and for reviewing their effectiveness. In common with most investment trusts, investment management, accounting, company secretarial, registrar and depositary services have been delegated to third parties. The effectiveness of the internal controls is assessed on a continuing basis and the Committee receives regular reports. During the year ended 31 October 2021, committee members were particularly concerned to ensure that the internal controls environments of all third party providers remained robust during the extraordinary circumstances of the ongoing global pandemic and requested assurances that business continuity plans had been enacted where necessary. The Committee is satisfied that internal controls and processes remained resilient during this time of remote and hybrid working, that appropriate systems are in place and there is no expectation of any disruption to service quality.

Meetings

There have been three Committee meetings in the year ended 31 October 2021. Meeting attendance is shown on page 39 of this Annual Report.

Financial statements and significant accounting matters considered during the year

The Committee considered the following significant accounting issues in relation to the Company's financial statements for the year ended 31 October 2021.

Valuation and existence of investments

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

REPORT OF THE AUDIT AND RISK COMMITTEE
continued

Recognition of income

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

Calculation of management fees

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

COVID-19

The COVID-19 pandemic, which has engulfed the global economy and financial markets since the first quarter of 2020 created further uncertainty and volatility in 2021. The Committee gave in-depth consideration to the potential effects on the Company, specifically the market and operational risks associated with the pandemic. The arrival of mass COVID-19 vaccination programmes, in developed markets at least; has enabled most of the Company's service providers to return to a hybrid blend of remote and office based work. The long-term effect of the pandemic on the global economy will become clearer in time and the Committee will continue to monitor how COVID-19 (which is captured in our risk management register) develops.

Department of Business, Enterprise, Industry and Skills (BEIS) Consultation on Audit Reform

The Company contributed to the AIC response to the BEIS proposals and submitted a response directly to BEIS in connection with the initiative to restore trust in audit and corporate governance.

European Single Electronic Format ("ESEF")

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

Conclusion with respect to the Annual Report and financial statements

Following a thorough process of review, the Committee has concluded that the Annual Report for the year ended 31 October 2021, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's business model, strategy and performance. The Committee has reported its conclusions to the Board of Directors.

Going concern and viability statements

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

The Going concern assessment and viability statements can be found on pages 12 and 34.

In accordance with the Company's Articles, which include a triennial Continuation Vote, the forthcoming AGM will again have a resolution that the Company should continue as an Investment Trust. The Directors are confident that shareholders will vote in favour of the resolution.

Audit tenure

Ernst & Young LLP was selected as the Company's Auditor at the time of the Company's launch following a competitive process and review of the Auditor's credentials and have provided this service for six years, with Matthew Price as Audit Partner for the first 5 years. In accordance with auditor rotation best practice, Matthew Price was replaced as Audit Partner by Caroline Mercer for the audit for the year ended 30 October 2021. The appointment of the auditor is reviewed annually by the Committee and the Board and is subject to approval by Shareholders. In accordance with the FRC guidance, the audit will be put out to tender within ten years of the initial appointment of Ernst & Young LLP in December 2015.

Effectiveness of external audit

The Committee is responsible for reviewing the effectiveness of the external audit process. The Committee received a presentation of the audit plan from the auditor prior to the commencement of the 2021 audit, and a presentation of the results of the audit following completion of the main audit testing. The Committee performed a review of the external auditor following the presentation of the results of the audit. The review included a discussion of the audit process and the ability of the external auditor to fulfil its role.

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

Provision of non-audit services

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

During the year, the Company engaged Ernst & Young to perform reporting accountant services in connection with the preparation of a prospectus, which set out details of a Bonus Issue of Transferable Subscription Shares and a subsequent General Meeting. EY received a fee of £27,600 (including VAT of £4,600) (2020: nil) for these services. The Committee has assessed that this non-audit service is a permissible service in accordance with the FRC Ethical Standard.

Audit fees

The audit fees (excluding VAT) incurred during the year amounted to £45,000 (2020: £37,500). These fees represent an increase over the prior year. The Committee reviewed the audit fees being paid by similar comparative companies and concluded that the increase is in line with audit fee rises experienced across the investment trust sector. Audit firms generally have increased the fees that they charge to investment trusts in order to reflect the increased level of work that they have been required to perform, in the context of an increase in the requirements of the audit and regulation.

Auditor independence

The Committee considered the independence of the auditor and the objectivity of the audit process and is satisfied that Ernst & Young LLP has fulfilled its obligations to shareholders and as independent auditor to the Company for the year.

After due consideration, the Committee recommends the re-appointment of Ernst & Young LLP, and their re-appointment will be put forward to the Company's shareholders at the 2022 AGM.

Kate Cornish-Bowden

Audit and Risk Committee Chairman

10 February 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

Directors' confirmation statement

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

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

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

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

For and on behalf of the Board

Harry Wells
Chairman

10 February 2022

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

Opinion

We have audited the financial statements of CC Japan Income & Growth Trust plc (the 'Company') for the year ended 31 October 2021 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 October 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of the Company's going concern assessment process by engaging with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.
- Inspecting the Directors' assessment of going concern, including the forecast, for the period to 31 October 2023 which is at least 12 months from the date these financial statements were authorised for issue. In preparing the forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- Reviewing the factors and assumptions, including the impact of the COVID-19 pandemic, as applied to the forecast and the liquidity assessment of the investments. We considered the appropriateness of the methods used to calculate the forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company.
- Considering the mitigating factors included in the revenue forecast that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments to cover the working capital requirements should revenue decline significantly.
- Assessing the impact of the continuation vote at the March 2022 AGM on the going concern basis of preparation by considering the current and historical performance of the Company, reviewing minutes from the Broker's discussion with certain shareholders about their current intentions in relation to the continuation vote and assessing the Directors' own analysis of the impact the continuation vote may have on going concern.
- Reviewing the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period assessed by the Directors, being the period to 31 October 2023, which is at least 12 months from the date these financial statements were authorised for issue.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement. • Risk of incorrect valuation or ownership of the investment portfolio.
Materiality	• Overall materiality of £2.23m (2020: £1.84m) which represents 1% (2020: 1%) of shareholders' funds.

