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JPMorgan Japanese Inv. Trust PLC
29 May 2025

LONDON STOCK EXCHANGE ANNOUNCEMENT

JPMORGAN JAPANESE INVESTMENT TRUST PLC

HALF YEAR RESULTS FOR THE SIX MONTHS ENDED

31st MARCH 2025

Legal Entity Identifier: 549300JZW3TSSO464R15
Information disclosed in accordance with the DTR 4.2.2

Highlights

- NAV total return* of +2.4 % compared with +1.0% for the TOPIX Index (in Sterling terms), (the 'Benchmark'). Share price return of +2.3%.
- For five years annualised ended 31st March 2025, NAV total return* of +7.8% compared with +7.8% for the Benchmark. Share price return of +9.4%.
- For ten years annualised ended 31st March 2025, NAV total return* of +8.0% significantly ahead of the +6.8% for the Benchmark. Share price return of +7.9%.
- The Board's dividend policy is to pay out the majority of revenue available each year. Consistent with previous years, the Company will not be declaring an interim dividend.
- Over the six-month period to 31st March 2025, the Company repurchased 3.1 million shares at a cost of £17.7 million and an average discount of 12.1%.
- The Board also announces the appointment of Xuming Tao as a Portfolio Manager for the Company, supplementing the Portfolio Management team of Nicholas Weindling and Miyako Urabe, with immediate effect. Xuming has been a member of the Japanese equity team at JPMAM in Tokyo for five years. He works closely with Nicholas and Miyako, particularly on the Small & Mid-Cap Strategies.

*With debt at fair value

The Chairman of JFJ, Stephen Cohen, commented:

"Despite market volatility, the performance over the six-month review period demonstrates remarkable resilience, building on the strong excess returns achieved during the financial year ended 30th September 2024."

"Notwithstanding broader economic and geopolitical headwinds, we are confident that the Company, under the guidance of a highly skilled and experienced investment management team, remains well placed to deliver long-term capital growth for shareholders."

Portfolio Managers, Nicholas Weindling, Miyako Urabe and Xuming Tao commented:

"We remain positive about the outlook for Japanese equities and confident in the positioning of our portfolio. While the market has performed strongly over the past two years, we believe the transformation underway in Japan is still in its early stages. The full impact of corporate governance reforms and other structural changes, such as increased focus on capital efficiency and shareholder returns, has yet to be realised, and these shifts should continue to support investor interest well into 2025 and beyond."

CHAIRMAN'S STATEMENT

During the six months ended 31st March 2025 the Company made a net asset value (NAV) return, with debt at fair value, of +2.4% in Sterling terms, outperforming the benchmark return of +1.0%. Since the period end, the Company returned +7.2% to 26th May 2025, while the TOPIX returned +3.2% over the same period.

Despite market volatility, the performance over the six-month review period demonstrates remarkable resilience, building on the strong excess returns achieved during the financial year ended 30th September 2024. Although three-year returns slightly trail the benchmark, it is encouraging to note that five-year returns as of March 2025 now align with the benchmark, and ten-year returns are significantly ahead. This highlights the sustained strength of the Company's growth investment strategy, even during periods when market conditions have favoured value-oriented approaches.

The most significant positive development in Japanese markets over recent years has been the accelerating impact of reforms to corporate governance and capital allocation practices. These reforms are being encouraged by the authorities and by shareholders, who have seen their returns boosted by better capital allocation, increased dividend payments and share buybacks. The reforms have encouraged activist investors and takeover activity, as well as greater interest from international investors.

The Portfolio Managers attribute their outperformance during the latest six-month review period to the fact that they have increased their focus on companies which are embracing these reforms and benefiting accordingly.

The yen was far less volatile over the review period than it was during the last financial year, although the currency nonetheless depreciated by 0.6% over the six months to end March 2025. The Company's performance was thus reduced modestly in sterling terms by this currency weakness. The policy of the Company remains not to hedge its currency exposure.

The Investment Manager's Report on pages 13 to 16 of the Half Year Report (available on the Company's website) discusses performance, the investment rationale behind recent portfolio activity and the outlook in more detail.

Gearing

The Board of Directors believes that gearing can be beneficial to performance. It sets the overall strategic gearing policy and guidelines and reviews these at each Board meeting. The Portfolio Managers then manage the gearing within the agreed limits of 5% net cash to 20% geared in normal market conditions. During the review period, gearing ranged from 6.1% to 15.7%, with an average of 13.3%. As at 31st March 2025, gearing was equivalent to 13.8% of net assets, a level that reflects the Portfolio Managers' confidence in the outlook for the Japanese market. At the time of writing this report, the gearing had decreased to 13.2%.

The Board believes it is prudent for the Company's gearing capacity to be funded from a mix of sources. The Company's gearing strategy will thus be implemented via the use of two forms of debt, low-cost long-term fixed rate debt, with an average coupon rate of 1.1%, and the use of CFDs (Contracts for Difference). The short-term revolving facility of JPY 10 billion with ICBC Limited, London Branch is being terminated as it is no longer necessary and relatively expensive. More details can be found on page 85 of the 2024 Annual Report of the Company (also available on the Company's website).

