

CC JAPAN INCOME & GROWTH TRUST PLC

HALF YEARLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 APRIL 2018



CONTENTS

INVESTMENT OBJECTIVE, FINANCIAL INFORMATION AND PERFORMANCE SUMMARY	2
CHAIRMAN'S STATEMENT	3
INVESTMENT MANAGER'S REPORT	5
TOP TEN SECTORS AND HOLDINGS	7
INTERIM MANAGEMENT REPORT	9
UNAUDITED INCOME STATEMENT	10
UNAUDITED STATEMENT OF FINANCIAL POSITION	11
UNAUDITED STATEMENT OF CHANGES IN EQUITY	12
UNAUDITED STATEMENT OF CASH FLOWS	13
NOTES TO THE INTERIM FINANCIAL STATEMENTS	14
ALTERNATIVE PERFORMANCE MEASURES ('APMs')	19
DIRECTORS, INVESTMENT MANAGER AND ADVISERS	20

INVESTMENT OBJECTIVE, FINANCIAL INFORMATION AND PERFORMANCE SUMMARY

INVESTMENT OBJECTIVE

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

FINANCIAL INFORMATION

	At 30 April 2018
Net assets	£181.6m
Net asset value ("NAV") per Ordinary Share ("Share")*	156.1p
Share price	160.0p
Share price premium to NAV*	2.5%

PERFORMANCE SUMMARY

	% change**
NAV total return per Share*	+9.2%
Share price total return	+6.7%
Topix index total return	+2.2%

* These are considered alternative performance measures ('APMs')

** Total returns stated in GBP sterling for the six months to 30 April 2018

Source: Bloomberg

Alternative performance measures ('APMs')

The financial information and performance summary data highlighted in the above footnote are considered to represent APMs of the Company. Definitions of these APMs together with how these measures have been calculated can be found on page 19.

CHAIRMAN'S STATEMENT

I am pleased to present the Company's Half Year Report for the six months ended 30 April 2018.

Performance

During the period, the Company's net asset value ("NAV") and share price total returns in sterling terms were 9.18% and 6.72%, respectively. The Topix Index total return, again expressed in sterling terms over the same period, was 2.16 %.

Since listing in December 2015 and over the near two and a half years until 30 April 2018, the Company's NAV per share has returned 64.80% including 6.45p of dividends paid during that period. For reference, the Topix has advanced 49.59% in sterling terms over the same time.

The Japanese market had a strong run up until the end of January 2018 but sold off through February and March 2018, reflecting a sharp correction in global markets on fears of rising US inflation and a potential US – China trade war.

Growth of the Company and Share Issues

The Board is committed to growing the size of the Company and with the shares trading at a premium to NAV, this is indicative of continued investor demand. In order to satisfy this, the Company held a General Meeting on 19 December 2017 where Shareholders gave authority for further allotment of shares on a non pre-emptive basis by means of a Share Issuance Programme. A tri-partite Prospectus was published on 9 January 2018 with a Supplementary Prospectus on 19 January 2018, enabling the Company to issue up to 100 million shares over the next 12 month period. Following an investor road show, an Initial Issue of 19,986,048 Ordinary Shares was announced on 25 January at 164.5p per share raising £32.9 million. In addition, 7,193,900 Ordinary Shares were issued in a series of "tap" issues between 7 February and 30 April 2018 at prices reflecting a premium to NAV. The issuing prices ranged between 150.9p and 156.0p per share and raised in excess of a further £11 million.

Subsequent to 30 April 2018, 6,578,465 Ordinary Shares have been issued at prices between 157.8p and 169.0p per share, raising approximately £10.8 million. Thus, in aggregate, the Company has raised £54.7 million new equity so far in this calendar year.

At the time of writing, the issued share capital stands at 122,926,575 Ordinary Shares, with net assets of the Company standing at £198 million, compared to £66.5 million at launch in December 2015, a threefold increase. Market capitalisation has risen from £120 million to over £200 million in the last 12 months and in the last six months to April 2018 from £136m to £186m. The Company was admitted to the FTSE All Share Index with effect from 15 June 2018.