An overview of the scope of our audit

Tailoring the scope

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

Key audit matters

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

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement *(as described on page 46 in the Audit and Risk Committee's Report and as per the accounting policy set out on page 61).* The total revenue for the year to 31 October 2021 was £8.24 million (2020: £8.55 million), consisting primarily of overseas dividends and income from contracts for difference (CFDs). The Company received five special dividends amounting to £0.25 million (2020: £0.10 million), all of which were classified as revenue. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, the Directors may be required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.	**We have performed the following procedures:** We obtained an understanding of the processes and controls surrounding revenue recognition and classification of special dividends by performing walkthrough procedures. For all dividends received and accrued we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. For a sample of dividends received and dividends accrued, we agreed amounts to bank statements and agreed the exchange rates to an external source. We agreed all of the income received from CFDs from the income report to the corresponding dividend announcement made by the underlying investee company. We recalculated all of the income received by multiplying the notional holdings at the XD date by the dividend rate per share as agreed to an external source. We also agreed the exchange rates used to an external source and agreed a sample of the income received to bank statements. For all accrued dividends, we assessed whether the dividend obligations arose prior to 31 October 2021 with reference to an external source. To test completeness of recorded income, including from CFDs, we tested that all expected dividends for each investee company had been recorded as income with reference to investee company announcements obtained from an independent data vendor. For all investments held during the year, we reviewed the type of dividends paid with reference to an external data source to identify those which were 'special'. We confirmed five special dividends, amounting to £0.25m, were received during the year. We have tested two special dividends, amounting to £0.16m, by recalculating the amount received and assessing the appropriateness of classification as revenue or capital by reviewing the underlying circumstances of the special dividends received.	The results of our procedures identified no material misstatements in relation to the risk of incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital in the Income Statement.

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Incorrect valuation or ownership of the investment portfolio *(as described on page 45 in the Audit and Risk Committee's Report and as per the accounting policy set out on page 61).* The valuation of the portfolio at 31 October 2021 was £220.27 million (2020: £180.93 million) consisting of listed investments. The Company also holds long CFD positions. These have been recognised separately in the Statement of Financial Position as amounts due in respect of CFDs and amounts payable in respect of CFDs. The amount due in respect of CFDs as at 31 October 2021 was £0.44 million (2020: £3.01 million) and the amount payable was £0.74 million (2020: £4.97 million). The valuation of the assets held by the Company is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title of the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date. CFDs are held at fair value with reference to the underlying market value of the corresponding security.	**We performed the following procedures:** We obtained an understanding of the Administrator's processes surrounding the existence and pricing of listed securities and CFDs by performing walkthrough procedures. For all investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year end. We agreed all CFD valuations to the market prices of the underlying company and exchange rates to an independent pricing vendor and recalculated the fair value at the year end. We inspected the security price movement reports produced by the Administrator to identify prices that have not changed and verified whether the listed price is a valid fair value through review of trading activity. No stale prices were identified. We agreed the Company's investments to independent confirmations received directly from the Company's Custodian and Depositary for all listed investments held at the year-end and from the relevant broker with respect to the CFDs.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio.

In the prior year, our auditor's report included a key audit matter in relation to the impact of COVID-19. The impact of COVID-19 on going concern continued to be relevant to our audit of the Company and we considered this as part of our overall work on going concern which is set out under "Conclusions relating to going concern". The other elements of the prior year key audit matter have not been included as a separate key audit matter as it was determined that they did not have a significant impact on our audit strategy for this year's audit.

Our application of materiality

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

Materiality

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

We determined materiality for the Company to be £2.23 million (2020: £1.84 million), which is 1% (2020: 1%) of Shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measurement of the Company's performance.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2020: 75%) of our planning materiality, namely £1.67 million (2020: £1.38 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company, we also applied a separate testing threshold for the revenue column of the Income Statement of £0.36 million (2020: £0.38 million), being 5% of the revenue net return before taxation.

Reporting threshold

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

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.11 million (2020: £0.09 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

- the strategic report and Directors' reports have been prepared in accordance with applicable legal requirements;

Matters on which we are required to report by exception

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

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

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

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

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

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

Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 34;

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

- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 12;
- Directors' statement on fair, balanced and understandable set out on page 46;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 14 to 20;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 40; and;
- The section describing the work of the Audit and Risk Committee set out on page 45.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 48, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined below, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, the Association of Investment Companies' Code of Corporate Governance, the Statement of Recommended Practice for the Financial Statements of Investment Trust Companies as issued by the Association of Investment Companies, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit and Risk Committee and Company Secretary, review of board minutes and papers provided to the Audit and Risk Committee.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate revenue recognition, through incorrect classification of special dividends as revenue or capital items in the Income Statement. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

Following the recommendation from the Audit and Risk Committee, we were appointed by the Company on 12 May 2016 to audit the financial statements for the year ending 31 October 2016 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is six years, covering the years ending 31 October 2016 to 31 October 2021.

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

The audit opinion is consistent with the additional report to the audit and risk committee.

Use of our report

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

Caroline Mercer (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

10 February 2022

INCOME STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2021

		Year ended 31 October 2021			Year ended 31 October 2020		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	3	–	39,373	39,373	–	(29,495)	(29,495)
Currency gains		–	734	734	–	302	302
Income	4	8,241	–	8,241	8,553	–	8,553
Investment management fee	5	(318)	(1,273)	(1,591)	(285)	(1,140)	(1,425)
Other expenses	6	(634)	–	(634)	(556)	–	(556)
Return on ordinary activities before finance costs and taxation		**7,289**	**38,834**	**46,123**	**7,712**	**(30,333)**	**(22,621)**
Finance costs	7	(61)	(161)	(222)	(63)	(166)	(229)
Return on ordinary activities before taxation		**7,228**	**38,673**	**45,901**	**7,649**	**(30,499)**	**(22,850)**
Taxation	8	(824)	–	(824)	(853)	–	(853)
Return on ordinary activities after taxation		**6,404**	**38,673**	**45,077**	**6,796**	**(30,499)**	**(23,703)**
Return per Ordinary Share-undiluted	13	4.75p	28.70p	33.45p	5.04p	(22.64)p	(17.60)p
Return per Ordinary Share-diluted	13	3.96p	23.92p	27.88p	–	–	–

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

Both the supplementary revenue and capital columns are prepared under guidance from the Association of Investment Companies. There is no other comprehensive income and therefore the return for the year is also the total comprehensive income for the year. The Company's "Ordinary Shares – diluted" is due to the issuance of 26,946,122 Subscription Shares issued on 18 February 2021.