The Company has now been using CFDs since 2024. They are a flexible, low-cost, capital efficient alterative to loan facilities and thus offer considerable advantages to the Portfolio Managers. These instruments are a form of financial derivative which allow investors to gain exposure to stock price movements without actually owning the individual shares. As such, CFDs provide the investor with leveraged exposure to the underlying asset. The Board closely monitors the use and cost-effectiveness of this form of gearing.

Revenue and Dividends

The Board's dividend policy is to pay out the majority of revenue available each year. For the year ended 30th September 2024, the Company paid a dividend of 6.75p per share (2023: 6.50p) on 12th February 2025, reflecting the available revenue for distribution. Consistent with previous years, the Company will not be declaring an interim dividend.

Japanese companies' dividend payouts and payout ratios have increased meaningfully in recent years, supported by improved corporate governance, stronger balance sheets, and a growing focus on shareholder returns. While this upward trend is encouraging, it should not be assumed that current levels of dividend income from portfolio holdings will remain constant.

Discount Management and Share Repurchases

The Board monitors carefully the discount to NAV at which the Company's shares trade. The Directors believe that for the Company's shares to trade close to NAV over the long term, the focus must remain on consistent, strong investment performance over the key one, three and five-year timeframes. The effective marketing and promotion of the Company also has a key role to play in keeping its shares trading close to par.

The Board recognises that a widening of, and volatility in, the Company's discount is seen by some investors as a disadvantage of investments trusts. The Board has restated its commitment to seek a stable discount or premium over the long run, commensurate with investors' appetite for Japanese equities and the Company's various attractions, not least the quality of the investment team and the investment process, and the strong long-term performance these have delivered. Since 2020, this commitment has resulted in increased expenditure on marketing and a series of targeted buybacks.

As of 31st March 2025, the share price discount to NAV with debt at fair value was 10.5%, compared to 10.2% at the end of 30th September 2024. Over the six-month period to 31st March 2025, the Company's share price discount to NAV ranged from 14.4% to 7.9% (average: 11.4%) and the Company repurchased 3,146,996 shares at an average discount of 12.1% and at a cost of £17.7 million.

Since 31st March 2025, the Company has repurchased a further 425,000 shares at an average discount of 11.5%, at a cost of £2.3 million. Shares are only repurchased at a discount to the prevailing net asset value, which increases the Company's net asset value per share, and may either be cancelled or held in Treasury for possible reissue at a premium to net asset value.

Management Fees and Cost Ratio

As detailed in the Company's Annual Report, the successful combination with JPMorgan Japan Small Cap Growth & Income plc ('JSGI') was completed on 25th October 2024, creating an investment trust with net assets of approximately £1 billion and a leadership position within Japanese investment trusts.

Following the combination, the Company now benefits from a more competitive management fee structure and a significantly reduced Ongoing Charges Ratio (OCR). For the year ending 30th September 2025, the OCR is estimated at 0.45%. This figure reflects the decision to recognise the benefit of the Manager's fee waiver against the first six months of this fiscal year.

From 1st April 2025 onwards, the management fee will resume, and the OCR is expected to normalise to approximately 0.60% on an annualised basis. This compares favourably to the OCR of 0.74% for the year ended 30th September 2024, and is well below the peer group average of 1.06%*, reinforcing the Company's position as a cost-efficient and attractive investment option.

The Board believes this cost structure delivers enhanced value for shareholders and further strengthens the Company's leadership among Japanese investment trusts.

*Source: JPMAM; includes investment trusts and open ended funds.

Investment Management Team

Following the combination, the Company follows the same unconstrained all-cap Japanese equity strategy and benefits from the expertise of its Tokyo-based Portfolio Managers, so I am especially happy to announce the Company's Portfolio Management team of Nicholas Weindling and Miyako Urabe will now be supplemented by the appointment of Xuming Tao as a Portfolio Manager for the Company with immediate effect. Xuming has been a member of the Japanese equity team at JPMAM in Tokyo for five years. He works closely with Nicholas and Miyako, particularly on the Small & Mid-Cap strategies.

Environmental, Social and Governance ('ESG')

As detailed in the Investment Manager's ESG Report on pages 17 to 20 of the Half Year Report, financially material ESG considerations are integrated into the investment process. The Board shares the Investment Manager's view of the importance of financially material ESG factors when making investments for the long term, and we are equally convinced of the necessity of continued engagement with investee companies over the duration of the investment.

Further information on JPMorgan's ESG process and engagement is set out in the ESG Report in the JPMorgan Asset Management 2024 Investment Stewardship Report, which can be accessed at https://am.jpmorgan.com/gb/en/asset-management/per/investment-themes/sustainable-investing/

The Board

As outlined in the Company's 2024 Annual Report, George Olcott will retire from the Board at the 2026 Annual General Meeting. I will be stepping down the following year, in 2027. To ensure a smooth transition and continued strength in governance, the Board has initiated the recruitment process for a new Non-Executive Director based in Japan.