I would like to take the opportunity to thank Shareholders for their support in growing the Company. The Board remains confident of the investment mandate and our Investment Manager's ability to execute it by achieving total returns with an income bias, a strategy that appears well placed to exploit investment opportunities in Japan. It is worthy of note that the returns of the strategy have outperformed a largely momentum and cyclically led market, which is remarkable given our embedded income style.

Interim dividend

The Company has generated a revenue return of 2.2p per Ordinary Share based on the weighted average issued share capital over the period as against 2.1p in the first half of the previous year. The Board has declared an interim dividend of 1.25p per Ordinary Share in respect of the period, which will be paid on 31 July 2018 to Shareholders on the register as at 6 July 2018. This represents an 8.7% increase over last year's interim dividend.

Regulation

The Company and the Investment Manager have complied with the new MiFID II and PRIIPS regulations introduced in January 2018. The Key Information Document (KID) is posted on the Company's website www.ccjapanincomeandgrowthtrust.com, although I would point out that the methodology of projecting return scenarios is determined by the regulator and not by the Board or our Investment Manager. The Company has complied with the new General Data Protection Regulation (GDPR) effective from 25 May 2018 by drawing up a Privacy Policy posted as an updated Privacy Notice, which is available on the Company's website, besides also amending service provider agreements. Your Board spends increasing time ensuring that the Company complies with complex regulation, while at the same time attempting to mitigate costs to Shareholders.

Market Developments and Outlook

Despite winning a resounding victory in the October 2017 General Election, Prime Minister Abe's administration became embroiled in the Moritomo elementary school funding scandal which has resulted in a drop in his popularity and concerns over the sustainability of his reform programme. Nevertheless, Japanese monetary policy remains supportive of economic growth with interest rates in Japan likely to remain near zero, against a background of persistently low inflation. Given that US interest rates and monetary policy are likely to tighten over the coming year, the yen has tended to weaken against the US\$, even if the cross-rate with sterling, important for our income account, has been relatively stable, hovering around ¥150= £1.

On the international front, risks remain. Clearly, protectionist rhetoric from President Trump in assailing trade negotiations with China, accompanied by tit for tat

CHAIRMAN'S STATEMENT continued

tariff proposals, has created major uncertainty. Happily, Japan's trade surplus with the USA is much reduced and the supply chain, for instance with components for automobile manufacturing, has largely shifted onshore to North America. While diplomatic efforts to improve relations between North and South Korea and the West is a welcome development for Japan, a deteriorating Middle Eastern situation has seen the oil price rise significantly over the last few months. A resurgent oil price is a negative for the Japanese current account and corporate margins.

However, our Investment Manager continues to believe that many Japanese equities remain attractive compared to the international peer group. Company earnings grew by approximately 22% in the fiscal year ending March 2018. The most recent Tokyo Stock Exchange survey of share ownership shows that holdings by foreign institutions continue to rise and that they are now the largest single category. This is an important consideration and is reflected in the Investment Manager's strategy in seeking to identify investment opportunities that appeal to foreign investors via the combination of valuation, growth and most importantly, the potential for sustainable shareholder returns.

The demands by domestic shareholders for corporate reform are also rising. The Life Insurance Association of Japan recently published results of its FY17 survey entitled "Approaches toward Enhancing Equity Values". A working group of 10 life insurance companies is seeking engagement and dialogue with companies which fail to achieve appropriate targets of capital efficiency and shareholder return. With both rising foreign ownership and increasingly active domestic shareholders, the pressure on corporate managers in Japan continues to increase. Although we have witnessed growth in shareholder returns over the past few years, the aggregate net liquid assets on corporate balance sheets continues to rise and the payout ratio from annual earnings remains stubbornly low by international standards. It is clear that many companies have the ability to improve the levels and consistency of their shareholder returns. The opportunity is significant and the Board and the Investment Manager believe that we are still in the early stages of the fundamental change taking place. The Investment Manager continues to identify companies that are still only at the forefront of this trend.

