Aberdeen Japan Investment Trust PLC

Annual Report
31 March 2016

Aberdeen's office in the city of Tokyo is located immediately above Toranomon station and was founded in 2006. This 'zone' is host to many government ministries and agencies such as the Financial Services Agency. Tokyo is both Japan's capital and its largest city.

Contents

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To find out more about Aberdeen Japan Investment Trust PLC, please visit *www.aberdeenjapan.co.uk*

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Company Overview

Launched in 1998, Aberdeen Japan Investment Trust PLC (the "Company") is an investment company with its Ordinary shares listed on the premium segment of the London Stock Exchange. The Company is an investment trust and aims to achieve long-term capital growth principally through investment in listed Japanese companies which are believed by the Investment Manager to have above average prospects for growth.

The Company is governed by a Board of Directors, all of whom are independent, and has no employees. Like other investment companies, it outsources its investment management and administration to an investment management group, the Aberdeen Asset Management group of companies, and other third party providers. The Company does not have a fixed life.

Net asset value total return 2016

–6.2%

2015 +58.2%

Share price total return 2016

–12.0%

2015 +46.6%

Index total return 2016

–1.7%

2015 +26.0%

Average discount to net asset value 2016*

–6.4%

2015 –8.4%

*(Discount)/premium ranged from -14.4% to 4.4% during 2016

Revenue return per Ordinary share 2016

5.67p

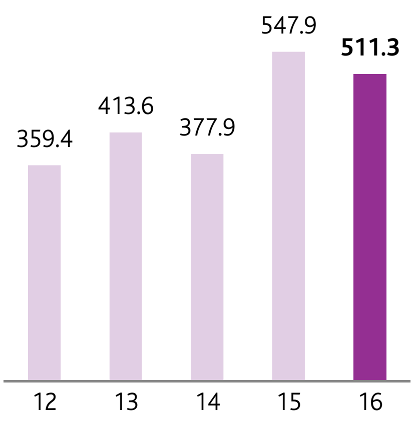
2015 3.70p

Dividend per Ordinary share 2016

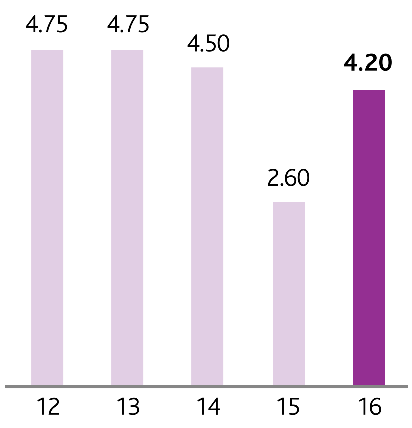
4.20p

2015 2.60p

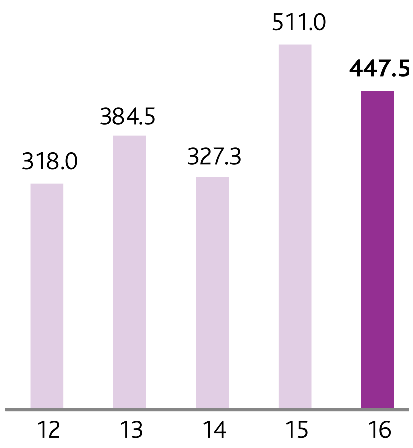
Net Asset Value
At 31 March – pence



Dividends per share
For year to 31 March – pence



Share price
At 31 March – pence



Strategic Report

The Company is an investment trust which invests in a portfolio of about 40 companies in Japan selected by the Manager from the 3,500 listed stocks in the Japan market.

The Manager's investment approach is that superior returns are attainable by investing in companies with good fundamentals over the long term which the Manager believes have above average prospects for growth. Most companies are expected to be held for extended periods of time giving a relatively low level of transactions in the portfolio.

Aberdeen Japan Investment Trust PLC was launched over 17 years ago originally with an Asia including Japan mandate. In 2013 the shareholders approved a change of mandate to Japan only and since then the Company has delivered a strong NAV return of 38.7%.

Chairman's Statement

Neil Gaskell
Chairman

Highlights

Since the change in the mandate, your Company has delivered a strong NAV return of 38.7%, an outperformance of 19.4% versus the benchmark.

Overview of the year ended 31 March 2016

The year was marked by political and economic uncertainties as commodity prices plunged, growth in China slowed, Prime Minister Abe's reforms struggled to produce growth or inflation, the EU referendum loomed and US monetary policy wavered. Global stock markets gyrated, the US dollar appreciated against most major currencies and the Company experienced a challenging second full year of its Japan-only mandate.

Over the year, your Company's net asset value (NAV) returned -6.2%, compared to the benchmark Topix return of -1.7%, in sterling terms. This 4.5% NAV underperformance is largely due to a loss on the currency hedge almost all of which came in the first quarter of 2016 when the yen strengthened despite negative interest rates and Brexit worries weakening sterling. A further negative impact of the gearing amounting to -1.7% was offset by the good stock selection seen at the portfolio level relative to the index. A detailed analysis of the portfolio's performance is set out in the Manager's Review on page 6.

Since the change of the mandate in late 2013 your Company has delivered a strong NAV return of 38.7%, outperforming the index by 19.4%, in which the currency hedge has been virtually neutral with a small 0.5% gain over the whole period. As has been noted previously, the currency hedge, which was about 46% of NAV at the year end, manages currency related risk, and in so doing will periodically produce either gains or losses, as was the case this year. The long term strength of the Company is in the Manager's approach to investing which has proved its worth by sustaining the underlying outperformance against the benchmark despite the volatility of the markets.

Confidence in Japan was strong in the first half of the year. The market rose 9.6% by mid-August in local currency terms and the discount narrowed from 6.7% as at 31 March 2015 to reach a small premium during July and August. This allowed the Company to issue a total 1.23 million new shares, equivalent to about 8.4% of its opening issued share capital, at a premium to NAV value ranging from 1.1% to 2.7% and raised additional capital for the Company totalling £6.8 million. However, thereafter the market fell by almost 20% by the year end (again in local currency terms) and the discount to NAV per Ordinary share widened to 12.5% at the year end. As a result the Company's share price total return for the year fell by 12.0%.

The Board closely monitors the discount level and has in place a mechanism to buy back shares at certain levels. In early 2016, as discounts across the investment trust sector widened, the Company's discount traded at times above 10% and a number of small buybacks were undertaken. During March 2016, a total of 229,000 shares were bought back to be held in treasury; a further 3,500 shares were bought back subsequent to the year end. Overall the discount averaged 9.5% over the last 90 days of the financial year and there is therefore no requirement under the articles for the Company to put forward a continuation vote to shareholders.

Gearing

The Company continued to make use of a closed-ended vehicle's opportunity to gear through its Yen 1.3 billion fixed term and Yen 800 million floating facilities with ING Bank. Although shareholders' funds decreased marginally from £79.9 million to £79.7 million, the strengthening of the yen against sterling over the course of the year resulted in an increase in the Company's net gearing position from 8.5% to 12.1% at 31 March 2016. The Board continues to monitor the level of gearing and considers a gearing level of around 10% to be appropriate, although as highlighted previously, with market fluctuations, this may range between 5% and 15%.

Dividend

The net income for the year increased as dividend levels are gradually increasing in Japan. The Board aims to maintain a stable dividend paying not less than the amount required to maintain investment trust status. Based on this policy the Board is recommending a final dividend of 4.2p per Ordinary share in respect of the year ended 31 March 2016 (2015 – 2.6p).

If approved, the dividend will be paid on 8 July 2016 to shareholders on the register as at close of business on 10 June 2016. The ex-dividend date is 9 June 2016.

Board

Sir David Warren was appointed as a Director of the Company on 1 December 2015. Sir David's career in the British Diplomatic Service has spanned over 35 years with extensive experience of Asia and, in particular, of Japan when he served three times in the British Embassy in Tokyo and was British Ambassador from 2008 to 2012.

As part of the Board's on-going succession planning, Sir Andrew Burns has indicated that he intends to retire from the Board at the AGM to be held in July 2016 and will not be seeking re-election. On behalf of the Board I would like to thank Andrew very much for his contribution and wise counsel to the Company.

Outlook

The International Monetary Fund recently trimmed its global growth forecast for the fourth time in 12 months. Structural problems, such as China's slowdown and advanced economies' continued weaknesses, are constraining global growth, leaving world markets vulnerable to unexpected shocks. Japan's stock market, like its major counterparts elsewhere, reflects this uncertainty. It is the second largest in the world and yet it is under-researched. Tellingly, a third of all listed Japanese companies, many with significant international businesses, failed to get any attention from analysts, compared to 4% in the US. The Manager's local presence in Tokyo gives a front row seat to unfolding corporate developments and allows them to unearth good companies that have been neglected by mainstream analysts.

In the past year, the challenges facing the Japanese stock market have confirmed the value of the Manager's approach of seeking out the best companies through its tough screening process. The solid fundamentals of the underlying investments in your Company's portfolio and their long-term growth potential remain undiminished, despite being buffeted by global headwinds. At the same time, the Manager's long-term buy-and-hold approach is aligned with the interests of your Company and the scope for improving long term returns is substantial.

The Board is therefore confident of the attractiveness of investing in Japan and that the good start to the Japan only mandate will be maintained in the future.

Neil Gaskell
Chairman

31 May 2016

Manager's Review

Overview

Japan, like the rest of Asia, faced considerable market turbulence during the year under review. Local equities had a good start but later gave up those gains to end almost 2% lower in sterling terms. Broadly, the market wobbles reflected global growth concerns and depressed commodity prices. Monetary policy divergence between the US and the rest of the world also curbed investor appetite. Risk aversion peaked at the turn of the year, when persistent concerns over the health of China's economy and a renewed slump in the oil price sparked a global market rout.