In line with previous announcements regarding the combination with JSGI, we are pleased to confirm that Thomas Walker - who served as a Non-Executive Director of JSGI since 2019 - was appointed as a Non-Executive Director of the Company effective 25th October 2024.

Stay Informed

The Company delivers email updates with regular news and views, as well as the latest performance. If you have not already signed up to receive these communications and you wish to do so, you can opt in via **https://web.gim.jpmorgan.com/emea_investment_trust_subscription/welcome?targetFund=JFJ** or by scanning the QR code available in the Half Year Report.

Outlook

The Company's growth-focused investment strategy has delivered strong results over the ten-year period and tracked benchmark for the five-year period. Notably, it has continued to perform well in recent years even during periods when markets have favoured value stocks. This enduring performance is a testament to the skill of the Portfolio Managers, who are supported by a large, experienced team based in Japan. Their on-the-ground presence and deep local insight enable them to capitalise on the ongoing modernisation of Japan's equity markets, particularly through active engagement with corporate governance reforms.

The Board shares the Investment Manager's conviction that the transformation of Japan's corporate landscape is set to accelerate. Investment conditions remain favourable, supported by a strengthening domestic economy, sustained wage growth, and the gradual normalisation of monetary policy. We see increased international interest in Japanese equities, as global investors continue to address their long-standing underexposure to this market.

These dynamics are expected to benefit both the broader Japanese equity market and our Company. In addition, the Company is well positioned to enhance returns through the disciplined use of gearing, taking advantage of its access to low-cost capital. This ability to deploy capital efficiently provides an important strategic advantage, particularly in a market undergoing structural change.

While uncertainties persist, particularly around U.S. - Japan trade negotiations and the long-term implications of global tariffs and in the macro environment as a whole, the Board continues to believe this is a compelling time to invest in Japanese equities. Despite broader economic and geopolitical headwinds, we are confident that the Company, under the guidance of a highly skilled and experienced management team, remains well placed to deliver long-term capital growth for shareholders.

On behalf of the Board, I would like to thank you for your ongoing support.

Stephen Cohen

Chairman 28th May 2025

INVESTMENT MANAGERS' REPORT

Performance

The positive returns and good relative performance we saw in the last financial year continued in the six months ended 31st March 2025, although absolute returns were more muted. Over this half-year period the Company's total return NAV with debt at fair value was +2.4% in sterling terms, outpacing the benchmark return of +1.0% by +1.4 percentage points. We attribute this outperformance over the past six months to the fact that over the past year or so we have been increasing our focus on companies embracing reforms to governance and capital efficiency, and this positioning continued to pay dividends, literally, over the past six months.

These latest returns further enhanced the Company's longer-term performance track record. The NAV total return with debt at fair value over the five-year period ended 31st March 2025 was +45.6%, consistent with the benchmark, while over the ten-year period, the Company made a NAV total return of +115.3%, ahead of the benchmark return of +93.5%.

Performance - Value vs Growth

The graph in the Half Year Report shows the style rotation seen in the market with growth underperforming value since 2021.

Shareholders will of course be aware that the investment style of the Company is to focus on Premium and Quality companies as we believe these will deliver the best long-term performance. It is interesting however to look at the chart in the Half Year Report which shows that the value companies in Japan have been significantly outperforming the growth companies every year since 2021. It is expected that there will be cycles whereby growth and then value outperform in turn and that these cycles may persist for some time. What is interesting is that the team have been outperforming even in the value environment, not because we have been buying value companies but rather because we have been able to find opportunities widely across the market arising from the ever-improving corporate governance story.

Performance attribution

Six months ended 31st March 2025

	%	%
Contributions to total returns		
Benchmark return		**1.0**
Stock selection	1.1	
Currency	0.2	
Gearing/Cash	0.1	
Investment Manager contribution		**1.4**
Portfolio return[A]		**2.4**
Management fee and other expenses	(0.4)	
Share Buy-Back/Issuance	0.2	
Other effects		**(0.2)**
Return on net assets - Debt at par value[A]		**2.2**
Impact of fair value of debt		0.2
Return on net assets - Debt at fair value[A]		**2.4**
Return on Share Price[A]		**2.3**

Source: JPMAM and Morningstar. All figures are on a total return basis.

Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark.

A Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 35 to 38 of the Half Year Report.

Economic and market background

Over the past six months, Japan's stock market has seen notable volatility. The Nikkei 225 peaked in July 2024 and fell around 11% by May 2025, largely due to global trade tensions and U.S. tariff threats targeting key exporters like Toyota. Despite this, international investor interest in Japanese equities has surged-particularly since Q1 2024, marking a striking reversal of decades-long underinvestment, driven by strong corporate earnings, shareholder-friendly reforms, and a more competitive corporate environment. Domestically, the economic outlook has improved with a second consecutive year of wage increases over 5%, fuelled by a tight labour market, supporting real income growth and consumer spending.