Harry Wells
Chairman
22 June 2018

INVESTMENT MANAGER'S REPORT

Performance Review

The Company's portfolio of holdings produced a positive return during the six month period to 30 April 2018, with the net asset value (NAV) per Ordinary Share rising from 145.96p per share to 156.12p. In addition, the Company paid a second interim dividend for the year ended 31 October 2017 of 2.30p.

The outperformance of the benchmark index over the period has been driven by a number of factors. Firstly, wider recognition of the characteristics of individual companies which underpin the investment process, namely companies with expanding business opportunities, strong cash flow and the commitment of management to delivering sustainable returns to shareholders. Secondly, the ability to utilise gearing within the structure of the investment trust has enhanced the returns to investors. Thirdly, at the time of the launch of the Company, we believed that there were many attractive investment opportunities amongst small cap stocks in Japan, which were, and continue to be, particularly suited to a closed end investment trust structure. A number of these portfolio holdings performed well over the period reflecting the general outperformance of small cap stocks in Japan which has been a notable feature of the equity market in recent years.

Two companies that have contributed significantly to the Company's performance in the six month period to April are Yamada Consulting and Noevir. Each of these companies is a family owned business in which we believe that the Company's interests as minority shareholders are well understood and protected by the management as well as for the majority shareholders. Yamada Consulting offers business advisory services to predominately mid and small sized companies in Japan, an area of strong demand, with many of these companies seeking to address the challenge of business succession planning. The management has enhanced its shareholder return policy alongside the growth of consulting services and associated strong cash flow by steadily raising the dividend pay out ratio. Noevir manufactures and markets one of the leading skincare brands in Japan. Its business has grown through the launch of innovative new products as well as expansion of the brand through international sales and the beneficial spending patterns of visitors to Japan. The improved shareholder distribution has been a consequence of record operating profits and a reassessment of the surplus cash accumulating on the balance sheet.

The success of the strategy is not just measured by the short term share price movements of the portfolio companies but also by the demonstration of sustainable commitment to delivering an appropriate return to their shareholders over time. Companies such as Japan Tobacco, Bridgestone and KDDI, for example, have all

announced significant increases in dividends for the fiscal year just completed, and also for the current year, reflecting the positive long term potential for their business operations despite some recent short term operating adjustments or investor fears. There are many examples of companies that have utilized their ability to buy back shares to enhance their shareholder returns during periods of perceived share price weakness. This has again been the case over the last twelve months with companies such as Sumitomo Mitsui Financial Group, NTT and Toyota announcing buyback programmes for a significant percentage of the shares in issue.

Current Positioning

The Company's investment process seeks to identify companies listed in Japan which have attractive shareholder return policies focusing particularly on situations where management are committed to offering a sustainable and rising dividend supported by underlying business growth and strong cash flow generation. The disparate strategies with regard to shareholder return policies evident at different companies, even within the same industry, highlight the need to identify individual companies demonstrating these favourable characteristics.

As demonstrated in the most recent reporting season, leading companies in the telecommunications, banking and automobile sectors have become prominent supporters of improved corporate governance reform. Importantly, with strong balance sheets, healthy cash flow and low payout ratios, companies have the ability to deliver enhanced shareholder returns. These sectors have consequently been well represented in the portfolio since inception. Service companies, albeit a broad selection of companies, also offer many investment opportunities giving the stability of underlying demand and in many cases low capital investment requirements.

Companies such as Tokyo Electron, Komatsu and Daiwa House have repeatedly exceeded initial forecasts for shareholder distributions due to an improving operating environment and also, we believe, an increasing understanding by management of the benefits of providing investors with a progressively rising dividend.