The notes on pages 60 to 76 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AT 31 OCTOBER 2021

	Note	31 October 2021 £'000	31 October 2020 £'000
Fixed assets			
Investments at fair value through profit or loss	3	220,271	180,927
Current assets			
Cash and cash equivalents		–	2,463
Cash collateral in respect of Contracts for Difference ("CFDs")		–	41
Amounts due in respect of CFDs		443	3,014
Other debtors	10	3,264	3,100
		3,707	**8,618**
Creditors: amounts falling due within one year			
Cash and cash equivalents – Bank overdraft		(48)	–
Cash collateral in respect of CFDs		(18)	–
Amounts payable in respect of CFDs		(738)	(4,969)
Other creditors	11	(304)	(216)
		(1,108)	**(5,185)**
Net current assets		**2,599**	**3,433**
Total assets less current liabilities		**222,870**	**184,360**
Net assets		**222,870**	**184,360**
Capital and reserves			
Share capital	12	1,348	1,348
Share premium		98,067	98,437
Special reserve		64,671	64,671
Capital reserve			
– Revaluation gains on investment held at year end	3	26,628	14,746
– Other capital reserves		25,213	(1,578)
Revenue reserve		6,943	6,736
Total Shareholders' funds		**222,870**	**184,360**
NAV per share – Ordinary Shares – undiluted (pence)	**14**	**165.42p**	**136.84p**
NAV per share – Ordinary Shares – diluted (pence)	**14**	**164.68p**	–

Approved by the Board of Directors and authorised for issue on 10 February 2022 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 60 to 76 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2021

	Note	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		–	–	–	38,673	6,404	45,077
Dividends paid	9	–	–	–	–	(6,197)	(6,197)
Subscription Shares issue costs		–	(370)	–	–	–	(370)
Balance at 31 October 2021		**1,348**	**98,067**	**64,671**	**51,841**	**6,943**	**222,870**

For the year ended 31 October 2020

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

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

The notes on pages 60 to 76 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2021

	Year ended 31 October 2021 £'000	Year ended 31 October 2020 £'000
Operating activities cash flows		
Return on ordinary activities before finance costs and taxation*	46,123	(22,621)
Adjustment for:		
(Gains)/losses on investments	(28,306)	23,290
Movements in CFD transactions	(1,601)	48
Increase in other debtors	(293)	(380)
Increase/(decrease) in other creditors	89	(75)
Tax withheld on overseas income	(824)	(853)
Net cash flow from/(used in) operating activities	**15,188**	**(591)**
Investing activities cash flows		
Purchases of investments	(100,687)	(92,584)
Proceeds from sales of investments	89,778	99,458
Net cash flow (used in)/from investing activities	**(10,909)**	**6,874**
Financing activities cash flows		
Subscription Share issue costs paid	(370)	–
Equity dividends paid	(6,197)	(6,063)
Finance costs paid	(223)	(229)
Net cash used in financing activities	**(6,790)**	**(6,292)**
Decrease in cash and cash equivalents	**(2,511)**	**(9)**
Cash and cash equivalents at the beginning of the year	2,463	2,472
Cash and cash equivalents at the end of the year	**(48)**	**2,463**

* Cash inflow from dividends was £7,083,000 (2020: £7,396,000).

The notes on pages 60 to 76 form part of these financial statements.

NOTES TO THE ACCOUNTS

1. GENERAL INFORMATION

CC Japan Income & Growth Trust plc (the "Company") was incorporated in England and Wales on 28 October 2015 with registered number 9845783, as a closed-ended investment company. The Company commenced its operations on 15 December 2015. The Company carries on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

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

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

During the year, the Company's 26,946,122 TSS were admitted to the London Stock Exchange with the ticker CCJS.

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

2. ACCOUNTING POLICIES

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

(a) Basis of accounting

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

They have also been prepared on the assumption that approval as an investment trust will continue to be granted. As required by its Articles of Association, the Company will put forward a vote for its continuation at the Annual General Meeting held on 22 March 2022.

As outlined in the Chairman's statement on page 5, between launch in December 2015 and the recent financial year end, the Company's cum-income NAV return amounts to 89.4% in terms of sterling total return, comparing favourably with the TOPIX total return of 74.6%. Over a 12-month view, the Company's investment performance is a leader in the AIC Japanese investment trust peer group and the Investment Manager's confidence in the intrinsic value of portfolio holdings has been rewarded. The Company has also met its objectives set out in the prospectus in relation to the annual dividend, which is reflected in the premium/low discount at which the Company's Ordinary Shares are trading. The Directors recommend that shareholders vote in favour of the continuation of the Company and have no reason to believe that the continuation vote will not be passed. In the event that the continuation vote is not passed, the Directors would be required to put forward proposals that the Company be wound up, liquated, reconstructed or unitised.

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

The Company's ability to continue as a going concern for the period assessed by the Directors, being the period to 31 October 2023 which is at least 18 months from the date the financial statements were authorised for issue.

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

(b) Investments

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

Upon initial recognition, investments are designated by the Company "at fair value through profit or loss". They are recognised on the date they are traded and are measured initially at fair value, which is taken to be their cost, excluding expenses incidental to purchases which are expensed to capital on acquisition. Subsequently investments are revalued at fair value which is the bid market price for listed investments over the time until they were sold, any unrealised gains/losses are included in the fair value of the investments.

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

(c) Derivatives

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

(d) Foreign currency

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

(e) Income

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

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

(f) Dividend payable

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

(g) Expenses

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

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

2. ACCOUNTING POLICIES continued

(h) Taxation

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

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

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

(i) Other receivables and other payables

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

(j) Segmental reporting

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

(k) Accounting estimates, judgements and assumptions

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

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

(l) Cash and cash equivalents

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

3. INVESTMENTS

(a) Summary of valuation

	As at 31 October 2021 £'000	As at 31 October 2020 £'000
Investments listed on a recognised overseas investment exchange	220,271	180,927
	220,271	**180,927**

(b) Movements

In the year ended 31 October 2021

	2021 £'000	2020 £'000
Book cost at the beginning of the year	166,181	185,084
Revaluation gains on investments held at beginning of the year	14,746	26,156
Valuation at beginning of the year	**180,927**	**211,240**
Purchases at cost	100,687	92,584
Sales:		
– proceeds	(89,649)	(99,607)
– gains/(losses) on investment holdings sold during the year	16,424	(11,880)
Movements in revaluation gains/(losses) on investments held at year end	11,882	(11,410)
Valuation at end of the year	**220,271**	**180,927**
Book cost at end of the year	193,643	166,181
Revaluation gains on investments held at year end	26,628	14,746
Valuation at end of the year	**220,271**	**180,927**

Transaction costs on investment purchases for the year ended 31 October 2021 amounted to £46,000 (2020: £45,000) and on investment sales for the year amounted to £39,000 (2020: £48,000).

The Company received £89,649,000 (2020: £99,607,000) from investments sold in the year. The book cost of these investments when they were purchased was £73,225,000 (2020: £111,487,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

(c) Gains/(losses) on investments

	Year ended 31 October 2021 £'000	Year ended 31 October 2020 £'000
Gains/(losses) on non-derivative investment holdings sold during the year	16,424	(11,880)
Movements in revaluation gains/(losses) on investments held at year end	11,882	(11,410)
Other capital losses	(27)	(31)
Total gains/(losses) on non-derivative investments held at fair value	**28,279**	**(23,321)**
Realised gains/(losses) on CFD assets and liabilities	9,434	(6,101)
Unrealised gains/(losses) on CFD assets and liabilities	1,660	(73)
Total gains/(losses) on investments held at fair value	**39,373**	**(29,495)**

4. INCOME

	Year ended 31 October 2021 £'000	Year ended 31 October 2020 £'000
Income from investments:		
Overseas dividends	8,241	8,553
Total	**8,241**	**8,553**

Overseas dividend income is translated into sterling on receipt.