In early 2024, the Bank of Japan ended its negative interest rate policy in response to sustained inflation above 2%, signalling a long-awaited exit from deflation and an important normalisation of monetary policy. October 2024's general election saw the Liberal Democratic Party lose its majority for the first time since 2009, but no major policy shifts followed. Global uncertainties increased with Donald Trump's re-election and a new wave of U.S. tariffs announced in April 2025, though negotiations with Japan have postponed their implementation, particularly in the auto sector.

Meanwhile, corporate governance reforms have gained momentum, leading to higher dividends, share buybacks, and a significant rise in unsolicited takeover bids.

Significant contributors to and detractors from recent performance

The most significant contributors to returns over the review period included several stocks we rate as Quality names. **Rakuten Bank**, Japan's largest online bank, is the only bank that we rate as Quality*.

*A glossary of terms and APMs is provided on pages 35 to 38 of the Half Year Report.

It reported strong results and growth in its customer base over the period. A recently opened position in **IHI Corporation**, a heavy industry conglomerate, also did well. It is benefitting from increasing Japanese government defence spending, and we like the fact that the company is aggressively restructuring to focus on its high-quality aero engineering business. Sanrio, which owns the very popular Hello Kitty character, amongst other valuable intellectual property, announced strong results under its new management team.

The favourable performance impact of these and other holdings was partially offset by disappointing performance from other positions. **Keyence** manufactures sensors used in factory automation. We rate this stock as Premium*. The company reported results that were much better than peers, but nonetheless slightly below expectations. Japan Exchange, the Quality-rated operator of the **Japanese stock exchange**, had slightly weaker than expected results. Our underweight to **Mitsubishi UFJ Financial Group** also detracted, as the shares performed well due to good results and expectations of further rises in Japanese interest rates, which should support margins. The company also made progress on unwinding its strategic shareholdings in other financial names. It also owns 24% of Quality-rated US bank **Morgan Stanley**, which is also doing well. We opened a position in **Mitsubishi UFJ Financial Group** in January.

Portfolio activity

As we noted in our last Annual Report, corporate governance reforms, including business re-organisations, are increasing the number of companies we may, in future, deem to be Premium- or Quality-rated, and this is significantly expanding our investment universe. Over the past six months, we have made several acquisitions. The most significant included **IHI** and **Mitsubishi UFJ Financial Group**, both mentioned above. We also added several other new holdings, including a couple of companies that are leaders in their respective industries - **DMG Mori**, a leading global manufacturer of high-precision machine tools, which has high exposure to the German market, and **Tsumura**, Japan's dominant producer of Chinese herbal medicine. We topped up our existing position in **Sony**, a consumer electronics manufacturer. is becoming more efficient and rationalising its business lines, with the upcoming listing of its financial services operations. Sony's valuation is undemanding considering the leading positions of its entertainment assets.

As part of JPMorgan Japanese Investment Trust's combination with JPMorgan Japan Small Growth & Income (JSGI), in addition all the holdings that were common to both funds, we retained six names held solely by JSGI - **Genky Drugstores**, a pharmaceutical retailer, **Sumitomo Densetsu**, a construction company, **Rakus**, an IT services provider, **Nohmi Bosai**, a supplier of fire protection systems, Tamron, which makes optical and surveillance equipment, and **Daiei Kankyo**, a waste management and recycling business. The combination of the two portfolios did not significantly alter the market cap breakdown of your Company.

The new acquisitions and top-ups initiated during the review period were funded in part by reductions in some other holdings, and several complete disposals. We locked in some profits by reducing our position in **Hitachi**, an industrial conglomerate, following its strong performance during 2024. We closed positions in **Shin-Etsu Chemical**, which produces silicon wafers, and Infomart, an on-line business services provider, on concerns over rising competition in these sectors. We also sold our holding in **Softbank Group**, a telecoms services business, as we lack confidence in its capital allocation decisions. Our concerns about the potential portfolio impact of US tariffs led us to reduce exposure to the auto sector via the complete sale of **Denso**, an auto parts producer which supplies global markets, including the US.

Outlook

We remain positive about the outlook for Japanese equities and confident in the positioning of our portfolio. While the market has performed strongly over the past two years, we believe the transformation underway in Japan is still in its early stages. The full impact of corporate governance reforms and other structural changes, such as increased focus on capital efficiency and shareholder returns, has yet to be realised, and these shifts should continue to support investor interest well into 2025 and beyond.

Broader structural trends like digitalisation and automation, discussed on pages 12 to 19 in the Annual Report, are also accelerating change and creating fertile ground for the type of high-quality, innovative businesses we aim to own. In parallel, international interest in Japan remains elevated, shareholder activism is gaining traction, and M&A activity, particularly unsolicited bids, is on the rise, all of in Japan remains elevated, shareholder activism is gaining traction, and M&A activity, particularly unsolicited bids, is on the rise, all of which reflect growing confidence in the market's evolving landscape.

That said, risks remain. Chief among them are uncertainties related to U.S. trade policy. Japanese automakers are especially vulnerable to potential tariff increases; accordingly, we currently have no exposure to companies with significant U.S. auto sales. We also manage currency risk carefully, maintaining a well-balanced portfolio that can adapt to external shocks.