The strong performance and successful investment in smaller companies has created a challenge because the general segment re-rating has resulted in much less attractive valuations, particularly from a yield standpoint. The Company has consequently reduced or eliminated positions held in companies such as Solasto (medical industry outsourcing) and Trust Tech (engineering staff placement) purely for this reason. Here, the rise in the share price has exceeded the company's potential to deliver a growth of dividend to an acceptable level within a reasonable time

INVESTMENT MANAGER'S REPORT continued

frame. Companies such as Park24, a leading parking services company, Tokyo Century Corp, a domestic leasing company with exciting overseas ambitions, Kakaku.com, one of Japan's internet services companies, and Katitas, which holds the top market position for refurbished housing sales in Japan, have been added to the portfolio after careful consideration of improving attitudes to shareholders. The sector dispersion of this small list of companies indicates the breadth of opportunities that exist and this diversification across industries helps to enhance the stability of the income received by the Company.

Outlook

The aggregate shareholder returns generated by Japanese companies hit a fourth consecutive annual record in fiscal year 2017 and we believe the trend is set to continue. Despite the favourable improvements in shareholder return in recent years in Japan, the most recent data shows that the total net cash amount accumulated on balance sheets and the number of companies in this position continues to rise. The aggregate payout ratio for the market remains low by international standards and although there are many companies where a notable improvement is visible, at an aggregate level there is considerable scope for improvement.

The recent strength in the equity market has been underpinned by the improvements in corporate performance both in terms of improved operating productivity and also corporate governance. Importantly these improvements are visible by the steady but meaningful increases in the returns to shareholders. This aspect, we believe, is gaining wider recognition and attracting the attention of investors who have historically ignored Japan as a source of income.

Richard Aston

Coupland Cardiff Asset Management LLP

22 June 2018

TOP TEN SECTORS AND HOLDINGS

AS AT 30 APRIL 2018

TOP 10 SECTORS

Sector	% of net assets
Information & Communications	13.4
Services	13.2
Real Estate	12.3
Banks	8.7
Machinery	7.6
Electrical Appliances	7.5
Chemicals	7.4
Transport Equipment	7.1
Wholesale	3.2
Insurance	3.2
Other sectors	14.1
Other net assets	2.3
Total	100.0

TOP 10 HOLDINGS

Holding	% of net assets
Nippon Telegraph	3.8
Sumitomo Mitsui	3.5
Tokyo Electron	3.4
Tokio Marine	3.2
Itochu	3.2
Toyota	3.2
Tsubaki Nakashima	3.0
Kakaku.com	3.0
Bridgestone Corp	3.0
Japan Hotel REIT	2.9
Top 10 Holdings	32.2
Other equity holdings	65.5
Other net assets	2.3
Total	100.0

TOP TEN SECTORS AND HOLDINGS continued

CONTRACTS FOR DIFFERENCE (CFDs)

AS AT 30 APRIL 2018

Company	Sector	Gross exposure £'000	Gross exposure as a % of net assets	Market value £'000
Nippon Telegraph	Information & Communications	1,388	0.8	(27)
Sumitomo Mitsui	Banks	1,286	0.7	(98)
Tokyo Electron	Electrical Appliances	1,235	0.7	(16)
Tokio Marine	Insurance	1,173	0.6	9
Itochu	Wholesale	1,170	0.6	122
Toyota	Transport Equipment	1,144	0.6	(28)
Tsubaki Nakashima	Machinery	1,104	0.6	(7)
Kakaku.com	Services	1,088	0.6	113
Bridgestone Corp	Rubber Products	1,077	0.6	(124)
Japan Hotel REIT	Real Estate	1,063	0.6	40
Top Ten		11,728	6.4	(16)
Other		23,224	12.8	(224)
Total		34,952	19.2	(240)

INTERIM MANAGEMENT REPORT

The Directors are required to provide an Interim Management Report in accordance with the UK Listing Authority's Disclosure Guidance and Transparency Rules and consider that the Chairman's Statement and the Investment Manager's Report in this Half-yearly report, the following statement on related party transactions and the Directors' Responsibility Statement below, together constitute the Interim Management Report for the Company for the six months ended 30 April 2018. The principal risks and uncertainties to the Company are detailed in the Company's most recent Annual Report for the year ended 31 October 2017. The principal risks and uncertainties facing the Company remain unchanged from those disclosed in the Annual Report.