The Bank of Japan's (BOJ) unexpected move in late January in imposing negative interest rates exacerbated volatility. Japanese ten-year yields, the closest proxy to the BOJ's policy rate, fell below zero for the first time ever in February following the decision. While the central bank's intention was to weaken the yen in the short term and stimulate the economy in the long term, the move produced some unintended consequences. Most notably, the yen strengthened rather than weakened against most major currencies. The currency's ascent was due largely to perceptions that it was a safe haven during uncertain times, and especially because of the dollar's depreciation, after the Federal Reserve pared back expectations for interest-rate increases. Lower interest rates normally lead to a country's currency depreciating, helping its exporters in the longer term. Banks bore the brunt of the sell-off, as negative interest rates would put further pressure on interest margins.

On the economic front, private consumption was weak as households tightened their purse strings; anaemic wage rises were partly to blame. Industrial production also faltered as exports waned, while inflation remained well below the Bank of Japan's 2% target. After more than three years of Abenomics, a sustained rise in economic activity has proven elusive.

Portfolio review

The Trust's equity portfolio (i.e. excluding the impact of hedging) performed in line with the benchmark's return which fell by 1.7% over the review period. The NAV underperformance versus the benchmark in the first six months, as reported in the half yearly report (excluding the hedge), was offset by an outperformance during the second half of the year of 9.4% in the NAV.

In terms of stock-level performance, the Trust's holdings in the consumer staples and financial sectors contributed the most to performance. Among our consumer holdings, Japan Tobacco was a notable contributor. The cigarette company's shares did well after it unexpectedly sought regulatory approval to raise prices from April; with its application being recently approved. In addition, its solid international operations supported full-year earnings, with expanding European market share offsetting sluggish demand in Russia.

Another key contributor was men's grooming products maker Mandom. Its earnings met expectations after lowering its forecast in the wake of a fatal explosion on its Indonesian aerosol production line. Although the company will post an extraordinary loss of 1.5 billion yen as costs related to the accident, the core personal care products business remains intact. At home, its female grooming business gained traction, with growth seen across categories and increasing demand from both inbound travellers and domestic consumers. Okinawa-based retailer San-A was another beneficiary of upbeat earnings, as brisk inbound tourism boosted sales.

In financials, Daito Trust Construction did particularly well. The rental housing builder's shares gained from recent data that revealed better-than-expected orders in February amid still-robust housing occupancy levels. The company recently bought a 37.5% stake in home-care services provider Solasto, with the intention of building up a nursing home business through the latter's platform. With the nation's population ageing rapidly, demand for healthcare and nursing homes is naturally expected to increase. Our lack of exposure to Mitsubishi UFJ's shares provided a further boost as the lender came under pressure after the imposition of negative interest rates. The Trust's holdings in Bank of Yokohama and Suruga Bank detracted from performance for the same reason. However, Suruga's focus on retail loans is likely to provide some buffer, thereby making it more resilient than its rivals. The Trust continues to maintain a light exposure to local banks. We have been cautious about investing in the banking sector because of scepticism over its prospects.

Elsewhere, Asahi Intecc posted solid second-quarter results that were driven by healthy domestic and overseas sales of its medical devices, cost rationalisation and a favourable currency effect. The medical products manufacturer is well-positioned in the medium term, with limited competition for its market position. Upcoming product launches should provide it with further growth opportunities. Daikin Industries' core air-conditioning business recovered, particularly in China, which makes up a significant portion of group profits. Separately, the company is acquiring US air-filter maker Flanders for US$430 million as it seeks expansion.

Conversely, Shin-Etsu Chemical continued to weigh on performance, even though its third-quarter results met expectations. Falling sales of certain chips eroded profits in the semiconductor silicon business, but its PVC segment did well because of better export margins. The company is investing 20 billion yen to expand capacity at its silicones business to meet growing demand from automotive, cosmetics and healthcare applications.

Other laggards included several holdings that were previously dampened by their exposure to China. These included Nippon Paint, Nabtesco and Fanuc. Nippon Paint cut its full-year forecast amid weak sales for its decorative and industrial paints. Machinery maker Nabtesco lagged because of lacklustre sales for its aircraft and hydraulic division, along with a rise in restructuring costs. But sales have recovered recently and demand for hydraulic equipment appears to have bottomed. The fall in robot-maker Fanuc's share price was due to a deceleration in capital spending by smartphone makers and weaker machine-tool demand.

Taking advantage of a rally in its share price, we sold autoparts maker FCC because of deteriorating business fundamentals. The company has been investing in the four-wheel clutch business but returns from investments looked poor and lacked visibility. It also faced repeated hiccups in starting up new plants, which pushed up costs in turn. The other key portfolio activity was the introduction of stock exchange operator Japan Exchange Group, which was mentioned in the interim report.

Outlook

Investor sentiment has improved in recent weeks, but volatility could return as a dominant theme in 2016. Numerous risks threaten to derail a still-frail world economy, and Japan will not be immune from the headwinds. Divergent monetary policy is a source of uncertainty as more central bankers venture into the unfamiliar territory of negative interest rates. Across the region, a further misstep by Beijing could revive global market turmoil. Renewed stress in emerging markets could spark further currency depreciations and greater capital flight.

At home, policymakers' inability to lift the economy on to a sustained growth path remains a key worry. Little headway has been made in tackling the structures essential to boosting productivity and competitiveness. Meanwhile, there are few signs that the negative interest rate programme is having a meaningful impact in terms of raising levels of consumption and investment. Recent deterioration in GDP growth and external demand increases the likelihood that next year's consumption tax hike will be delayed again. Earnings and dividend outlook appear muted against this backdrop. The upcoming upper house election may turn out to be a vote on effectiveness of the prime minister's economic policies.

That said, this dim backdrop should not cloud corporate achievements. Japan's best companies, having gained much experience from overcoming the tough economic challenges of the 'lost decades', have not been sitting idle waiting for a turnaround. Many have been expanding overseas for some time, which allows them to benefit from growth elsewhere, while others are growing domestic share. Some have also relocated their manufacturing to lower-cost countries. Encouragingly, corporate governance is also improving, albeit at a slower pace than we would like. As such, our optimism stems from our faith in the ability of the management in the Trust's holdings, to continue to perform well. After all, investing in Japan is not about investing in the economy but in the companies themselves which we know and understand.

Aberdeen Investment Management Kabushiki Kaisha
Investment Manager

31 May 2016

Overview of Strategy

Business Model

This report provides shareholders with details of the Company's business model and strategy as well as the principal risks and challenges it faces.

The Company is an investment trust which seeks to deliver a competitive return to its shareholders through the investment of its funds in accordance with the investment policy as approved by shareholders.

The Board appoints and oversees an investment manager, decides the appropriate financial policies to manage the assets and liabilities of the Company, ensures compliance with legal and regulatory requirements and reports objectively to shareholders on performance.

The Directors do not envisage any change in this model in the foreseeable future.

Investment Objective

To achieve long-term capital growth principally through investment in listed Japanese companies which are believed by the Investment Manager to have above average prospects for growth.

The Board's strategy is represented by its investment policy, financial policies, and risk management policies.

Investment Policy

The Company primarily invests in the shares of companies which are listed in Japan. The portfolio is constructed through the identification of individual companies of any market capitalisation size and in any business sector, which offer long-term growth potential.

The portfolio is selected from the 3,500 listed stocks in Japan and is actively managed to contain between 30 and 70 stocks which, in the Manager's opinion, represent the best basis for producing higher returns than those of the market as a whole in the long term. There will therefore inevitably be periods in which the Company's portfolio both outperforms and also underperforms the market as represented by the Company's benchmark.

The Board does not impose any restrictions on these shorter term performance variations from the benchmark, nor any limits on the concentration of stock or sector weightings within the portfolio, except that no individual shareholding shall exceed 10% of the Company's portfolio at the time of purchase, although market movements may subsequently increase this percentage.

The full text of the Company's investment policy is provided on page 59.

Investment Approach

The Investment Manager's investment philosophy is that markets are not always efficient. The Investment Manager's approach is therefore that superior investment returns are attainable by investing in good companies, defined in terms of the fundamentals that in the Investment Manager's opinion drive share prices over the long-term. The Investment Manager follows a bottom-up investment process based on a disciplined evaluation of companies through visits at least twice a year by its fund managers who are based in Japan. The Manager estimates a company's worth in two stages, quality, defined by reference to management, business focus, the balance sheet and corporate governance, and then price calculated by reference to key financial ratios, the market, the peer group and business prospects. The selection of the portfolio of shares is the major source of the good performance of the portfolio and no stock is bought without the fund managers having first met management. Stock selection is key in constructing a diversified portfolio of companies with macroeconomic, political factors and benchmark weightings being secondary.

Given the long-term fundamental investment philosophy, the Manager expects to hold most companies in which the Company invests for extended periods of time and this accounts for the relatively low level of activity within the portfolio.

Financial Policies

The Board's main financial policies cover the management of shareholder capital, risk management of the Company's asset and liabilities, including currency risk, the use of gearing and the reporting to shareholders of the Company's performance and financial position.