It is important, however, not to overstate these risks. Trade negotiations are ongoing, and any eventual tariffs may be less severe than initially feared. Moreover, Japanese corporates benefit from strong balance sheets and operational resilience, positioning them to withstand short-term disruptions. Market volatility, when it arises, provides opportunities to acquire exceptional businesses at more attractive valuations.

With an experienced investment team based in Tokyo, we are well-equipped to navigate this dynamic environment. Our local presence and analytical reach allow us to uncover compelling opportunities that are often overlooked by the broader market. We remain confident in the Company's ability to deliver capital growth and sustained outperformance for shareholders over the long term, and we look forward to updating you on our continued progress.

Thank you for your ongoing support.

Nicholas Weindling
Miyako Urabe
Xuming Tao
Investment Managers 28th May 2025

INTERIM MANAGEMENT REPORT

The Company is required to make the following disclosures in its half year report.

Principal and Emerging Risks and Uncertainties

The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. With the assistance of JPMF, the Audit & Risk Committee has drawn up a risk matrix, which identifies the key risks to the Company. These are reviewed and noted by the Board. The Board believes that the principal and emerging risks and uncertainties faced by the Company fall into the following broad categories:

- Market and Economic Risks - including market volatility and external factors, discount widening and lack of investor demand, liquidity risks.
- Trust Specific Risks - including poor strategy selection, poor execution of strategy, gearing and loan covenants risk, change in portfolio manager, statutory and regulatory compliance risk, cybercrime.
- Geopolitical Risks - including natural disasters and climate change risk.

Information on each of these areas is given on pages 41 to 42 of the Strategic Report within the Annual Report and Financial Statements for the year ended 30th September 2024.

Related Parties Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company during the period.

Going Concern

In accordance with The Financial Reporting Council's guidance on going concern and liquidity risk, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

The Board has, in particular, considered the impact of heightened market volatility since the Russian invasion of Ukraine, the persistent inflationary environment, rising interest rates and other geopolitical risks, and does not believe the Company's going concern status is affected. The Company's assets, the vast majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly under all stress test scenarios reviewed by the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. Furthermore, the Company's key third party suppliers, including its Manager are not experiencing any operational difficulties which would adversely affect their services to the Company.

Accordingly, having assessed the principal and emerging risks and other matters, the Directors believe that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least 12 months from the date of the approval of this half yearly financial report.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

The Board of Directors confirms that, to the best of its knowledge:

(i) the condensed set of financial statements contained within the interim financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of the affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 31st March 2025, as required by the UK Listing Authority Disclosure Guidance and Transparency Rule ('DTR') 4.2.4R; and

(ii) the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

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

and the Directors confirm that they have done so.

For and on behalf of the Board

Stephen Cohen

Chairman 28th May 2025

CONDENSED STATEMENT OF COMPREHENSIVE INCOME -

	(Unaudited) Six months ended 31st March 2025			(Unaudited) Six months ended 31st March 2024			(Audited) Year ended 30th September 2024		
	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 through profit or loss[1]	-	3,155	3,155	-	133,184	133,184	-	160,568	160,568
Gains on derivative instruments	-	7,223	7,223	-	-	-	-	-	-
Net foreign currency gains[2]	-	2,207	2,207	-	5,153	5,153	-	5,954	5,954
Income from investments	9,134	53	9,187	6,946	43	6,989	13,664	100	13,764
Income from derivative instruments	1,065	-	1,065	-	-	-	-	-	-
Interest receivable and similar income	125	-	125	216	-	216	365	-	365
Gross return	**10,324**	**12,638**	**22,962**	**7,162**	**138,380**	**145,542**	**14,029**	**166,622**	**180,651**
Management fee[3]	(91)	(814)	(905)	(229)	(2,058)	(2,287)	(473)	(4,253)	(4,726)
Other administrative expenses	(630)	-	(630)	(671)	-	(671)	(1,225)	-	(1,225)
Net return before finance costs and taxation	**9,603**	**11,824**	**21,427**	**6,262**	**136,322**	**142,584**	**12,331**	**162,369**	**174,700**
Finance costs	(83)	(744)	(827)	(78)	(708)	(786)	(159)	(1,430)	(1,589)
Net return before taxation	**9,520**	**11,080**	**20,600**	**6,184**	**135,614**	**141,798**	**12,172**	**160,939**	**173,111**
Taxation	(913)	-	(913)	(697)	-	(697)	(1,368)	(5)	(1,373)
Net return after taxation	**8,607**	**11,080**	**19,687**	**5,487**	**135,614**	**141,101**	**10,804**	**160,934**	**171,738**
Return per share (note 3)	**5.32p**	**6.85p**	**12.17p**	**3.70p**	**91.45p**	**95.15p**	**7.37p**	**109.82p**	**117.19p**

1 Includes foreign currency gains or losses on investments.

2 Foreign currency gains are due to Yen denominated loan notes and bank loans.

3 During the period to 31st March 2025, the Company acquired the assets of JPMorgan Japan Small Cap Growth & Income plc (JSGI) following a scheme of reconstruction. As a result, the Manager waived its management fee in lieu of its contribution towards the total costs associated with the Company's combination with JSGI. Further details on the Manager's Contribution can be found in the circular issued by the Company dated 19th September 2024.