RELATED PARTY TRANSACTIONS

Details of the investment management arrangements were provided in the Annual Report. There have been no changes to the related party transactions described in the Annual Report that could have a material effect on the financial position or performance of the Company. Amounts payable to the Investment Manager in the period are detailed in the Unaudited Income Statement.

DIRECTORS' STATEMENT OF RESPONSIBILITY FOR THE HALF-YEARLY REPORT

The Directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the Half-yearly financial report has been prepared in accordance with FRS 104 Interim Financial Reporting.
- The interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

Harry Wells

Chairman

For and on behalf of the Board of Directors

22 June 2018

UNAUDITED INCOME STATEMENT

SIX MONTHS TO 30 APRIL 2018

	Note	Six months to 30 April 2018			Six months to 30 April 2017			Year ended 31 October 2017		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value		–	8,839	8,839	–	142	142	–	18,540	18,540
Income	3	2,975	–	2,975	2,151	–	2,151	4,361	–	4,361
Investment management fee	4	(115)	(461)	(576)	(74)	(296)	(370)	(162)	(647)	(809)
Other expenses	5	(295)	–	(295)	(199)	–	(199)	(417)	–	(417)
Return on ordinary activities before finance costs and taxation		2,565	8,378	10,943	1,878	(154)	1,724	3,782	17,893	21,675
Finance costs	6	(36)	(121)	(157)	(18)	(42)	(60)	(47)	(84)	(131)
Return on ordinary activities before taxation		2,529	8,257	10,786	1,860	(196)	1,664	3,735	17,809	21,544
Taxation	7	(298)	–	(298)	(205)	–	(205)	(371)	–	(371)
Return on ordinary activities after taxation		2,231	8,257	10,488	1,655	(196)	1,459	3,364	17,809	21,173
Return per Ordinary Share	13	2.21p	8.16p	10.37p	2.06p	(0.24)p	1.82p	4.06p	21.47p	25.53p

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 both prepared under guidance from the Association of Investment Companies. There is no other comprehensive income and therefore the return for the period is also the total comprehensive income for the period.

The notes on pages 14 to 18 form part of these interim financial statements.

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2018

	Note	30 April 2018 £'000	30 April 2017 £'000	31 October 2017 £'000
Fixed assets				
Investments at fair value through profit or loss	8	177,532	101,663	129,211
Current assets				
Debtors	9	2,197	1,190	1,427
Amounts due in respect of contracts for difference	9	1,252	1,961	4,931
Cash collateral paid in respect of contracts for difference		160	–	71
Cash at bank		2,188	–	–
		5,797	3,151	6,429
Creditors: amounts falling due within one year				
Bank overdraft		–	(258)	(863)
Creditors	10	(201)	(172)	(3,970)
Amounts payable and collateral held in respect of contracts for difference	10	(1,491)	(2,082)	(662)
		(1,692)	(2,512)	(5,495)
Net current assets		4,105	639	934
Total assets less current liabilities		181,637	102,302	130,145
Total net assets		181,637	102,302	130,145
Capital and reserves				
Share capital	11	1,163	826	892
Share premium account		70,894	19,068	28,111
Special reserve		64,671	64,671	64,671
Capital reserve				
– Revaluation of investments unrealised gain		27,403	10,929	23,187
– Other capital reserves		14,739	4,951	10,698
Revenue reserve		2,767	1,857	2,586
Total Shareholders' funds		181,637	102,302	130,145
NAV per share – Ordinary Shares (pence)	14	156.12p	123.84p	145.95p

Approved by the Board of Directors and authorised for issue on 22 June 2018 and signed on their behalf by:

Harry Wells
Director
 22 June 2018

CC Japan Income & Growth Trust plc is incorporated in England and Wales with registered number 9845783.

The notes on pages 14 to 18 form part of these interim financial statements.