Management of shareholder capital

The Board's policy for the management of shareholder capital is primarily to ensure its long term growth. This growth will reflect both the Manager's investment performance and from time to time the issue of shares when sufficient demand exists to do this without diluting the value of existing shareholder capital. The Board aims normally to pay a dividend each year and not less than the minimum required to maintain investment trust status. The Board will authorise the buyback of shares in order to avoid excessive variability in the discount and if, despite this, the average discount exceeds 10% during the 90 day period preceding its financial year end, the Board will offer shareholders the opportunity to wind up the Company at the next AGM.

Risk Management

The policy for risk management is primarily focused on the investment risk in the portfolio using the Manager's risk management systems and risk parameters, overseen by the Board.

Derivatives

The Company may use derivatives from time to time for the purpose of mitigating risk in its investments, including protection against currency movements. The performance of the Company is subject to fluctuations in the Yen/£ exchange rate. The Company's exposure to Yen fluctuations is offset by the natural hedge provided by any borrowing in Yen as well as by investments in Japanese companies which have significant sources of income from exports of goods or from non-Japanese operations.

The Board has currently determined that approximately 45% of the Company's Yen net assets should be hedged against fluctuations in the Yen/£ exchange rate through the use of rolling forward contracts. The Board monitors the hedging policy and its effects on the Company's performance on a regular basis and, in its absolute discretion, but following consultation with the Manager, will determine what levels of Sterling hedge are appropriate in light of market movements and the composition of the portfolio from time to time.

The wider corporate risks, including those arising from the increasingly regulated and competitive market place, are managed directly by the Board. The principal risks are more fully described under the paragraph 'Principal Risks and Uncertainties'.

Use of Gearing

Gearing is the amount of borrowing used to increase the Company's portfolio of investments in order to enhance returns when and to the extent it is considered appropriate to do so or to finance share buybacks when necessary. The level of borrowing is subject to a maximum of 25% of net assets but will normally be set at a stable and lower level than the maximum. The Board has currently established a gearing level of around 10% of net assets although, with stock market fluctuations, this may range between 5 and15%.

Principal Risks and Uncertainties

The Company's risks are regularly monitored at Audit Committee meetings and the Board believes that the Company is resilient to most short term operational risks which are effectively mitigated by the internal controls of the Manager and Depositary. Identification and mitigation of other longer term and strategic risks which might threaten its business model, future performance or solvency are robustly assessed by the Audit Committee and managed by the Board. The principal risks and uncertainties faced by the Company are described in the table below, together with the mitigating actions.

Description	Mitigating Action
Investment strategy risk The Company and its investment objective may become unattractive to investors. The value of Japanese equities may be affected by factors not associated with the UK, including the general health of the Japanese economy and political events in and around Japan, which can affect investor demand.	The Board monitors longer term trends in investor demand and, if appropriate, can propose changes to the investment objective to the shareholders.
Investment risk Investment risk arises from the Company's exposure to variations of share prices within its portfolio in response to individual company and to wider Japanese or international factors. Investment in a focussed portfolio of shares can lead to greater short term changes in the portfolio's value than in a larger portfolio of stocks and these variations will be amplified by the use of gearing.	The Board regularly monitors the investment performance of the portfolio and the performance of the Manager in operating the investment policy against the long term objectives of the Company and, where appropriate, has in place mitigation measures such as the currency hedging policy.

Overview of Strategy continued

Reputation The attractiveness of the Company to investors is based on the good reputation of the Manager as well as of investment trusts generally. Were investments trusts to fall out of favour as a route for investors or Aberdeen's reputation as Manager of the Company to weaken, it is likely that investor demand would decline.	The Board monitors shareholder sentiment regularly and would be able to take remedial action were its reputation to be threatened.
Regulatory compliance risk The Company operates under a set of UK, European and international laws and regulations.	The Board is active in ensuring that it fully complies with all applicable laws and regulation and is assisted by the Manager and other advisers in doing this. The Board believes that, while the consequences of non-compliance can be severe, the control arrangements it has put in place reduce the likelihood of this happening.
Performance risk Inappropriate investment decisions may result in the Company's underperformance against the benchmark index and Peer Group and a widening of the Company's discount.	The Board regularly reviews performance data and attribution analysis and other relevant factors and, were an underperformance likely to be sustained, would be able to take remedial measures.
Share price and discount risk The principal risks described above each can affect the movement of the Company's share price and in some cases have the potential to increase the discount in the market value of the Company compared with the NAV.	The Board actively monitors the discount and believes that the combined effect of good investment performance, the risk mitigation arrangements described above and its ability to authorise buyback of shares when necessary, will both reduce discount and limit its variability.

Key Performance Indicators (KPIs)

The key performance indicators (KPIs) which the Board uses to monitor the Company's performance are established industry measures, and are as follows:

KPI	Achievement of KPI
• NAV (total return) relative to the Company's benchmark index	Yes
• Share price (total return) vs Peer Group	Yes
• Discount or premium of the share price to NAV vs Peer Group on an annual average.	No

An analysis of the KPIs is provided on pages 12 to 14. Performance is compared against the Company's benchmark index and its Peer Group. In view of the Manager's style of investing, there can be, in the short-term, considerable divergence from both comparators. The Board uses a three year rolling performance for both the KPI measuring NAV total return against the benchmark index and also that for the share price total return compared with the Peer Group, but since the change of mandate also changed the Peer Group, the latter KPI is currently calculated from October 2013. The KPI for the annual average discount is compared with that for its Peer Group. The average discount for the first half of the year exceeded that of the Peer Group but, as market uncertainties developed in the second half year, the discount widened. As a result, the average for the year fell behind the Peer Group average.

Promoting the Company

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective element of achieving this is through participation in the promotional programme run by the Aberdeen Group on behalf of a number of investment trusts under its management.
The purpose of the programme is both to enable the Company to communicate the long-term attractions of the Company effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. The Company also supports the Aberdeen Group's investor relations programme of regional roadshows, promotional and public relations campaigns.

In addition, the Company's website contains a daily update on the latest portfolio performance and a monthly summary of investment performance together with information about the Japanese market, details of the principal risks of investing in the Company and any other significant developments within the Company.

Board Diversity

The Board recognises the importance of having a diverse group of Directors with the right mix of competencies to allow the Board to fulfil its obligations. At 31 March 2016 there were four male Directors and one female Director, all of whom bring different experience and skills and contribute distinctively to the Board's performance. The Board's statement on diversity is set out on page 25.

Employee, Environmental, Social and Human Rights Issues

The Company has no employees as it has delegated operational management to the Manager. There are therefore no disclosures to be made in respect of employees. The Company's approach to corporate responsible investment is outlined on page 27.

Viability Statement

The Company's business model is designed to deliver long term capital growth to its shareholders through investment in large and liquid stocks in the global equity markets. Its plans are therefore based on having no fixed or limited life provided the global equity markets continue to operate normally.

The Board has assessed its prospects over a three year period in accordance with the 2014 UK Corporate Governance Code. In making this assessment, the Board has considered the principal risks and related mitigating actions for the Company as set out above on pages 9 to 10 and matters such as significant economic or stock market volatility, a substantial reduction in the liquidity of the portfolio, or changes in investor sentiment which could have an impact on the Company's prospects in the future.

The Board considers that, given that it is invested in readily realisable listed securities, and has a relatively low level of fixed expenses and of debt, it will be able to meet the Company's liabilities when they fall due for the foreseeable future but that a three year period reflects appropriately the inherent and increasing uncertainties involved in assessment of its prospects over a longer period.

Accordingly, taking into account the Company's current position and its prospects, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of three years from the date of this Report.

The Strategic Report was approved by the Board of Directors and signed on its behalf by:

for Aberdeen Japan Investment Trust PLC

Neil Gaskell
Chairman
31 May 2016

Results

Financial Highlights

	31 March 2016	31 March 2015	% change
Total assets	£90,246,000	£87,251,000	+3.4
Total equity shareholders' funds (net assets)	£79,723,000	£79,949,000	–0.3
Market capitalisation	£69,776,760	£74,562,933	–6.4
Share price (mid market)	447.50p	511.00p	–12.4
Net asset value per share	511.29p	547.91p	–6.7
Discount to net asset value	12.5%	6.7%	
Net gearing[A]	12.1%	8.5%	
Operating costs			
Ongoing charges ratio[B]	1.29%	1.37%	
Earnings			
Total return per share	(36.18p)	174.47p	
Revenue return per share	5.67p	3.70p	
Proposed final dividend per share	4.20p	2.60p	
Revenue reserves (prior to payment of proposed final dividend)	£2,050,000	£1,554,000	

Definitions are disclosed on page 60.

[A] Calculated in accordance with AIC guidance "Gearing Disclosures post RDR".

[B] Ongoing charges ratio calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses divided by the average cum income net asset value throughout the year.