All revenue and capital items in the above statement derive from continuing operations.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The net return after taxation represents the profit for the period and also the total comprehensive income.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium £'000	Capital redemption reserve[1] £'000	Other reserve[1] £'000	Capital reserves[1] £'000	Revenue reserve[1] £'000	Total £'000
Six months ended 31st March 2025 (Unaudited)							
At 30th September 2024	**40,312**	**-**	**8,650**	**166,791**	**641,289**	**21,561**	**878,603**
Repurchase of shares into Treasury	-	-	-	-	(17,711)	-	(17,711)
Issue of Ordinary shares in respect of the Combination with JSGI[2]	5,841	138,713	-	-	-	-	144,554
Costs in relation to issue of Ordinary shares	-	(164)	-	-	-	-	(164)
Net return	-	-	-	-	11,080	8,607	19,687
Dividends paid in the period (note 4)	-	-	-	-	-	(11,112)	(11,112)
At 31st March 2025	**46,153**	**138,549**	**8,650**	**166,791**	**634,658**	**19,056**	**1,013,857**
Six months ended 31st March 2024 (Unaudited)							
At 30th September 2023	**40,312**	**-**	**8,650**	**166,791**	**519,304**	**20,414**	**755,471**
Repurchase of shares into Treasury	-	-	-	-	(22,274)	-	(22,274)
Net return	-	-	-	-	135,614	5,487	141,101
Dividends paid in the period (note 4)	-	-	-	-	-	(9,657)	(9,657)
At 31st March 2024	**40,312**	**-**	**8,650**	**166,791**	**632,644**	**16,244**	**864,641**
Year ended 30th September 2024 (Audited)							
At 30th September 2023	**40,312**	**-**	**8,650**	**166,791**	**519,304**	**20,414**	**755,471**
Repurchase of shares into Treasury	-	-	-	-	(38,949)	-	(38,949)
Net return	-	-	-	-	160,934	10,804	171,738
Dividends paid in the year (note 4)	-	-	-	-	-	(9,657)	(9,657)
At 30th September 2024	**40,312**	**-**	**8,650**	**166,791**	**641,289**	**21,561**	**878,603**

1 The Capital redemption reserve is not distributable under the Companies Act 2006.

The Other reserve of £166,791,000 was created during the year ended 30th September 1999, following a cancellation of the share premium account, and forms part of the Company's distributable reserves.

In accordance with the Company's Articles of Association and with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the Capital reserves may be used as distributable profits for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments of dividends.

As at 31st March 2025, the £634,658,000 Capital reserves comprise net gains on the sale of investments amounting to £384,567,000, a gain from the revaluation of investments still held totalling £220,574,000 and an exchange gain on the foreign currency loans of £29,353,000. The £29,353,000 of capital reserves, resulting from the exchange gain on the foreign currency loan, is not distributable. The remaining Capital reserves, totalling £605,305,000, are subject to fair value movements, may not be readily realisable at short notice, and therefore may not be entirely distributable.

The investments are subject to financial risks, therefore Capital reserves (arising on investments sold) and Revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

2 During the period to 31st March 2025, the Company acquired the assets of JPMorgan Japan Small Cap Growth & Income plc (JSGI), following a scheme of reconstruction ('Combination').

CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) At 31st March 2025 £'000	(Unaudited) At 31st March 2024 £'000	(Audited) At 30th September 2024 £'000
Fixed assets			
Investments held at fair value through profit or loss	834,776	796,897	881,405
Investments on loan	199,094	158,600	89,022
Total investments held at fair value through profit or loss	**1,033,870**	**955,497**	**970,427**
Current assets			
Derivative financial assets	592	-	-
Debtors	12,185	5,575	5,422
Cash at bank	40,740	8,390	23,497
Amounts held with clearing houses and brokers	11	-	-
	53,528	**13,965**	**28,919**
Creditors: amounts falling due within one year	(1,266)	(37,116)	(53,269)
Derivative financial liabilities	(5,194)	-	-
Net current assets/(liabilities)	**47,068**	**(23,151)**	**(24,350)**
Total assets less current liabilities	**1,080,938**	**932,346**	**946,077**
Creditors: amounts falling due after more than one year	(67,081)	(67,705)	(67,474)
Net assets	**1,013,857**	**864,641**	**878,603**
Capital and reserves			
Called up share capital[1]	46,153	40,312	40,312
Share premium[1]	138,549	-	-
Capital redemption reserve	8,650	8,650	8,650
Other reserve	166,791	166,791	166,791

Capital reserves	634,658	632,644	641,289
Revenue reserve	19,056	16,244	21,561
Total shareholders' funds	**1,013,857**	**864,641**	**878,603**
Net asset value per share (note 5)	**620.6p**	**591.1p**	**613.8p**

[1] During the period to 31st March 2025, the Company issued ordinary shares in exchange for the assets acquired of JPMorgan Japan Small Cap Growth & Income plc (JSGI), following a scheme of reconstruction ('Combination'), see note 7 for further information.