UNAUDITED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS TO 30 APRIL 2018

	Note	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2017		892	28,111	64,671	33,885	2,586	130,145
Return on ordinary activities		-	-	-	8,242	2,246	10,488
Issue of Ordinary Shares	11	271	43,646	-	-	-	43,917
Share issue costs		-	(863)	-	-	-	(863)
Dividends paid		-	-	-	-	(2,050)	(2,050)
Balance at 30 April 2018		1,163	70,894	64,671	42,127	2,782	181,637

SIX MONTHS TO 30 APRIL 2017

	Note	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2016		792	14,761	64,671	16,076	1,785	98,085
Return on Ordinary Shares		-	-	-	(196)	1,655	1,459
Issue of Ordinary Shares	11	34	4,364	-	-	-	4,398
Share issue costs		-	(57)	-	-	-	(57)
Dividends paid		-	-	-	-	(1,583)	(1,583)
Balance at 30 April 2017		826	19,068	64,671	15,880	1,857	102,302

YEAR ENDED 31 OCTOBER 2017

	Note	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2016		792	14,761	64,671	16,076	1,785	98,085
Return on ordinary activities		-	-	-	17,809	3,364	21,173
Issue of Ordinary Shares	11	100	13,507	-	-	-	13,607
Share issue costs		-	(157)	-	-	-	(157)
Dividends paid		-	-	-	-	(2,563)	(2,563)
Balance at 31 October 2017		892	28,111	64,671	33,885	2,586	130,145

The notes on pages 14 to 18 form part of these interim financial statements.

UNAUDITED STATEMENT OF CASH FLOWS

SIX MONTHS TO 30 APRIL 2018

	Six months to 30 April 2018 £'000	Six months to 30 April 2017 £'000	Year ended 31 October 2017 £'000
Return on ordinary activities before finance costs and taxation*	10,943	1,724	21,675
Gains on investments	(8,171)	(142)	(12,926)
Increase in other debtors	(538)	(397)	(634)
Increase/(decrease) in other creditors	43	7	(8)
Tax paid on overseas income	(298)	(205)	(371)
Net cash flow from operating activities	1,979	987	7,736
Cash flows from investing activities			
Purchases of investments	(67,754)	(34,023)	(49,350)
Proceeds from sales of investments	23,087	27,136	33,282
CFD transactions	4,885	2,071	(4,150)
Net cash flow used in investing activities	(39,782)	(4,816)	(20,218)
Cash flows from financing activities			
Issue of Ordinary Share capital receipts	43,917	4,397	13,607
Ordinary Share issue costs paid	(863)	(56)	(178)
Equity dividends paid	(2,050)	(1,583)	(2,563)
Finance costs paid	(150)	(60)	(120)
Net cash flow from financing activities	40,854	2,698	10,746
Increase/(decrease) in cash and cash equivalents	3,051	(1,131)	(1,736)
Cash and cash equivalents at the beginning of the period	(863)	873	873
Cash and cash equivalents at the end of the period	2,188	(258)	(863)

* Cash inflow from dividends was £2,518,000 (30 April 2017: £1,752,214 and 31 October 2017: £3,728,000).

The notes on pages 14 to 18 form part of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

2. ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with FRS 104 Interim Financial Reporting and the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies in November 2014.

This Half-yearly Financial Report is unaudited and does not include all of the information required for full annual financial statements. The Half-yearly Financial Report should be read in conjunction with the Annual Report and Accounts of the Company for the year ended 31 October 2017. The Annual Report and Accounts for the year ended 31 October 2017 were prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and received an unqualified audit report. The financial information for the year ended 31 October 2017 in this Half-yearly Financial Report has been extracted from the audited Annual Report and Accounts for that year end. The accounting policies in this Half-yearly Financial Report are consistent with those applied in the Annual Report for the year ended 31 October 2017.

They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis.

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

3. INCOME

	Six months to 30 April 2018 £'000	Six months to 30 April 2017 £'000	Year ended 31 October 2017 £'000
Income from investments:			
Overseas dividends	2,975	2,151	4,361
Total	2,975	2,151	4,361

Overseas dividend income is converted into GBP sterling on receipt.