5. INVESTMENT MANAGEMENT FEE

	Year ended 31 October 2021 £'000	Year ended 31 October 2020 £'000
Basic fee:		
20% charged to revenue	318	285
80% charged to capital	1,273	1,140
Total	**1,591**	**1,425**

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

6. OTHER EXPENSES

	Year ended 31 October 2021 £'000	Year ended 31 October 2020 £'000
Secretarial services	48	48
Administration and other expenses	416	326
Auditor's remuneration – statutory audit	45	38
Directors' fees	125	144
Other expenses – Revenue	**634**	**556**

7. FINANCE COSTS

	Year ended 31 October 2021 £'000	Year ended 31 October 2020 £'000
Interest paid – 100% charged to revenue	21	21
CFD finance cost and structuring fee – 20% charged to revenue	39	41
Structuring fees – 20% charged to revenue Total finance costs	1	1
	61	**63**
CFD finance cost and structuring fee – 80% charged to capital	157	164
Structuring fees – 80% charged to capital	4	2
	161	**166**
Total finance costs	**222**	**229**

8. TAXATION

	Year ended 31 October 2021			Year ended 31 October 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a) Analysis of tax charge in the year:						
Overseas withholding tax	824	–	824	853	–	853
Total tax charge for the year (see note 8 (b))	**824**	**–**	**824**	**853**	**–**	**853**

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

The Company's effective tax rate for the year is 19.00% (2020: 19.00%), which is same as the standard rate of corporation tax in the UK for a large company, currently at 19.00% (2020: 19.00%).

The differences are explained below:

	Year ended 31 October 2021			Year ended 31 October 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Total return before taxation	**7,228**	**38,673**	**45,901**	**7,649**	**(30,499)**	**(22,850)**
UK corporation tax at 19.00% (2020: 19.00%)	1,373	7,348	8,721	1,453	(5,795)	(4,342)
Effects of:						
Overseas withholding tax suffered	824	–	824	853	–	853
Non-taxable overseas dividends	(1,566)	–	(1,566)	(1,625)	–	(1,625)
Capital (gains)/losses not subject to tax	–	(7,620)	(7,620)	–	5,547	5,547
Finance costs not tax deductible	12	31	43	12	32	44
Movement in unutilised management expenses	181	241	422	160	216	376
Total tax charge	**824**	**–**	**824**	**853**	**–**	**853**

The Company has an unrecognised deferred tax asset of £904,000 (2020: £562,000) based on a prospective corporation tax rate of 25% (2020: 19%). The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from 1st April 2023. This increase in the standard rate of corporation tax was substantively enacted on 24th May 2021 and became effective from 2nd June 2021. This asset has accumulated because deductible expenses exceeded taxable income for the year ended 31 October 2021. No asset has been recognised in the accounts; given that with the composition of the Company's portfolio, it is unlikely that this will be utilised in the foreseeable future. The Company has not provided for deferred tax on any tax losses.

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9. DIVIDEND

(i) Dividends paid during the financial year

	Year ended 31 October 2021 £'000	Year ended 31 October 2020 £'000
Final dividend – year ended 31 October 2019 of 3.10p	–	4,177
Second Interim – year ended 31 October 2020 3.20p	4,311	–
Interim dividend – year ended 31 October 2021 1.40p (2020: 1.40p)	1,886	1,886
Total	**6,197**	**6,063**

(ii) The dividend relating to the year ended 31 October 2021, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered is detailed below:

	Year ended 31 October 2021		Year ended 31 October 2020	
	Pence per Ordinary Share	£'000	Pence per Ordinary Share	£'000
Interim dividend	1.40p	1,886	1.40p	1,886
Second interim dividend/final dividend*	3.35p	4,513	3.20p	4,311
	4.75p	**6,399**	**4.60p**	**6,197**

* Not included as a liability in the year ended 30 October 2021 accounts.

The Directors have declared a second interim dividend for the financial year ended 30 October 2021 of 3.35p per Ordinary Share. The dividend will be paid on 18 March 2022 to Shareholders on the register at the close of business on 18 February 2022.

10. OTHER DEBTORS

	As at 31 October 2021 £'000	As at 31 October 2020 £'000
Accrued income	3,194	2,860
Sales for settlement	20	149
VAT receivable	19	48
Prepayments and other receivables	31	43
	3,264	**3,100**

11. OTHER CREDITORS

	As at 31 October 2021 £'000	As at 31 October 2020 £'000
Amounts falling due within one year:		
Accrued finance costs	7	8
Accrued expenses	297	208
	304	**216**

12. SHARE CAPITAL

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

	As at 31 October 2021		As at 31 October 2020	
	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
Closing balance	**134,730,610**	**1,348**	**134,730,610**	**1,348**

Since the year end, no Ordinary Shares were issued by the Company.

Transferable Subscription Shares

On 18 February 2021, the Company's 26,946,122 TSS were admitted to the London Stock Exchange with the ticker CCJS. The prospectus was published on 22 January 2021 and a General Meeting was held on 15 February 2021, where 99.95% of the Shareholders voting on the resolution, approved the requisite special resolution including changes to the Articles of Association. Thus, the Company has now issued 26,946,122 TSS to qualifying shareholders on the register as at 6.00 pm on 15 February 2021. The Subscription Price of £1.61, payable on the exercise of the rights attached to the TSS, was determined at the close of business on 15 February 2021.

TSS were issued as a free bonus to Shareholders on the basis of 1 Subscription Share for every 5 Ordinary Shares owned. The TSS 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. As of 31 October 2021, none of the TSS have been exercised.

13. RETURN PER ORDINARY SHARE

Total return per Ordinary Share is based on the profit on ordinary activities, including income, for the year after taxation of £45,077,000 (2020: loss of £23,703,000) and weighted average number of Ordinary Shares-undiluted of 134,730,610 (2020: 134,730,610); Ordinary Shares-diluted 161,676,732 (2020: 134,730,610) in issue for the year to 31 October 2021. The Company's Ordinary Shares-diluted is due to the issuance of 26,946,122 Subscription Shares.