Performance (total return in sterling terms)

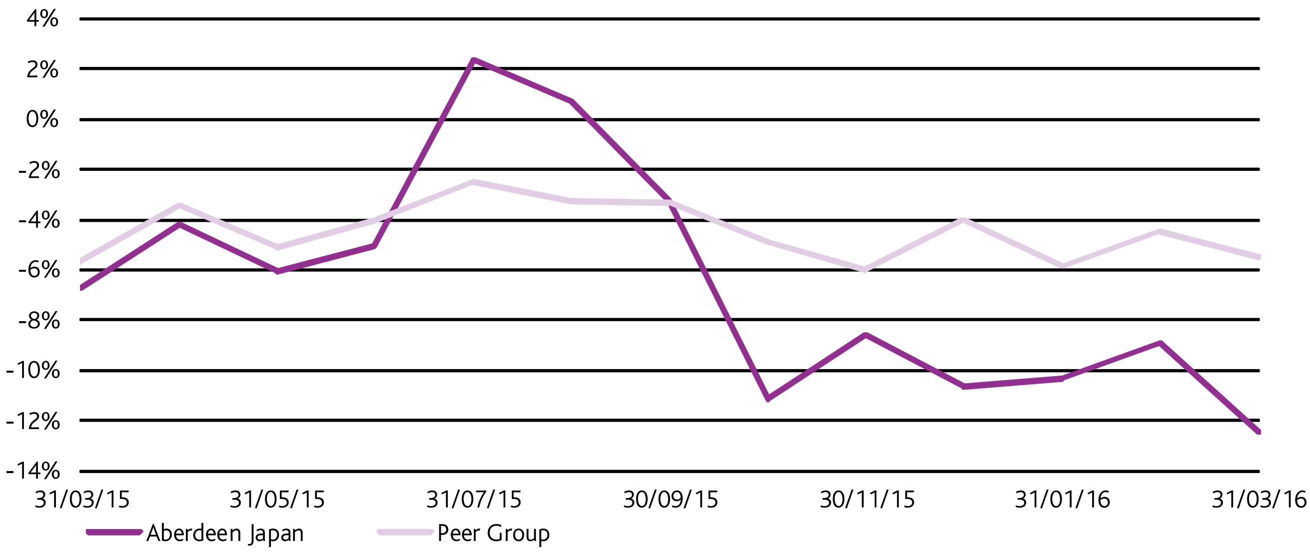
	1 year return	3 year return	5 year return	Return since 8 October 2013 (change of mandate)
Net asset value	–6.2%	+27.2%	+55.1%	+38.7%
Index	–1.7%	+16.5%	+30.1%	+19.3%
Share price	–12.0%	+20.2%	+56.2%	+32.9%
Peer Group share price	–3.5%	+48.7%	+102.9%	+30.9%
Average discount – Company	–6.4%	–7.8%	–9.9%	–7.7%
Average discount – Peer Group	–4.5%	–5.9%	–8.1%	–5.7%

Source: Aberdeen Asset Managers Limited, Lipper & Morningstar.
Total return represents capital return plus dividends reinvested.
Dividend calculations are based on reinvestment at the ex-dividend date. NAV returns are based on cum-income NAV with debt at fair value.
Based on share price and NAV per Morningstar (ie as available in the market, not including unreleased R&A NAVs).
Peer Group is the Japan sector of Morningstar.
Index represents the MSCI AC Asia Pacific (including Japan) Index (in Sterling terms) up to 7 October 2013 and the TOPIX (in Sterling terms) from 8 October 2013.

Performance

Discount (%) v Peer Group Average

Year to 31 March 2016

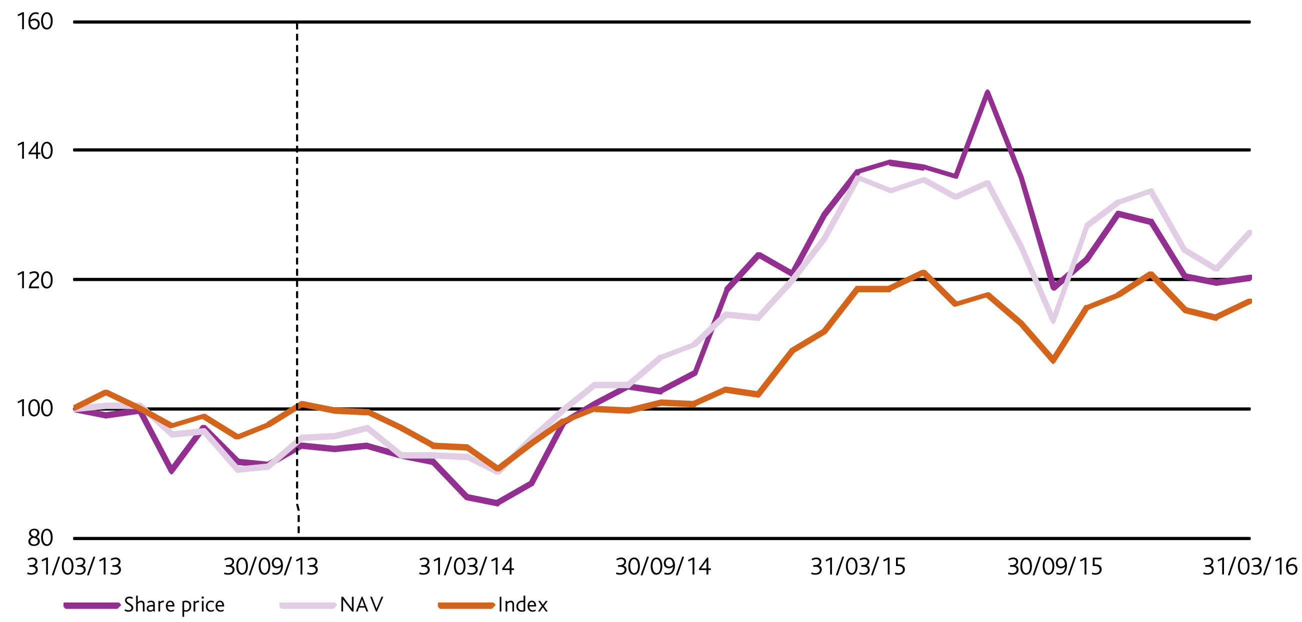


Source: Aberdeen Asset Management & Morningstar

Total Return of NAV and Share Price vs Index (in Sterling terms)

Three Years to 31 March 2016 (rebased to 100 at 31 March 2013)

---- This line represents the date of investment mandate change

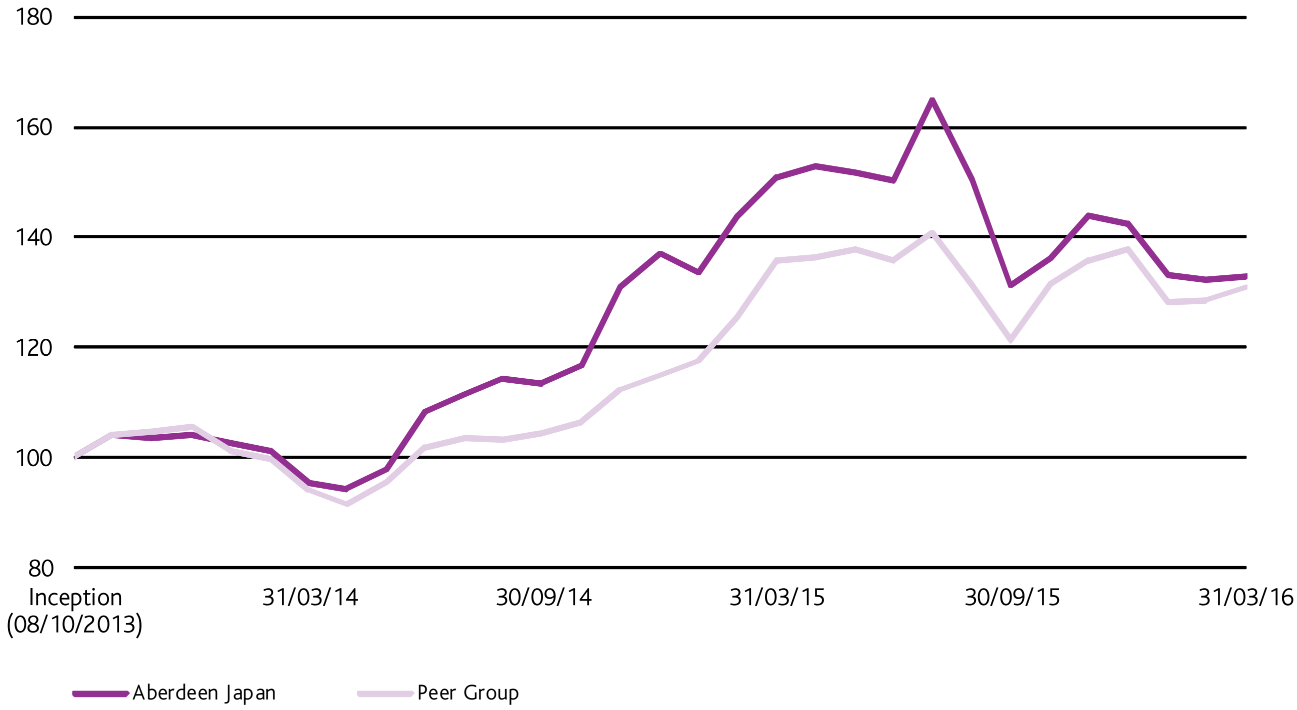


Source: Aberdeen Asset Management, Lipper, Morningstar, Factset

Performance continued

Share Price Total Return v Peer Group

8 October 2013 (Change of Mandate) to 31 March 2016 (rebased to 100 at 8 October 2013)



Ten Year Financial Record

Year to 31 March	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total revenue (£'000)	747	1,202	1,242	1,061	1,525	1,788	1,604	1,710	1,222	1,681
Per share (p)										
Net revenue return	0.47	3.04	3.50	2.25	4.65	6.03	5.13	6.00	3.70	5.67
Total return	(18.89)	7.49	(56.07)	125.36	32.46	12.05	58.98	(30.91)	174.47	(36.18)
Dividend	0.00	0.00	2.40	1.50	3.25	4.75	4.75	4.50	2.60	4.20
Net asset value	239.87	247.82	192.67	316.34	347.30	359.38	413.61	377.94	547.91	511.29
Shareholders' funds (£'000)	40,026	40,329	30,311	49,009	53,805	52,439	60,352	55,148	79,949	79,723