4. INVESTMENT MANAGEMENT FEE

	Six months to 30 April 2018 £'000	Six months to 30 April 2017 £'000	Year ended 31 October 2017 £'000
Basic fee:			
20% charged to revenue	115	74	162
80% charged to capital	461	296	647
Total	576	370	809

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.

5. OTHER EXPENSES

	Six months to 30 April 2018 £'000	Six months to 30 April 2017 £'000	Year ended 31 October 2017 £'000
Administration and other expenses	224	126	278
Auditor's remuneration – audit services	14	20	34
– non-audit	–	5	–
Directors' fees	57	48	105
Total	295	199	417

6. FINANCE COSTS

	Six months to 30 April 2018 £'000	Six months to 30 April 2017 £'000	Year ended 31 October 2017 £'000
Interest paid	6	8	25
CFD finance cost and structuring fee – 20% charged to income	30	10	20
Structure fees – 20% charged to income	–	–	2
	36	18	47
CFD finance cost and structuring fee – 80% charged to capital	121	42	77
Structure fees – 80% charged to capital	–	–	7
	121	42	84
Total	157	60	131

NOTES TO THE INTERIM FINANCIAL STATEMENTS continued

7. TAXATION

	Six months to 30 April 2018			Six months to 30 April 2017			Year ended 31 October 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Analysis of tax charge in the period:									
Corporation tax	-	-	-	-	-	-	-	-	-
Overseas withholding tax	298	-	298	205	-	205	371	-	371
Total tax charge	298	-	298	205	-	205	371	-	371

8. INVESTMENTS

	As at 30 April 2018 £'000	As at 30 April 2017 £'000	As at 31 October 2017 £'000
Investments listed on a recognised overseas investment exchange	177,532	101,663	129,211
Valuation at the end of the period	177,532	101,663	129,211

9. DEBTORS

	As at 30 April 2018 £'000	As at 30 April 2017 £'000	As at 31 October 2017 £'000
Amounts due in respect of CFDs	1,252	1,961	4,931
Accrued income	1,870	1,181	1,415
Sales for settlement	232	-	-
Other Debtors	5	-	-
Prepayments	90	9	12
Total	3,449	3,151	6,358

10. CREDITORS

	As at 30 April 2018 £'000	As at 30 April 2017 £'000	As at 31 October 2017 £'000
Amounts falling due within one year:			
Purchases for future settlement	-	-	3,812
Amounts payable in respect of CFDs	1,491	950	662
Collateral held in respect of CFD	-	1,132	-
Accrued expenses	201	172	158
Bank overdraft	-	258	-
Total	1,692	2,512	4,632

11. SHARE CAPITAL

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

	As at 30 April 2018 No of shares	As at 30 April 2018 £'000	As at 30 April 2017 No of shares	As at 30 April 2017 £'000	As at 31 October 2017 No of shares	As at 31 October 2017 £'000
Allotted, issued & fully paid:						
Ordinary Shares of 1p						
Opening balance	89,168,162	892	79,160,162	792	79,160,162	792
Ordinary Shares of 1p issued	27,179,948	271	3,446,500	34	10,008,000	100
Closing balance	116,348,110	1,163	82,606,662	826	89,168,162	892

Since the period end, the Company has issued a further 6,578,465 Ordinary Shares, with 122,926,575 Ordinary Shares in issue as at 22 June 2018.

12. FINANCIAL COMMITMENTS

At 30 April 2018 there were no commitments in respect of unpaid calls and underwritings (30 April 2017: nil and 31 October 2017: nil).

13. RETURN PER ORDINARY SHARE

Total return per Ordinary Share is based on the return on ordinary activities, including income, for the period after taxation of £10,488,000 (30 April 2017: £3,788,000 and 31 October 2017: £21,173,000).