The returns per Ordinary Share were as follows:

	As at 31 October 2021			As at 31 October 2020		
	Revenue	Capital	Total	Revenue	Capital	Total
Return per Ordinary Share-undiluted	4.75p	28.70p	**33.45p**	5.04p	(22.64)p	**(17.60)p**
Return per Ordinary Share-diluted	3.96p	23.92p	**27.88p**	–	–	**–**

NOTES TO THE ACCOUNTS
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14. NET ASSET VALUE PER SHARE

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

NAV per Ordinary Share – undiluted

	As at 31 October 2021	As at 31 October 2020
Net Asset Value (£'000)	222,870	184,360
Ordinary Shares in issue	134,730,610	134,730,610
NAV per Ordinary Share – undiluted	**165.42p**	**136.84p**

NAV per Ordinary Share – diluted

On 16 February 2021, the Company announced an issue of 26,946,122 TSS at a price of 161p. The first exercise date for the Subscription shares was 31 May 2021 and quarterly thereafter until the final exercise date of 28 February 2023. On the assumption that the Subscription shares had been fully exercised and paid for as the year end, the dilutive effect on the Company's NAV will be as follows:

	As at 31 October 2021	As at 31 October 2020
Subscription shares in issue	26,946,122	–
Proceeds from exercise of subscription shares (£'000)	43,400	–
Adjusted Net Asset Value for exercise of subscription shares (£'000)	266,270	–
Ordinary Shares – post exercise subscription shares	161,676,732	–
NAV per Ordinary Share – diluted	**164.68p**	**–**

15. RELATED PARTY TRANSACTIONS

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

The Company's relationship with the Investment Manager and AIFM, Coupland Cardiff Asset Management LLP is set out on page 31. The fees for the year are disclosed in note 5 and amounts outstanding at the year ended 31 October 2021 were £141,000 (2020: £116,000).

Research purchasing agreement

MiFID II treats investment research provided by brokers and independent research providers as a form of "inducement" to investment managers and requires research to be paid separately from execution costs. In the past, the costs of broker research were primarily borne by the Company as part of execution costs through dealing commissions paid to brokers. With effect from 3 January 2018, this practice has changed, as brokers subject to MiFID II are now required to price, and charge for, research separately from execution costs. Equally, the 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 2021 to 31 December 2021, as agreed between the Investment Manager and the Company, was £28,000 (31 December 2020: £30,000). The research charge for the year 1 January 2022 to 31 December 2022, as budgeted by the Investment Manager, is £26,000.

Directors' fees and shareholdings

The Directors' fees and shareholdings are disclosed in the Directors' Remuneration Implementation Report on pages 43 and 44 in this Annual Report.

16. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

Risk Management Policies and Procedures

As an investment trust the Company invests in equities and equity related derivatives for the long-term so as to secure its investment objective stated on page 11. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction of the profits available for dividends.

These risks, include market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk, leverage risk and credit risk.

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

(a) Market Risk Overview

Economic conditions

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

Sectoral diversification

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

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

Unquoted companies

The Company may invest in unquoted companies from time to time. Such investments, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed and quoted securities and they may be more difficult to realise. However, the Company does not currently hold and has never held any unquoted securities.

Management of market risk

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

The Investment Manager's approach will in most cases achieve diversification across a number of sectors as shown in the Holdings in Portfolio on page 27.

(b) Currency risk

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

16 FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

Management of currency risk

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

Foreign currency exposures

An analysis of the Company's assets priced in Yen are as follows:

	As at 31 October 2021 £'000	As at 31 October 2020 £'000
Equity Investments	220,271	180,927
Receivables (dividend income receivable and sales settlement due)	3,214	3,100
CFD (absolute exposure)	44,055	36,183
Cash and cash equivalents	(3,360)	(1,535)
Total	**264,180**	**218,675**

Foreign currency sensitivity

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

	Increase in Fair Value As at 31 October 2021 £'000	Decrease in Fair Value As at 31 October 2021 £'000	Increase in Fair Value As at 31 October 2020 £'000	Decrease in Fair Value As at 31 October 2020 £'000
Impact on capital return – increase/(decrease)	**26,418**	**(26,418)**	**21,868**	**(21,868)**
Return after taxation – increase/(decrease)	**26,418**	**(26,418)**	**21,868**	**(21,868)**

(c) Leverage risk

Derivative instruments

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

Borrowing risks

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

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

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

Management of leverage risk

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

The Company's level of gearing as at 31 October 2021 is disclosed in the Alternative Performance Measures section on pages 77 to 80 of this Annual Report.

(d) Interest rate risk

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

Management of interest rate risk

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

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

The overdraft is an integral part of the Company's cash management practices and the Company has a legal right to offset with other accounts and intention to settle net.

Interest rate exposure

The exposure at 31 October 2021 of financial assets and liabilities to interest rate risk is shown by reference to floating interest rates – when the interest rate is due to be reset. Due to the current low interest rate environment, no sensitivity analysis is shown because the direct impact of a significant increase in interest rates would be immaterial due to the relatively small proportion of the Company's investment exposure achieved using CFDs.

	As at 31 October 2021 due within one year £'000	As at 31 October 2020 due within one year £'000
Exposure to floating interest rates: CFD derivative contract	44,055	36,183
Collateral paid in respect of CFDs	–	41

NOTES TO THE ACCOUNTS
continued

16 FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

(e) Credit risk

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

Cash and other assets held by the Depositary

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

Derivative instruments

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

Management of credit risk

Cash and other assets held by the Depositary

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

Derivative instruments

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

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

In summary, the exposure to credit risk as at 31 December 2021 was as follows:

	As at 31 October 2021 3 months or less £'000	As at 31 October 2020 3 months or less £'000
Cash at bank	–	2,463
Amounts due in respect of CFDs	443	3,014
Collateral paid in respect of CFDs	–	41
Debtors	3,264	3,100
Total	**3,707**	**8,618**

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

(f) Other Price Risk

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

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

The Company's exposure to other changes in market prices at 31 October 2021 on its equity investments was £220,271,000 (2020: £180,927,000).

In addition, the Company's gross market exposure (nominal value) to these price changes through its CFD portfolio was £44,055,000 through long positions (2020: £36,183,000).

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

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

Market exposures to derivative contracts are disclosed below.

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

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

The gross underlying notional exposures within the CFD portfolio as at 31 December 2021 were:

	As at 31 October 2021		As at 31 October 2020	
	£'000	% of net assets	£'000	% of net assets
CFDs – (absolute exposure)	**44,055**	**19.77%**	36,183	19.63%
CFDs – (net exposure)	**44,055**	**19.77%**	36,183	19.63%

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

Other price risk sensitivity

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

16 FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

	As at 31 October 2021		As at 31 October 2020	
	Increase in Fair Value £'000	Decrease in Fair Value £'000	Increase in Fair Value £'000	Decrease in Fair Value £'000
Impact on capital return – increase/(decrease)	**26,462**	**(26,462)**	21,906	(21,906)
Return after taxation – increase/(decrease)	**26,462**	**(26,462)**	21,906	(21,906)

(g) Liquidity Risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

Liquidity risk is not significant as the Company's assets comprise readily realisable securities, which can be sold to meet funding requirements if necessary. However, timely sale of trading positions can be impaired by many factors including decreased trading volume and increased price volatility. As a result, the Company could experience difficulties in disposing of assets to satisfy liquidity demands. Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. The Company's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place.

