

**Schroder Japan Trust plc**

**Enhanced Dividend and Discount Management Policy**

**Monday, 24 June 2024**

The Board of Schroder Japan Trust plc (the "Company") announces a package of dividend and discount management measures following an internal review and after discussion with the Company's largest shareholders.

**Enhanced Dividend Policy**

The Board believes that when investing in Japan, dividends will continue to play an increasingly important part of shareholder return. Several years ago, the Board highlighted the growing contribution from the dividends paid, given the focus of Japanese corporates on improving shareholder value and good corporate governance practice.

Whilst the Company has been able to grow dividends by 12.7% on an average yearly basis over the past 10 years, the Board would now like to adopt an enhanced dividend policy to pay out 4% of average net asset value in each financial year. Further details will be provided in the Annual Report.

It is important to note that the enhanced dividend policy will not result in a change to the Company's investment approach and strategy. The Company's focus will continue to be on well-managed, high-quality companies where the current share price does not yet fully reflect their potential, across the complete spectrum of Japanese companies.

**Discount Management Policy**

In August 2020, the Company put in place a Conditional Tender Offer mechanism, since that time the Portfolio Manager has met the requirements and has delivered sustained outperformance relative to the Benchmark, such outperformance compounding at 4.67% per annum to 31<sup>st</sup> May 2024. Accordingly, it is expected that the Company will meet the outperformance target, with the result that no tender offer will be triggered on 31 July 2024.

The Board now proposes a new Conditional Tender Offer mechanism. In the event that the manager does not deliver performance at least in line with the Tokyo Stock Price Index Total Return in sterling terms (the "Benchmark") over a five-year period starting from 31<sup>st</sup> July 2024, then the Board will put to shareholders a proposal for a tender offer of 25% of the issued share capital at a price equal to the prevailing net asset value less costs.

In addition to the above proposal, the Company will continue to maintain its share buyback policy where appropriate.

The Board believes that the measures outlined above will improve the attractiveness of an investment in the Company.

The Chairman Dr Philip Kay said: "The Company has achieved sustained outperformance over the last four years and my fellow directors and I believe that an annual 4% of NAV dividend and the new five-year Conditional Tender Offer is a great package for all our investors".

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