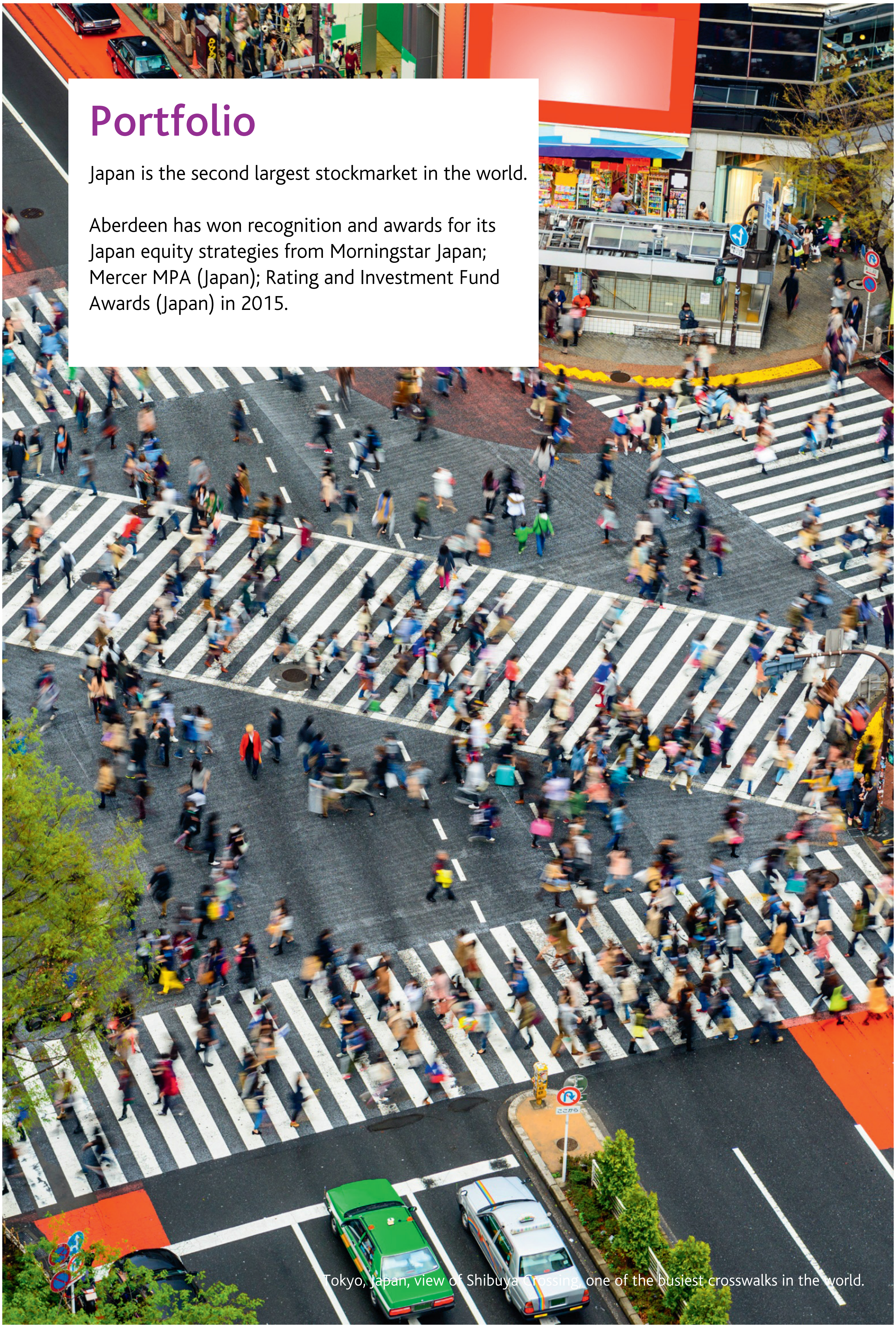
Dividends

	Rate	Ex-dividend date	Record date	Payment date
Proposed final dividend 2016	4.20p	09 June 2016	10 June 2016	08 July 2016
Final dividend 2015	2.60p	18 June 2015	19 June 2015	16 July 2015

Portfolio

Japan is the second largest stockmarket in the world.

Aberdeen has won recognition and awards for its Japan equity strategies from Morningstar Japan; Mercer MPA (Japan); Rating and Investment Fund Awards (Japan) in 2015.



Tokyo, Japan, view of Shibuya Crossing, one of the busiest crosswalks in the world.

Portfolio

Ten Largest Investments

As at 31 March 2016

Company	Sector	Valuation 2016 £'000	Total assets %	Valuation 2015 £'000
Shin-Etsu Chemical Company Despite the challenging environment, the Japanese maker of specialised chemicals remains a leader in its industry, due to its technological edge and a greater focus on profits than most rivals.	Chemicals	4,720	5.2	4,251
Keyence Corporation The leading maker of sensors has a cash generative business and is backed by a strong balance sheet and technological expertise.	Electronic & Electrical Equipment	4,360	4.8	4,127
Japan Tobacco Inc The world's third-largest cigarette company with a dominant domestic market share, Japan Tobacco has made good overseas acquisitions and is positioned to gain from exposure to emerging markets.	Tobacco	4,296	4.8	3,791
KDDI Corporation One of Japan's leading telecommunications services providers offering mobile, fixed-line and cable TV services. The company was also one of the first of its kind to introduce bundling between mobile handset and FTTH (fibre to the home), which has allowed for good customer retention.	Mobile Telecommunications	3,819	4.2	2,480
Nabtesco Corporation The industrial equipment maker has a high market share in its businesses thanks to its technological edge in niche areas. It also has healthy finances and a good track record on cost controls.	Industrial Engineering	3,800	4.2	3,747
Seven & I Holdings Company A Japanese retail conglomerate with interests in a wide range of domestic businesses including convenience stores, discount stores, supermarkets, department stores and food services, which gives its earnings a defensive edge.	General Retailers	3,688	4.1	3,647
Amada Holdings Company A manufacturer of sheet metal fabrication machines. The company has a leading position especially among Japanese small to mid-size enterprises thanks to its core technology and effective sales strategy leveraging its internal financing operations.	Industrial Engineering	3,311	3.7	2,717
Toyota Motor Corporation Japan's largest car manufacturer, it also operates financing services through its subsidiaries. The Manager likes it for its global presence and solid overseas growth prospects.	Automobiles & Parts	3,156	3.5	2,867
Fanuc Corporation A leading manufacturer of factory automation systems, equipment and robots that has an excellent track record of being able to maintain margins with robust cash flow and a strong net cash position.	Industrial Engineering	3,073	3.4	4,084
East Japan Railway Company Provider of rail transportation services including the shinkansen (bullet train) network in the Kanto & Tohoku regions.	Travel & Leisure	3,002	3.3	2,859
Top ten investments		**37,225**	**41.2**	

Other Investments

As at 31 March 2016

Company	Sector	Valuation 2016 £'000	Total assets %	Valuation 2015 £'000
Chugai Pharmaceutical Company	Pharmaceuticals & Biotechnology	2,882	3.2	2,947
Daito Trust Construction Company	Real Estate Investment & Services	2,611	2.9	2,020
Astellas Pharma Inc	Pharmaceuticals & Biotechnology	2,576	2.8	2,520
Kansai Paint Company	Chemicals	2,507	2.8	2,219
Pigeon Corporation	Personal Goods	2,317	2.6	2,553
Daikin Industries	Industrial Engineering	2,222	2.5	1,930
San-A Company	Food & Drug Retailers	2,108	2.3	1,309
Honda Motor Company	Automobiles & Parts	2,082	2.3	1,955
Yahoo Japan Corporation	Software & Computer Services	2,077	2.3	1,716
Suruga Bank	Banks	2,056	2.3	812
Top twenty investments		**60,663**	**67.2**	
Aeon Financial Service Company	Financial Services	1,981	2.2	1,399
Sysmex Corporation	Health Care Equipment & Services	1,934	2.1	1,571
Daibiru Corporation	Real Estate Investment & Services	1,882	2.1	1,637
Makita Corporation	Household Goods & Home Construction	1,868	2.1	1,480
Canon Inc	Technology Hardware & Equipment	1,868	2.1	3,267
Unicharm Corporation	Personal Goods	1,851	2.0	2,687
Mandom Corporation	Personal Goods	1,833	2.0	2,089
Bank Of Yokohama	Banks	1,664	1.8	1,890
Shimano Inc	Leisure Goods	1,506	1.7	1,316
Nippon Paint Holdings Company	Chemicals	1,499	1.7	1,926
Top thirty investments		**78,549**	**87.0**	
USS Company	General Retailers	1,460	1.6	1,334
Mitsubishi Estate Company	Real Estate Investment & Services	1,346	1.5	1,346
Asahi Intecc Company	Health Care Equipment & Services	1,321	1.5	1,774
Denso Corporation	Automobiles & Parts	1,292	1.4	1,072
Calbee Inc	Food Producers	1,233	1.4	1,923
Resorttrust Inc	Travel & Leisure	1,187	1.3	1,474
Japan Exchange Group Inc.	Financial Services	1,166	1.3	–
Asics Corporation	Personal Goods	1,016	1.1	1,794
Aisin Seiki Company	Automobiles & Parts	418	0.5	855
Total investments		**88,988**	**98.6**	
Net current assets[A]		**1,258**	**1.4**	
Total assets		**90,246**	**100.0**	

[A] Excludes bank loans of £2,476,000

Unless otherwise stated, foreign stock is held and all investments are equity holdings.