Liquidity risk exposure

The undiscounted gross cash outflows of the financial liabilities as at 31 October 2021, based on the earliest date on which payment can be required, were as follows:

	As at 31 October 2021 less than 3 months £'000	As at 31 October 2020 less than 3 months £'000
Bank overdraft	48	–
Amounts payable in respect of CFDs	756	4,969
Other payables	304	216
Total	**1,108**	**5,185**

(h) Fair Value Measurements of Financial Assets and Financial Liabilities

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

The valuation techniques for investments and derivatives used by the Company are explained in the accounting policies notes 2 (b and c) on page 60.

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

As at 31 October 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	220,271	–	–	220,271
CFDs – Fair Value gains	–	443	–	443
Liabilities:				
CFDs – Fair Value losses	–	(738)	–	(738)
Total	**220,271**	**(295)**	**–**	**219,976**

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

There were no transfers between levels during the year (2020: same).

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

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

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

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

There were no Level 3 investments as at 31 October 2021 (2020: nil).

(i) Capital Management Policies and Procedures

The Company's capital management objectives are:

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

The key performance indicators are contained in the strategic report on page 11.

The Company is subject to several externally imposed capital requirements:

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

The Company's capital as at 31 October 2021 comprises called up share capital and reserves totalling £222,870,000 (2020: £184,360,000).

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

NOTES TO THE ACCOUNTS
continued

17. DISTRIBUTABLE RESERVES

Distributable reserves comprise: the Revenue reserve; and Capital reserve attributable to realised profits including the Special reserve.

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

The Special reserve may be used to fund dividend payments.

18. SUBSEQUENT EVENTS

The Company appointed Ms June Aitken and Mr Craig Cleland to the Board with effect from 1 February 2022.

Following the Company's year-end, Sanne Group plc acquired the PraxisIFM Funds Business and subsequently the name of the Company's Administrator and Company Secretary changed from PraxisIFM Fund Services (UK) Limited to Sanne Fund Services (UK) Limited.

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES ("APMS")

Administrator	The Company's administrator, the current such administrator being Sanne 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"	The UK version of an European Union Directive which came into force on 22 July 2013 and which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019.
Annual General Meeting or "AGM"	A meeting held once a year, which Shareholders are entitled to attend, and where they can vote on resolutions to be put forward at the meeting and ask Directors questions about the Company.
Bonus Issue	The issue to qualifying Shareholders of new Transferable Subscription Shares on the basis of one new Transferable Subscription Share for every five existing Ordinary Shares.
CFD or Contract for Difference	A financial instrument, which provides exposure to an underlying equity with the provider financing the cost to the buyer with the buyer receiving the difference of any gain or paying for any loss.
Custodian	An entity that is appointed to safeguard a company's assets.
Depositary	Certain AIFs must appoint depositaries under the requirements of AIFMD. A depositary's duties include, inter alia, safekeeping of the Company's assets and cash monitoring. Under AIFMD the depositary is appointed under a strict liability regime. The Company's Depositary is Northern Trust Investor Services Limited (with effect from 27 November 2021).
Diluted NAV per Ordinary Share	Diluted NAV per Ordinary Share calculates a Company's NAV if all subscriptions shares were converted.
Dividend	Income receivable from an investment in shares.
Discount (APM)	The amount, expressed as a percentage, by which the share price is less than the Net Asset Value per share.

As at 31 October 2021		Page	
NAV per Ordinary Share (pence)	a	2	165.4
Share price (pence)	b	2	154.0
Discount	**(b÷a)-1**		**6.9%**

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

Ex-dividend date
The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to shareholders.

Financial Conduct Authority or "FCA"
The independent body that regulates the financial services industry in the UK.

Gearing (APM)
A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.

As at 31 October 2021		Page	£'000
CFD notional market value*	a	n/a	44,055
Non-base cash borrowings**	b	n/a	2,914
NAV	c		222,870
Gearing (net)	**((a+b)/c)**		**21.1%**

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

* CFD positions in underlying asset value.
** Non-base cash borrowings represents borrowings in Yen.

Gross assets (APM)
The Company's total assets including any leverage amount.

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

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

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

Leverage (APM)
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.

As at 31 October 2021		Gross £'000	Commitment £'000
Security market value	a	220,271	220,271
CFD notional market value	b	44,055	44,055
Cash and cash equivalents*	c	3,338	45
NAV	d	222,870	222,870
Leverage	**(a+b+c)/d**	**120%**	**119%**

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

* Cash and cash equivalents represent gross overdraft and net overdraft with Northern Trust

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

Net assets — An investment company's assets less its liabilities.

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

Ordinary Shares — The Company's Ordinary Shares in issue.

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

Year end 31 October 2021		Page	
Average NAV	a	n/a	211,514,855
Annual expenses	b	56	2,225,000
Ongoing charges	**(b÷a)**		**1.05%**

Year end 31 October 2020		Page	
Average NAV	a	n/a	190,442,282
Annual expenses	b	56	1,981,000
Ongoing charges	**(b÷a)**		**1.04%**

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES ("APM") continued

Portfolio	A composition of different investment holdings 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 by a company of its own shares. Shares can either be bought back for cancellation or held in treasury.
Share price	The price of a share as determined by buyers and sellers on the relevant stock exchange.
Subscription Shares	The price at which the Transferable Subscription Share Rights are exercised in accordance with the terms and conditions of the Transferable Subscription Shares.
Transferable Subscription Share Rights	The right conferred by each Transferable Subscription Share to subscribe for one Ordinary Share as detailed in the prospectus.
Transferable Subscription Shares	The transferable subscription shares of 0.1 pence each in the capital of the Company issued pursuant to the Bonus Issue.
Treasury shares	A company's own shares held in Treasury account by the Company but which are available to be resold in the market.
Total return (APM)	A measure of performance that takes into account both income and capital returns.