CONDENSED STATEMENT OF CASH FLOWS

	(Unaudited) Six months ended 31st March 2025 £'000	(Unaudited) Six months ended 31st March 2024 £'000	(Audited) For the year ended 30th September 2024 £'000
Cash flows from operating activities			
Net profit before finance costs and taxation	21,427	142,584	174,700
Adjustment for:			
Net gains on investments held at fair value through profit or loss	(3,155)	(133,184)	(160,568)
Net gains on derivative financial instruments	(7,223)	-	-
Net foreign currency gains	(2,207)	(5,153)	(5,954)
Dividend income	(9,187)	(6,989)	(13,764)
Interest income	(6)	(1)	(2)
Derivative income	(1,065)	-	-
Realised gain/(loss) on foreign exchange transactions	632	(31)	466
(Increase)/decrease in accrued income and other debtors	(75)	(19)	1
(Decrease)/increase in accrued expenses	(16)	57	65
Net cash outflow from operations before dividends and interest	**(875)**	**(2,736)**	**(5,056)**
Dividends received	8,025	5,935	12,167
Interest received	6	1	2
Net cash inflow from operating activities	**7,156**	**3,200**	**7,113**
Purchases of investments and derivatives financial instruments	(187,697)	(116,848)	(293,845)
Sales of investments and derivative financial instruments	261,576	152,519	341,969
Settlement of derivative financial instruments	11,825	-	-
Amounts held with clearing houses and brokers	(11)	-	-
Costs paid in respect of the Combination with JSGI	(882)	-	-
Net cash inflow from investing activities	**84,811**	**35,671**	**48,124**
Equity dividends paid (note 4)	(11,112)	(9,657)	(9,657)
Net cash acquired following the Combination with JSGI (note 7)	5,895	-	-
Costs in relation to issue of Ordinary shares	(164)	-	-
Repurchase of shares into Treasury	(17,418)	(22,274)	(38,393)
Repayment of bank loan	(50,958)	-	(26,023)
Drawdown of bank loan	-	-	41,637
Interest paid	(780)	(691)	(1,402)
CFD interest paid	(198)	-	-
Net cash outflow from financing activities	**(74,735)**	**(32,622)**	**(33,838)**
Increase in cash and cash equivalents	**17,232**	**6,249**	**21,399**
Cash and cash equivalents at start of period/year	23,497	2,141	2,141
Exchange movements	11	-	(43)
Cash and cash equivalents at end of period/year	**40,740**	**8,390**	**23,497**
Cash and cash equivalents consist of:			
Cash at bank	40,740	8,390	23,497
Total	**40,740**	**8,390**	**23,497**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 31st March 2025

1. Financial statements

The information contained within the financial statements in this half year report has not been audited or reviewed by the Company's auditor.

The information contained within the financial statements in this half year report does not constitute statutory accounts as defined by sections 434 and 436 of the Companies Act 2006 and has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 30th September 2024 are extracted from the latest published financial statements of the Company. The financial statements for the year ended 30th September 2024 have been delivered to the Registrar of Companies including the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The condensed financial statements are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP') including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in July 2022.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 31st March 2025.

All of the Company's operations are of a continuing nature.

During the period ended 31st March 2025, the Company used Contracts for Difference (CFDs) as part of its derivative transactions. Under FRS 102, these derivatives are measured at fair value both initially and subsequently. The fair value of CFDs is determined by the difference between the initial contract price of the CFD and the value of the underlying shares, as per the investment accounting policy. Open CFD positions at the period-end are shown at fair value in the Statement of Financial Position under current assets or liabilities.

Income from CFDs is recognised as derivative income in the revenue column of the Statement of Comprehensive Income, while interest paid on CFDs is recognised as a finance cost, in accordance with the allocation policy of the Company. Gains and losses from CFDs are recognised in the capital column of the Statement of Comprehensive Income.

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 30th September 2024.

Issue of Shares Pursuant to a Scheme of Reconstruction of JPMorgan Japan Small Cap Growth & Income plc (JSGI) with the Company (the 'Combination')

On 25th October 2024, the Company issued new Ordinary shares to shareholders of JSGI in consideration for the receipt by the Company of assets pursuant to the Combination with JSGI. The Directors have considered the substance of the assets and activities of JSGI, determining whether these represent the acquisition of a business. The acquisition is not judged to be an acquisition of a business, and therefore has not been treated as a 'business combination'. Rather, the cost to acquire the assets of JSGI has been allocated between the acquired identifiable assets and liabilities based on their relative fair values on the acquisition date without attributing any amount to goodwill or to deferred taxes. Investments, cash and other assets were transferred from JSGI. All assets were acquired at their fair value. The value of the assets received, in exchange for shares issued by the Company, have been recognised in share capital and share premium, as shown in the Statement of Changes in Equity. Direct costs in respect of the shares issued have been recognised in share premium, whereas other professional costs in relation to the Combination have been recognised as transaction costs included within gains and losses on investments held at fair value through profit or loss.