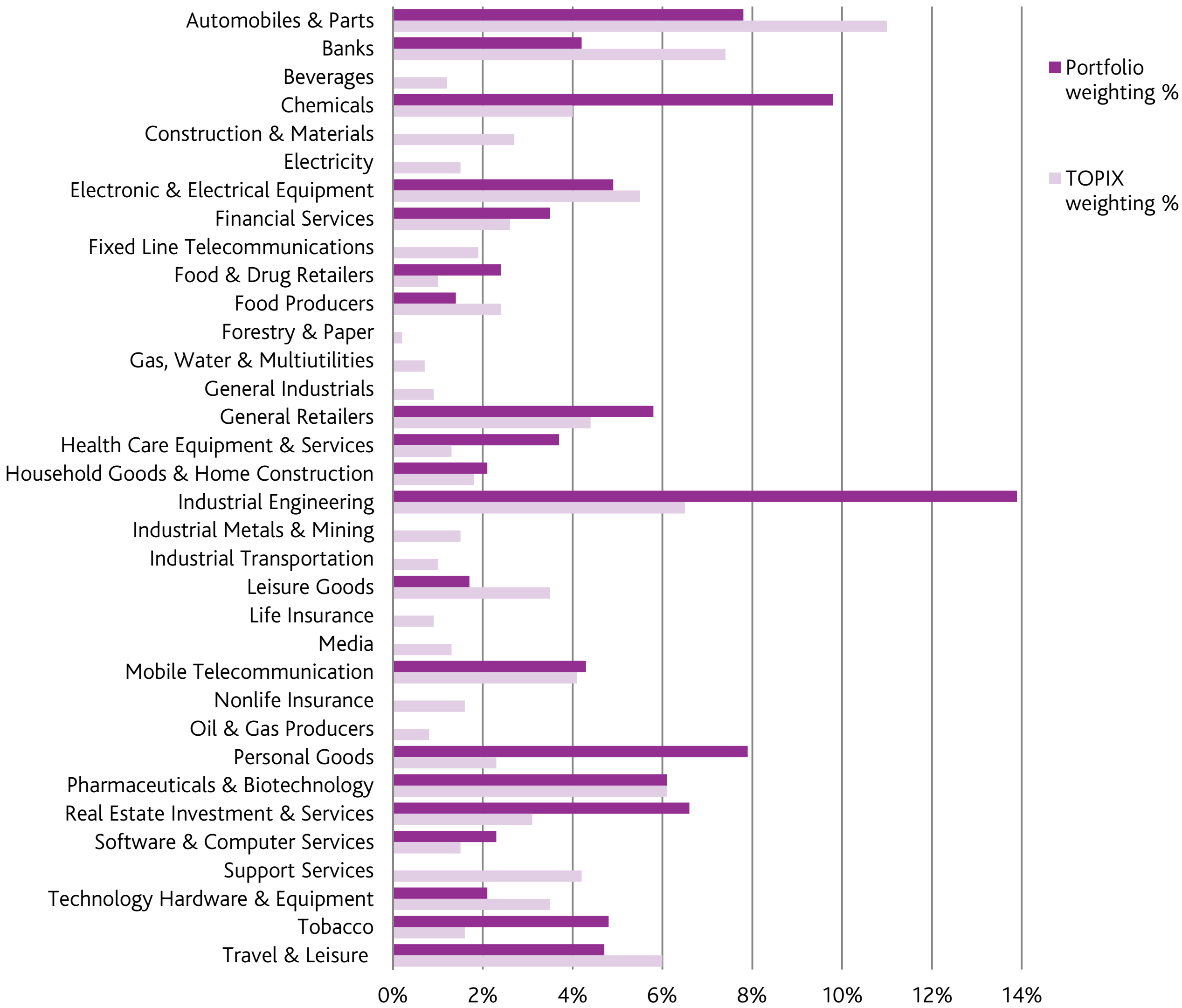
In the 2015 valuation column "-" denotes stock not held at last year end.

Portfolio

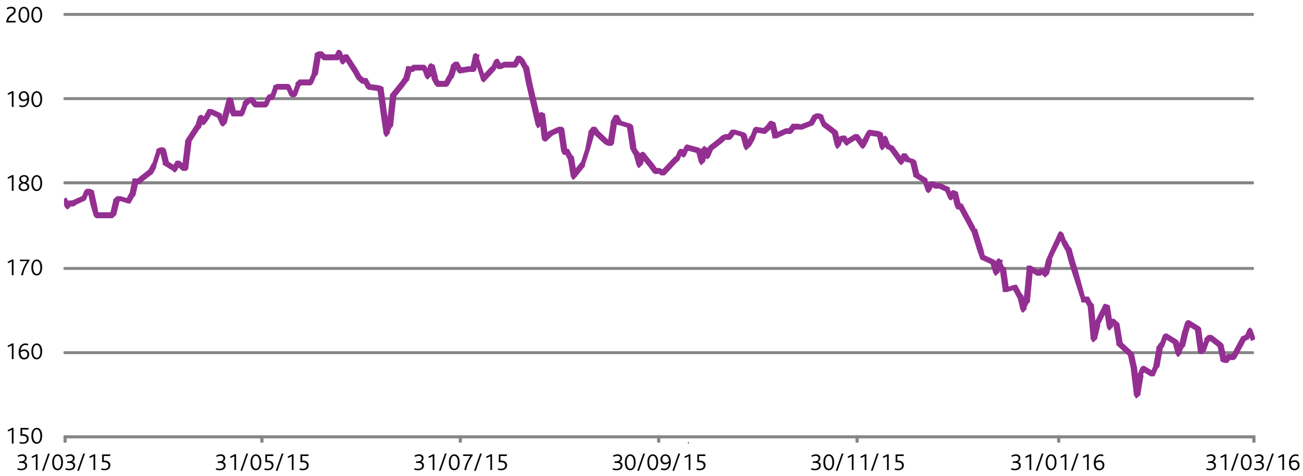
Sector Analysis and Currency Graph

As at 31 March 2016

Sector Breakdown



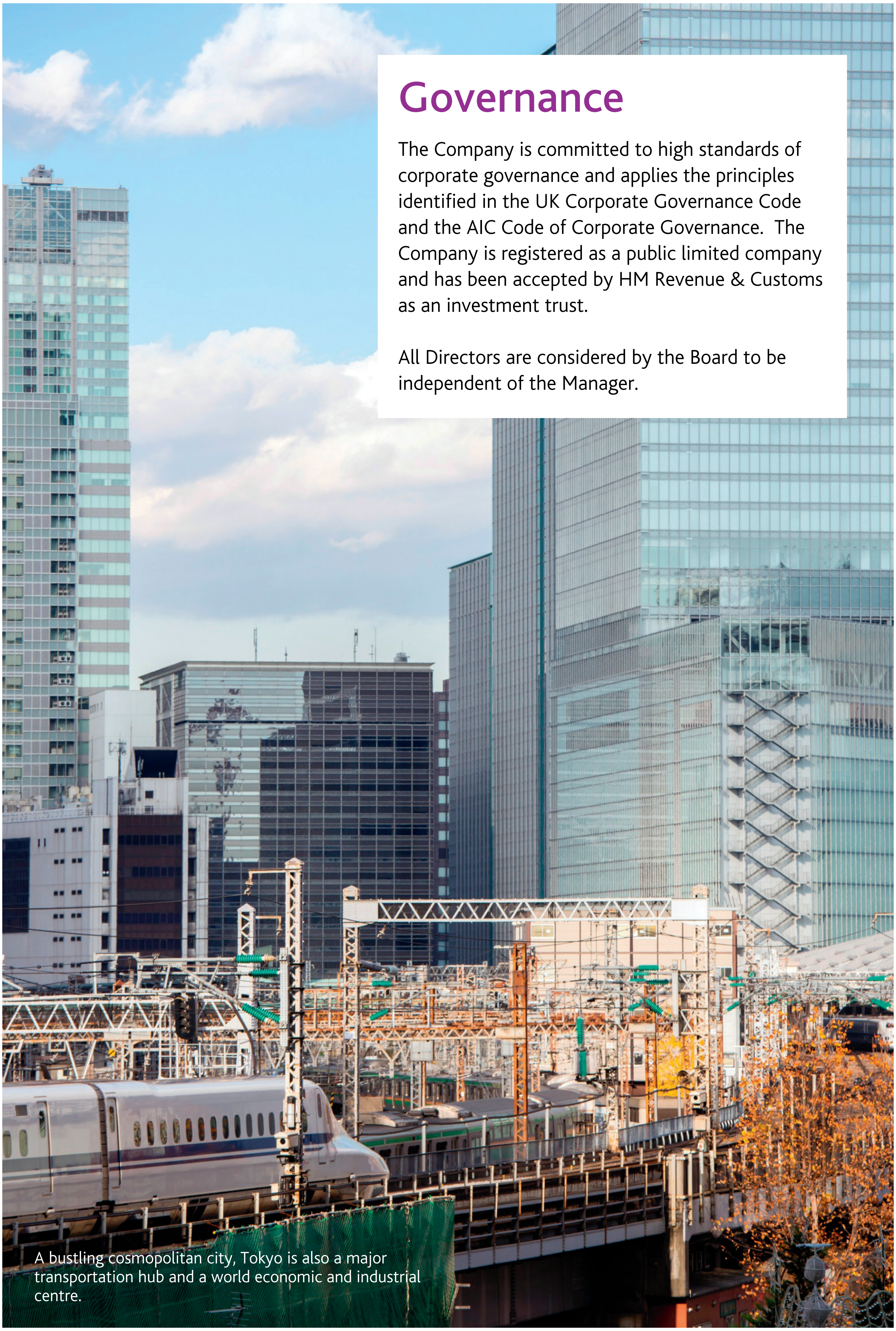
Yen/Sterling Currency Movement



Governance

The Company is committed to high standards of corporate governance and applies the principles identified in the UK Corporate Governance Code and the AIC Code of Corporate Governance. The Company is registered as a public limited company and has been accepted by HM Revenue & Customs as an investment trust.