Year end 31 October 2021		Page	Share price	Cum-income NAV
Opening at 1 November 2020 (in pence)	a	2	119.5	136.8
Closing at 31 October 2021 (in pence)	b	2	154.0	165.4
Price movement (b÷a)-1	c	n/a	28.9%	20.9%
Dividend reinvestment*	d	n/a	3.8%	3.4%
Total return	**(c+d)**		**32.7%**	**24.3%**

Year end 31 October 2020		Page	Share price	Cum-income NAV
Opening at 1 November 2019 (in pence)	a	2	150.0	158.9
Closing at 31 October 2020 (in pence)	b	2	119.5	136.8
Price movement (b÷a)-1	c	n/a	-20.3%	-13.9%
Dividend reinvestment*	d	n/a	3.0%	2.8%
Total return	**(c+d)**		**-17.3%**	**-11.1%**

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

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

THE SECURITIES FINANCING TRANSACTIONS REGULATION (UNAUDITED)

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

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

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

As at 31 October 2021 the Company held the following types of SFTs:

None (2020: None)

As at 31 October 2021 the Company held the following types of Total Return Swaps:

Contracts for Difference (2020: Same)

The amount of securities and commodities on loan as a proportion of total lendable assets (excluding cash and cash equivalents) was 0% as at 31 October 2021 (2020: 0%).

GLOBAL DATA:

Type of Asset	Absolute Amount £'000	Proportion of AUM %
Security lending	0	0
Repo	0	0
Total return swap	**44,055**	**16.7%**

CONCENTRATION DATA:

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

	Collateral Issuers	Volume of the collateral securities and commodities £'000
1	JPY Cash Collateral	424

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

	Counterparty	Gross volume of outstanding trades £'000
1	Morgan Stanley & Co Intl Plc	44,350

THE SECURITIES FINANCING TRANSACTIONS REGULATION (UNAUDITED) continued

AGGREGATE TRANSACTION DATA:

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

REUSE OF COLLATERAL:

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

The cash collateral reinvestment returns to the company were 0.

SAFEKEEPING – Collateral Received:

Custodian	Collateral assets safe-kept
Northern Trust Investor Services Limited (prior to 27 November 2021, Northern Trust Global Services SE)	424

SAFEKEEPING – Collateral Granted:

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

RETURN/COSTS:

Type of Asset	Cost £'000	Absolute Returns £'000	% overall returns of Transaction Type
Alternative Investment Fund:			
Total Return Swaps	(197)	9,132	100
Manager of the Alternative Investment Fund:	0	0	0
Third parties:	0	0	0

COMPANY INFORMATION

DIRECTORS
Harry Wells (Chairman)
Kate Cornish-Bowden (Audit Chair)
John Scott
Peter Wolton
June Aitken**
Craig Cleland**

BROKER
Peel Hunt LLP
100 Liverpool Street
London
EC2M 2AT

DEPOSITARY AND CUSTODIAN
Northern Trust Investor Services Limited
50 Bank Street
London
E14 5NT

REGISTRAR
Link Group
10th Floor Central Square
29 Wellington Street
Leeds
LS1 4DL

INVESTMENT MANAGER
Coupland Cardiff Asset Management LLP
31-32 St James's Street
London
SW1A 1HD
Website – **www.couplandcardiff.com**

REGISTERED OFFICE*
6th Floor, 125 London Wall
London
EC2Y 5AS

COMPANY SECRETARY AND ADMINISTRATOR
Sanne Fund Services (UK) Limited
6th Floor, 125 London Wall
London
EC2Y 5AS
Website – **www.sannegroup.com**

AUDITOR
Ernst & Young LLP
144 Morrison Street
Edinburgh
EH3 8EX

LEGAL ADVISER
Stephenson Harwood LLP
1 Finsbury Circus,
London
EC2M 7SH

COMPANY SECURITY INFORMATION AND IDENTIFICATION CODES

WEBSITE	**www.ccjapanincomeandgrowthtrust.com**
ISIN	GB00BYSRMH16 (Ordinary Shares) / GB00BM90B010 (Subscription Shares)
SEDOL	BYSRMH1 (Ordinary Shares) / BM90B01 (Subscription Shares)
BLOOMBERG TICKER	CCJI LDN (Ordinary Shares) / CCJS LDN (Subscription Shares)
LEGAL ENTITY IDENTIFIER (LEI)	549 300 FZANMYIORK 1K98
GLOBAL INTERMEDIARY IDENTIFICATION NUMBER (GIIN)	6 HEK HT – 99 999 –SL – 826

* Registered in England no. 9845783
** Appointed to the Board on 1 February 2022

NOTICE OF ANNUAL GENERAL MEETING ("AGM")

In line with the requirements of the Companies Act 2006, the Company will hold an Annual General Meeting ("AGM") of Shareholders to consider the resolutions laid out in the Notice of Meeting below. The AGM will be held on 22 March 2022 at 12 noon at the offices of Stephenson Harwood LLP, at 1 Finsbury Circus, London EC2M 7SH, United Kingdom. At the time of writing, Shareholders are welcome to attend the AGM in person, however, depending on whether or not there may be future restrictions imposed by the UK Government in response to the COVID-19 pandemic, it may not be possible to attend the AGM in person. Shareholders are therefore strongly encouraged to vote by proxy and to appoint the "Chairman of the AGM" as their proxy. Details of how to vote, either electronically, by proxy form or through CREST, can be found in the Notes to the Notice of AGM on pages 87 to 89. The outcome of the resolutions will as usual be determined by shareholder vote based on the proxy votes received. All valid proxy appointments (whether submitted electronically or in hard copy form) will be included. The lodging of a form of proxy (or an appointment of a proxy through CREST) will not prevent a shareholder from attending the AGM and voting in person if they so wish (subject to any restrictions which may be imposed by the UK Government in response to the COVID-19 pandemic).

The results of the AGM will be announced to the London Stock Exchange and placed on the Company's website, as soon as practicable after the conclusion of the AGM. Shareholders should monitor the Company's website at: **https://www.ccjapanincomeandgrowthtrust.com/** and London Stock Exchange announcements for any updates regarding the AGM.

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

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of CC Japan Income & Growth Trust plc will be held on 22 March 2022 at 12 noon at the offices of Stephenson Harwood LLP, at 1 Finsbury Circus, London EC2M 7SH, United Kingdom for the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 12 will be proposed as ordinary resolutions and resolutions 13 to 16 will be proposed as special resolutions.

Ordinary resolutions

1. To receive the Company's Annual Report and Accounts for the year ended 31 October 2021, with the reports of the Directors and auditors thereon.

2. To approve the Directors' Remuneration Implementation Report included in the Annual Report for the year ended 31 October 2021.

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

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

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

6. To elect June Aitken as a Director of the Company.

7. To elect Craig Cleland as a Director of the Company.

8. That the Company continues in existence as an investment company.

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

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

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

12. That the Directors be and are hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused) to exercise all powers of the Company to allot relevant securities (as defined in section 551 of the Companies Act 2006) up to an aggregate nominal amount equal to £134,730.61 PROVIDED THAT the Directors may not allot relevant securities of an aggregate nominal amount more than 10% of the nominal value of the issued Ordinary Share capital (excluding Treasury Shares) at the date of the Annual General Meeting and that this authority shall expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2023 or, if earlier, on the expiry of 15 months from the passing of this resolution (the "section 551 period") but so that the Directors may, at any time prior to the expiry of the section 551 period, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of the section 551 period and the Directors may allot relevant securities in the pursuance of such an offer or agreement as if the authority granted by this resolution had not expired.