Based on the weighted average number of Ordinary Shares in issue for the period to 30 April 2018 of 101,131,016 (30 April 2017: 80,276,560 and 31 October 2017: 82,937,053), the returns per share were as follows:

	As at 30 April 2018			As at 30 April 2017			As at 31 October 2017		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Return per Ordinary Share	2.21p	8.16p	10.37p	2.06p	(0.24)p	1.82p	4.06p	21.47p	25.53p

14. NET ASSET VALUE PER SHARE

Total shareholders' funds and the net asset value ("NAV") per share attributable to the Ordinary Shareholders at the period end were as follows:

	As at 30 April 2018	As at 30 April 2017	As at 31 October 2017
Ordinary Shares in issue	116,348,110	82,606,662	89,168,162
NAV per Ordinary Share	156.12p	123.84p	145.95p

NOTES TO THE INTERIM FINANCIAL STATEMENTS continued

15. RELATED PARTY TRANSACTIONS

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

The Company provides additional information concerning its relationship with the Investment Manager and AIFM, Coupland Cardiff Asset Management LLP. The fees for the period are disclosed in note 4 and amounts outstanding at the period ended 30 April 2018 were £108,013 (30 April 2017: £65,630 and 31 October 2017: £78,884).

Directors' fees and shareholdings

Directors' fees are payable at the rate of £24,000 per annum for each Director other than the Chairman, who is entitled to receive £36,000. The Chairman of the Audit Committee is also entitled to an additional fee of £5,000 per annum and the Senior Independent Director is entitled to an additional fee of £1,000.

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

	As at 30 April 2018	As at 30 April 2017	As at 31 October 2017
Harry Wells	40,000	30,000	30,000
John Scott	32,500	32,500	32,500
Mark Smith	10,000	10,000	10,000
Peter Wolton	60,000	35,000	35,000

16. INTERIM DIVIDEND

During the six months ended 30 April 2018, the Company paid a dividend of 2.3p per Ordinary Share in respect of the year ended 31 October 2017.

These interim financial statements have been prepared in accordance with the requirements of section 838 of the Companies Act 2006 and constitute the Company's interim accounts for the purpose of justifying the payment of an interim dividend for the year ending 31 October 2018.

The Directors have declared an interim dividend for the year ending 31 October 2018 of 1.25p (2017: 1.15p) per Ordinary Share. The dividend will be paid on 31 July 2018, to Ordinary Shareholders on the register at the close of business on 6 July 2018. The Ordinary Shares will go ex-dividend on 5 July 2018 and the dividend will be funded from the Company's revenue reserves.

17. STATUS OF THIS REPORT

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

ALTERNATIVE PERFORMANCE MEASURES ('APMs')

Discount	The amount, expressed as a percentage, by which the share price is less than the Net Asset Value per share.
Gearing	A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.
Index	A basket of stocks, which is considered to replicate a particular stock market or sector.
Leverage	<p>An alternative word for "Gearing".</p> <p>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.</p> <p>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.</p>
Liquidity	The extent to which investments can be readily traded at short notice.
Ongoing charges	A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.
Premium	The amount, expressed as a percentage, by which the share price is more than the Net Asset Value per share.
Total return	A measure of performance that takes into account both income and capital returns.
Volatility	A measure of how much a share moves up and down in price over a period of time.

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

DIRECTORS

Harry Wells (Chairman)
John Scott
Mark Smith
Peter Wolton

BROKER

Peel Hunt LLP
Moor House
120 London Wall
London EC2Y 5ET

DEPOSITARY AND CUSTODIAN

Northern Trust Global Services Limited
50 Bank Street
Canary Wharf
London E14 5NT

REGISTRAR

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

LEGAL ADVISER

Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

INVESTMENT MANAGER

Coupland Cardiff Asset Management LLP
31-32 St James' Street
London SW1A 1HD

REGISTERED OFFICE*

Mermaid House
2 Puddle Dock
London EC4V 3DB

COMPANY SECRETARY AND ADMINISTRATOR

PraxisIFM Fund Services (UK) Limited
Mermaid House
2 Puddle Dock
London EC4V 3DB

AUDITORS

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY

* Registered in England no. 9845783