All Directors are considered by the Board to be independent of the Manager.



A bustling cosmopolitan city, Tokyo is also a major transportation hub and a world economic and industrial centre.

Your Board of Directors

Neil Gaskell

Independent Chairman

Length of service: 12 years; appointed a Director on 31 March 2004

Experience: An international career with the Royal Dutch Shell Group in senior management positions, several relating to Japan, including four years as Deputy Chief Executive and Representative Director of Showa Shell KK in Japan. After retirement as Shell's Group Treasurer, he has served on a number of listed company boards including currently as Chairman of Martin Currie Global Portfolio Trust plc. He is also a chartered accountant.

Kevin Pakenham

Senior Independent Director and Audit Committee Chairman

Length of service: 8 years; appointed a Director on 1 August 2007

Experience: A long career in banking and asset management and has held senior management positions in the global asset management industry over many years. He co-founded and is currently a director of Pakenham Partners, which provides corporate finance advice to the asset management industry. He is a former managing director of Jefferies International and CEO of John Govett & Co, including under its ownership by Allied Irish Banks and managing director of F&C Management.

Karen Brade

Independent Director

Length of service: 3 years; appointed a Director on 1 May 2013

Experience: Over 20 years of investment experience in a range of sectors and markets. She began her career at Citibank, working on various multi-national project finance transactions. She was an investment principal at the Commonwealth Development Corporation (later Actis), a leading emerging markets private equity firm, where she directed equity and debt investing, portfolio management, fund raising and investor development including India, South Asia and China. Since 2005 she has been an adviser to hedge funds, family offices and private equity houses and is currently a director of Crown Place VCT.

Sir Andrew Burns

Independent Director

Length of service: 8 years; appointed a Director on 27 February 2008

Experience: A career British diplomat from 1965 to 2015, he has extensive experience of Asia, North America and the Middle East. He was British Consul-General in Hong Kong as well as Ambassador to Israel and High Commissioner to Canada. He is currently chairman of the Bar Standards Board.

Sir David Warren

Independent Director

Length of service: appointed on 1 December 2015

Experience: A career in the British Diplomatic Service of over 35 years concentrating on East Asia following his initial Japanese language training, including three postings to Tokyo, and culminating in four and a half years as British Ambassador to Japan from 2008 to 2012. He is now Chair of the Japan Society and an Associate Fellow of the Asia Programme of the Royal Institute of International Affairs.

Directors' Report

Status

The Company is registered as a public limited company in England & Wales under No. 3582911 and is an investment company as defined by Section 833 of the Companies Act 2006. It is a member of the Association of Investment Companies.

The Company has been accepted by HM Revenue & Customs as an investment trust subject to it continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 April 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 March 2016 so as to enable it to comply with the ongoing requirements for investment trust status.

The Company has conducted its affairs so as to satisfy the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner.

Share Capital and Rights attaching to the Company's Ordinary shares

At 31 March 2016 the Company had 15,821,572 Ordinary shares of 10p ("Ordinary shares") in issue (2015 – 14,591,572) of which 229,000 Ordinary shares were held in treasury (2015 – nil).

In July 2015 the Company issued 1.23 million Ordinary shares at a premium to its NAV. In March 2016 the Company purchased 229,000 Ordinary shares (1.4% of the issued share capital) at a discount to its NAV for treasury for a consideration of £1.04 million. Since the year end a further 3,500 Ordinary shares have been purchased in the market for treasury.

Each Ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every share held. The Ordinary shares carry a right to receive dividends which are declared from time to time by an ordinary resolution of the Company (up to the amount recommended by the Board). On a winding-up, after meeting the liabilities of the Company, the surplus assets would be paid to Ordinary shareholders in proportion to their shareholdings.

There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law (for example, insider trading law) and there are no special rights attached to any of the shares. The Company is not aware of any agreements between shareholders which may result in restriction on the transfer of Ordinary shares or the voting rights.

The rules concerning amendments to the articles of association and powers to issue or buy back the Company's Ordinary shares are contained in the articles of association of the Company and the Companies Act 2006.

Results and Dividend

The Company's results and performance for the year are detailed on page 12.

The Directors recommend that a final dividend of 4.2p (2015 – 2.6p) is paid on 8 July 2016 to shareholders on the register on 10 June 2016. The ex-dividend date is 9 June 2016. A resolution in respect of the final dividend will be proposed at the forthcoming Annual General Meeting.

Directors

Details of the current Directors are provided on page 20. Sir David Warren was appointed as a non-executive Director on 1 December 2015.

Sir Andrew Burns will retire at the forthcoming AGM. All other Directors will stand for re-election at the AGM. The reasons for the Board's recommendations for their re-elections are set out in the Statement of Corporate Governance.

Directors' Insurances and Indemnities

The Company's articles of association indemnify each of the Directors out of the assets of the Company against any liabilities incurred by them as a Director of the Company in defending proceedings, or in connection with any application to the Court in which relief is granted. Directors' & Officers' liability insurance cover has been maintained throughout the year at the expense of the Company. The Directors have been granted a qualifying indemnity by the Company which is currently in force.

Corporate Governance

The Statement of Corporate Governance, which forms part of the Directors' Report, is contained on pages 24 to 27.

Manager and Company Secretary

The Company has appointed Aberdeen Fund Managers Limited ("AFML" or "Manager"), a wholly owned subsidiary of Aberdeen Asset Management PLC, as its alternative investment fund manager ("AIFM"). AFML has been appointed to provide investment management, risk management, administration and company secretarial services as well as promotional activities. The Company's portfolio is managed by Aberdeen Investment Management Kabushiki Kaisha ("AIMKK" or "Investment Manager") by way of a group delegation agreement between AFML and AIMKK. Company secretarial, accounting and administrative services

Directors' Report continued

are provided by Aberdeen Asset Management PLC ("Aberdeen").

The management fee is payable at a rate of 0.95% per annum of the value of the Company's assets up to £50 million decreasing to 0.75% on assets above £50 million, and is payable monthly in arrears. No performance fee is payable. The asset basis for the fee calculation is net assets. The management agreement may be terminated by either the Company or the Manager on the expiry of six months' written notice. Aberdeen supplies the Board with monthly reports on the Company's activities.

The management and secretarial fees paid during the year ended 31 March 2016 are shown in Notes 3 and 4 to the Financial Statements.

The Board has undertaken a detailed review of the performance of the Manager and the terms of the management agreement and is of the opinion that the continuing appointment of the Manager, on the terms agreed, is in the best interests of shareholders as a whole. The key factors taken into account in reaching this decision were the commitment, investment skills and experience of the Manager's personnel and the long term record of their performance in managing equities in Japan.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions or other emissions producing sources to report from its operations.

Going Concern

The Company's assets consist of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale.

The Company does not have a fixed life. However, under the articles of association, if, in the 90 days preceding the Company's financial year-end (31 March), the Ordinary shares have been trading, on average, at a discount in excess of 10% to the underlying NAV over the same period, notice will be given of an ordinary resolution to be proposed at the following AGM to approve the continuation of the Company. In the 90 days to 31 March 2016, the Ordinary shares traded at an average discount of 9.5% to the underlying NAV. Accordingly, no resolution on the continuation of the Company will be put to the Company's shareholders at the Annual General Meeting.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This takes account of the liquidity of the Company's investments, and that the earliest date that the Company may be subject to a continuation vote is at the Annual General Meeting of the Company to be held in 2017. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Substantial Interests

At 31 March 2016 and at the date of this Report, the following were registered, or had notified the Company, as being interested in 3% or more of the Company's Ordinary share capital:

Shareholder	Number of shares held	% held
Aberdeen Asset Management – retail plans	1,369,909	8.8
South Yorkshire Pension Authority	1,134,000	7.3
1607 Capital Partners	906,913	5.8
Charles Stanley, stockbrokers	851,698	5.5
Brewin Dolphin	760,111	4.9
Wesleyan Assurance	749,950	4.8
Hargreaves Lansdown	696,112	4.5
Rathbones	673,835	4.3

Auditor

The Directors who held office at the date of this Report each confirm that, so far as he or she is aware, there is no relevant audit information of which the Company's auditor is unaware; and he or she has taken all the steps that he or she might reasonably be expected to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

A resolution will be proposed at the AGM to re-appoint KPMG LLP, and to authorise the Directors to fix their remuneration.

Annual General Meeting

The Annual General Meeting will be held on 5 July 2016. The notice of the Annual General Meeting and related notes may be found on pages 64 to 67. Resolutions relating to the following items will be proposed at the forthcoming Annual General Meeting:–

Increase the limit on Directors' Fees within the Company's Articles of Association

Resolution 9, which is an ordinary resolution, proposes to increase the limit on Directors' fees contained within the Company's Articles of Association. In order to provide the Company with future flexibility, the maximum aggregate limit for Directors' fees will, if approved, be increased from £100,000 to £200,000.

Authority to Allot Shares

Resolution 10, which is an ordinary resolution, seeks to renew the authority to allot the unissued share capital up to an aggregate nominal amount of £155,890 (equivalent to 10% of the Company's existing issued share capital at the date of this Report).