3. Return per share

	(Unaudited) Six months ended 31st March 2025 £'000	(Unaudited) Six months ended 31st March 2024 £'000	(Audited) Year ended 30th September 2024 £'000
Return per share is based on the following:			
Revenue return	8,607	5,487	10,804
Capital return	11,080	135,614	160,934
Total return	**19,687**	**141,101**	**171,738**
Weighted average number of shares in issue	161,744,627	148,297,034	146,544,521
Revenue return per share	5.32p	3.70p	7.37p
Capital return per share	6.85p	91.45p	109.82p
Total return per share	**12.17p**	**95.15p**	**117.19p**

4. Dividends paid

	(Unaudited) Six months ended 31st March 2025		(Unaudited) Six months ended 31st March 2024		(Audited) Year ended 30th September 2024	
	Pence	£'000	Pence	£'000	Pence	£'000
Dividend paid						
Final dividend in respect of prior year	6.75	11,112	6.50	9,657	6.50	9,657

All dividends paid in the period have been funded from the revenue reserve (2024: same).

No interim dividend has been declared in respect of the six months ended 31st March 2025 (2024: nil).

5. Net asset value per share

The net asset value per Ordinary share and the net asset value attributable to the Ordinary shares at the year-end are shown below. These were calculated using 163,370,203 (31st March 2024: 146,267,089 & 30th September 2024: 143,152,089) Ordinary shares in issue at the year-end (excluding Treasury shares).

	(Unaudited) Six months ended 31st March 2025 Net asset value attributable		(Unaudited) Six months ended 31st March 2024 Net asset value attributable		(Audited) Year ended 30th September 2024 Net asset value attributable	
	£'000	pence	£'000	pence	£'000	pence
Net asset value - debt at par value	**1,013,857**	**620.6**	**864,641**	**591.1**	**878,603**	**613.8**
Add: amortised cost of ¥13 billion senior secured loan notes	67,081	41.1	67,705	46.3	67,474	47.1
Less: fair value of ¥13 billion senior secured loan notes	(55,461)	(34.0)	(61,919)	(42.3)	(59,622)	(41.7)
Net asset value - debt at fair value	**1,025,477**	**627.7**	**870,427**	**595.1**	**886,455**	**619.2**

6. Fair valuation of instruments

The fair value hierarchy disclosures required by FRS 102 are given below:

	(Unaudited) Six months ended 31st March 2025		(Unaudited) Six months ended 31st March 2024		(Audited) Year ended 30th September 2024	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,033,870	-	955,497	-	970,427	-
Level 2[1]	592	(5,194)	-	-	-	-
Total	**1,034,462**	**(5,194)**	**955,497**	**-**	**970,427**	**-**

1 Includes the fair value of derivative financial instruments (long CFDs).

7. Net assets acquired following the Combination with JPMorgan Japan Small Cap Growth & Income plc (JSGI)

On 25th October 2024, the Company issued new Ordinary shares to shareholders of JSGI in consideration for the receipt by the Company of assets pursuant to the Combination with JSGI. The value of the assets acquired were determined in accordance with the Scheme and based on the formula asset value at the calculation date of the transaction.

	JSGI £'000
Investments	137,224
Cash	5,895
Other assets	1,435
Formula Asset Value	144,554
Satisfied by the value of new Ordinary shares issued	**144,554**

Transaction costs paid by the Company amounted to £882,000 which have been recognised in gains and losses on investments held at fair value through profit and loss. Direct share issue costs of £164,000, paid by the Company, have been recognised in Share Premium. The Manager's contribution towards the total transaction costs paid by the Company and JSGI which has been settled by waiver of its management fee, amounted to £1,519,000.

8. Analysis of Changes in Net Debt

	As at 30th September 2024 £'000	Cash flows £'000	Exchange Rate Movement and Amortisation £'000	As at 31st March 2025 £'000
Cash and cash equivalents				
Cash at bank	23,497	17,232	11	40,740
	23,497	17,232	11	40,740
Borrowings				
Debt due within one year	(52,120)	50,958	1,162	-
Debt due after one year	(67,474)	-	393	(67,081)
	(119,594)	50,958	1,555	(67,081)
Net debt	**(96,097)**	**68,190**	**1,566**	**(26,341)**

JPMORGAN FUNDS LIMITED

28th May 2025

For further information, please contact:

Priyanka Vijay Anand

For and on behalf of

JPMorgan Funds Limited - Company Secretary

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Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

ENDS

A copy of the Half Year Report will be submitted to the National Storage Mechanism and will shortly be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism

The 2025 Half Year Report will also shortly be available on the Company's website at www.jpmjapanese.co.uk where up to date information on the Company, including daily NAV and share prices, factsheets and portfolio information can also be found.

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