Special resolutions

13. That, subject to the passing of resolution 12, in substitution for any existing power under section 570 of the Companies Act 2006 but without prejudice to the exercise of any such power prior to the date hereof, the Directors be and are hereby empowered, pursuant to section 570 of that Act, to allot and make offers or agreements to allot equity securities (as defined in section 560 of that Act) and/or sell equity securities held as Treasury shares pursuant to section 573 of that Act, in each case for cash pursuant to the authority and for the period of the authority conferred by resolution 12, up to an aggregate nominal amount of £134,730.61 as if section 561(1) of that Act did not apply to such allotment (subject to a maximum of 10% of the aggregate nominal value of the issued Ordinary Share capital at the date of this resolution).

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

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

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

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

    (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2023 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and

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

15. That, in addition to any existing authority under section 701 of the Companies Act 2006 (the "Act"), the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of its issued subscription shares of 0.1 pence each in the capital of the Company ("Subscription Shares"), provided that:

    (i) the maximum number of Subscription Shares hereby authorised to be purchased shall be 4,039,223 or if less, that number of Subscription Shares which is equal to 14.99 per cent. of the Company's issued Subscription Share capital at the date of the notice of this meeting;

    (ii) the minimum price which may be paid for a Subscription Share is 0.1 pence;

    (iii) the maximum price which may be paid for a Subscription Share will not exceed the higher of (i) five (5) per cent. above the average of the middle market quotations (as derived from the Official List maintained by the

Financial Conduct Authority) for the five (5) consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for, any number of Subscription Shares on the trading venue where the purchase is carried out;

(iv) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company following the passing of this resolution, unless previously renewed, varied or revoked by the Company in general meeting; and

(v) the Company may make a contract to purchase Subscription Shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of Subscription Shares pursuant to any such contract notwithstanding such expiry.

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

Registered Office:

6th Floor
125 London Wall
London EC2Y 5AS

By order of the Board

Ciara McKillop
For and on behalf of
Sanne Fund Services (UK) Limited
Company Secretary

10 February 2022

NOTES TO NOTICE OF ANNUAL GENERAL MEETING

Website address

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

Entitlement to attend and vote

2. Only those holders of Ordinary Shares registered on the Company's register of members at close of business on 18 March 2022 or, if this meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to vote at the meeting.

Appointment of Proxies

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

   If Shareholders are not attending the AGM, Shareholders are strongly urged to appoint the Chairman as their proxy to vote on their behalf.

   Shareholders are advised that, depending on whether or not there may be future restrictions imposed by the UK Government in response to the COVID-19 pandemic, it may not be possible to attend the AGM in person. Shareholders are therefore strongly encouraged to appoint the "Chairman of the AGM" as their proxy to vote on their behalf.

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

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

Proxies' rights to vote

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

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

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

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

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

Voting by corporate representatives

5. Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with Section 323 of the Companies Act provided they do not do so in relation to the same shares.

NOTES TO NOTICE OF ANNUAL GENERAL MEETING
continued

Receipt and termination of proxies

6. The Form of Proxy and any power of attorney (or a notarially certified copy or office copy thereof) under which it is executed must be received by Link Asset Services at 12 noon on 18 March 2022 in respect of the meeting. Any Forms of Proxy received before such time will be deemed to have been received at such time. In the case of an adjournment, the Form of Proxy must be received by Link Asset Services no later than 48 hours before the rescheduled meeting. We strongly urge you to appoint the Chairman of the meeting as your proxy. On completing the Form of Proxy, sign it and return it to Link Asset Services at the address shown on the Form of Proxy in the envelope provided. As postage has been pre-paid no stamp is required.

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

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

   If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to **www.proxymity.io**. Your proxy must be lodged by 12.00 noon on 18 March 2022 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Appointment of Proxy through CREST

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

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

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

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

All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be lodged at 12 noon on 18 March 2022 in respect of the meeting. Any such messages received before such time will be deemed to have been received at such time. In the case of an adjournment, all messages must be lodged with Link Asset Services no later than 48 hours before the rescheduled meeting.

Nominated Persons

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

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

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

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

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

Questions at the Meeting

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

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

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

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

If Shareholders would like to ask any questions prior to the meeting, Shareholders are invited to submit their questions to ukfundcosec@PraxisIFM.com. Please note all questions should be submitted by close of business on 18 March 2022.

Issued Shares and total voting rights

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

Communication

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

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

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

CC JAPAN INCOME & GROWTH TRUST PLC
FORM OF PROXY

I/We ....

of ....
(BLOCK CAPITALS PLEASE)

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

(see note 1) ....

of ....

as my/our proxy and, on a poll, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 22 March 2022 at 12 noon and any adjournment thereof.

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

	Resolution	For	Against	Withheld	Discretionary
1.	To receive and adopt the Annual Report and Accounts for the year ended 31 October 2021				
2.	To approve the Directors' remuneration implementation report				
3.	To re-elect Kate Cornish-Bowden as a Director				
4.	To re-elect Harry Wells as a Director				
5.	To re-elect Peter Wolton as a Director				
6.	To elect June Aitken as a Director of the Company				
7.	To elect Craig Cleland as a Director of the Company				
8.	That the Company continues in existence as an investment company				
9.	To authorise the Directors to declare and pay dividends on a semi-annual basis				
10.	To re-appoint Ernst & Young LLP as auditors to the Company				
11.	To authorise the Directors to fix the remuneration of the auditors				
12.	To give authority to allot new shares				
13.	To give authority to allot new shares free from pre-emption rights				
14.	To give authority for the Company to purchase its own shares				
15.	To give authority for the Company to re-purchase its issued Transferable Subscription Shares				
16.	To authorise calling general meetings (other than Annual General Meetings) on 14 clear days' notice				

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

Signature .... Dated this .... day of 2022

NOTES

1. If any other proxy is preferred, strike out the words "Chairman of the Meeting" and add the name and address of the proxy you wish to appoint and initial the alteration. The proxy need not be a member.
2. If the appointer is a corporation this form must be completed under its common seal or under the hand of some officer or attorney duly authorised in writing.
3. A vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for or against a resolution.
4. The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
5. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
6. To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power, must reach the registrars of the Company, Link Asset Services not less than forty-eight hours before the time appointed for holding the Annual General Meeting or adjournment as the case may be.
7. The completion of this form will not preclude a member from attending the Meeting and voting in person.
8. Any alteration of this form must be initialled. Your completed and signed proxy form should be posted, in the enclosed reply paid envelope, to the Company's Registrars, Link Asset Services, PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to arrive before 12 noon on 18 March 2022.