Limited Disapplication of Pre-emption Provisions

Resolution 11, which is a special resolution, seeks to renew the Directors' authority to allot Ordinary shares and sell shares held in treasury (see below), without first being required to offer those shares to shareholders, at a price above the undiluted NAV per share at the allotment. The authorisation is limited to:-

a) the issue of shares otherwise than as described in (b) up to an aggregate nominal value of £155,890 (equivalent to 10% of the Ordinary shares in issue at the date of this Report); and
b) the allotment of shares in connection with an offer to all holders of Ordinary shares in proportion to their holdings in the Company.

This authority will last until the conclusion of the Annual General Meeting held in 2017 or, if earlier, 30 September 2017 (unless previously varied, revoked or extended).

The Company may hold such shares "in treasury" and then sell them at a later date for cash rather than simply cancelling them. Such sales are required to be on a pre-emptive, pro rata, basis to existing shareholders, unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued Ordinary share capital on a non pre-emptive basis, Resolution 11 will also give the Directors power to sell Ordinary shares held in treasury on a non pre-emptive basis, subject always in both cases to the limitations noted above. Pursuant to this power, Ordinary shares would only be issued for cash and treasury shares would only be sold for cash at a price not less than the NAV per share. (Treasury shares are explained in more detail under the heading "Share Repurchases" below).

Share Repurchases

Resolution 12, which is a special resolution, will be proposed to authorise the Company to make market purchases of its own Ordinary shares. The Company may do either of the following in respect of its own Ordinary shares which it buys back and does not immediately cancel but, instead, holds "in treasury":-

a) sell such shares (or any of them) for cash (or its equivalent); or
b) ultimately cancel the shares (or any of them).

The Directors intend to continue to take advantage of this flexibility. No dividends will be paid on treasury shares, and no voting rights attach to them. The maximum aggregate number of Ordinary shares which may be purchased pursuant to the authority is 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of the resolution (approximately 2.3 million Ordinary shares). The minimum price which may be paid for an Ordinary share shall be 10p (exclusive of expenses). The maximum price (exclusive of expenses) which may be paid for the shares is the higher of:

a) 5% above the average of the market value of the Ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the shares for the five business days immediately preceding the date of purchase; and
b) the higher of the price of the last independent trade and the highest current independent bid on the main market for the Ordinary shares.

This authority, if conferred, will only be exercised if to do so would result in an increase in NAV per Ordinary share for the remaining shareholders, and if it is in the best interests of shareholders generally. This authority will last until the conclusion of the Annual General Meeting of the Company to be held in 2017 or, if earlier, 30 September 2017 (unless previously revoked, varied or renewed).

Your Board considers the above resolutions to be in the best interests of the Company and its members as a whole and most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, your Board unanimously recommends that shareholders should vote in favour of the resolutions to be proposed at the Annual General Meeting.

By Order of the Board and signed on its behalf

Aberdeen Asset Management PLC
Secretary
Bow Bells House
1 Bread Street
London, EC4M 9HH

31 May 2016

Statement of Corporate Governance

Introduction

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance, and this statement describes how the Company applies the principles identified in the UK Corporate Governance Code (the "UK Code") published in 2014, which is available on the Financial Reporting Council's website: www.frc.org.uk. The Association of Investment Companies has also published a Code of Corporate Governance for Investment Trusts© ("AIC Code"), which is available on the AIC's website: www.theaic.co.uk. The AIC Code forms a comprehensive guide to best practice in certain areas of governance where the specific characteristics of investment trusts suggests alternative approaches to those set out in the UK Code that may be preferable. There is a certain amount of overlap with the UK Code, although the focus of attention is on the points of difference.

Application of the Principles of the Codes

This statement describes how the principles identified in the UK Code and the AIC Code have been applied by the Company throughout the year, except where disclosed below.

The Listing Rules of the UK Listing Authority require the Board to report on compliance with the UK Code provisions throughout the year. The Company has complied in full throughout the year with the AIC Code. In instances where the UK Code and AIC Code differ, an explanation is given in this Statement of Corporate Governance.

The exception to compliance with the UK Code, which is explained more fully under the heading of "The Board", is that the Chairman chairs the Remuneration Committee (UK Code Principle D.2.1). The Board is of the opinion that the Company has complied fully with the recommendations of the AIC Code and the relevant provisions of the UK Code.

The Board

The Board consists of a Chairman and four non-executive Directors, all of whom are considered under the Codes to be independent of the Manager, Aberdeen Fund Managers Limited, and free of any relationship which could materially interfere with the exercise of their independent judgement on issues of strategy, performance, resources and standards of conduct.

The Board considers that, at the date of his appointment as Chairman on 24 September 2008, Neil Gaskell was independent and that he remains so. The UK Code states that, following appointment, the test of independence is not appropriate in relation to the Chairman. However, the AIC Code states that the test of independence continues to be appropriate and, consequently, the Board will follow the AIC Code.

The number of routine Board and Committee meetings attended by each Director during the year compared to the total number of meetings that each Director was eligible to attend is provided in the table below. The Board meets formally at least five times a year, and more frequently where business needs require. In addition, the Board maintains regular contact with the Manager.

Directors also attended a number of non-routine meetings during the financial year to deal with specific matters.

The primary focus at regular Board meetings is a review of investment performance and associated matters including gearing and hedging policies, asset allocation, promotion and investor relations, peer group information and industry issues.

To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including the Investment Manager's review, performance reports and discussion documents regarding specific matters. Directors have made further enquiries where necessary.

Meetings held and attendance	Board	Audit Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee
Neil Gaskell	5/5	2/2	2/2	2/2	2/2
Karen Brade	5/5	2/2	2/2	2/2	2/2
Sir Andrew Burns	5/5	2/2	1/2	1/2	1/2
Kevin Pakenham	5/5	2/2	2/2	2/2	2/2
Sir David Warren[1]	1/1	n/a	1/1	1/1	1/1

[1] Appointed on 1 December 2015

The Board sets the Company's values and objectives and ensures that its obligations to its shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. This includes:

- maintenance of clear investment objectives and risk management policies;
- monitoring of the business activities of the Company ranging from analysis of investment performance through to annual budgeting and quarterly forecasting and variance analysis;
- setting the range of gearing and hedging within which the Manager may operate;
- major changes relating to the Company's structure, including share buy-backs and share issuance;
- Board appointments and removals and the related terms;
- authorisation of Directors' conflicts or possible conflicts of interest;
- terms of reference and membership of Board Committees;
- appointment and removal of the Manager and the terms and conditions of the management and administration agreements relating thereto; and
- Regulatory, accounting and legal requirements such as the approval of the half yearly and annual financial statements and approval and recommendation of any dividends respectively, any circulars, listing particulars and other releases concerning matters decided by the Board.

The Board regularly monitors the interests of each Director and a register of Directors' interests, including potential conflicts of interest, is maintained by the Company. Directors who have potential conflicts of interest will not take part in any discussions which relate to that particular conflict.

The Board adopts a zero tolerance approach to bribery and corruption and has implemented appropriate procedures designed to prevent bribery.

There is no age limit for Directors in the articles of association. The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make, and therefore the relevance of individual length of service will be determined on a case by case basis, but taking into account the maximum service periods recommended in the UK Code.

The Board has implemented the provisions of the UK Code whereby all Directors of the Company will stand for re-election on an annual basis.

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense. The Directors have access to the advice and services of the corporate Company Secretary through its appointed representatives who are responsible to the Board:

- for ensuring that Board procedures are complied with;
- under the direction of the Chairman, for ensuring good information flows with the Board and its Committees, as well as facilitating induction and assisting with professional development as required; and
- for advising, through the Chairman, on all corporate governance matters.

Board Committees

The terms of reference, which are reviewed annually, for each of the four Board Committees, may be found on the Company's website (www.aberdeenjapan.co.uk) under 'Corporate Governance' within the 'Trust Profile' section.

Management Engagement Committee

The Management Engagement Committee is chaired by Neil Gaskell and comprises all Directors of the Company. The Committee annually reviews matters concerning the management agreement (the "Agreement") between the Company and the Manager. Details of the Agreement are shown on pages 21 to 22 of this Report.

Remuneration Committee

The Remuneration Committee is chaired by Neil Gaskell and comprises all Directors of the Company. Remuneration has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Company's policy, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report.

Nomination Committee

The Nomination Committee is chaired by Neil Gaskell and comprises all Directors of the Company. The Committee's duties include annual appraisals, succession planning, new appointments and training. New appointments are made on merit, taking into account the benefits of diversity, including gender. The Board's overriding priority is to appoint the most appropriate candidate and has not set any measurable targets in relation to the diversity of the Board. The Committee reviews the composition, experience and commitment of the Directors.

During the year, following a review of its composition and taking into account succession plans, the Board appointed Sir David Warren as a non-executive Director on 1 December 2015. An external search consultant was not employed for this appointment.

Statement of Corporate Governance continued

New Directors are given appropriate induction from the Manager covering the Manager's operations, legal responsibilities and industry matters. Directors are provided with appropriate training on changes in regulatory requirements, relevant industry issues and developments and are able to participate in training courses run by the AIC and other financial services providers.

The Committee has undertaken an annual performance evaluation, using questionnaires and discussion, to ensure that the Directors have all devoted sufficient time and contributed adequately to the work of the Board and Committees and to consider each Director's independence and other commitments. The outcome of this evaluation was satisfactory in each case and each Director is committed to serve the Company effectively.

The Committee recommended, with the relevant Directors recusing themselves, the nomination for re-election, at the forthcoming Annual General Meeting, of Neil Gaskell, Karen Brade, Kevin Pakenham and Sir David Warren. Neil Gaskell has an excellent working knowledge of Japan over many years of doing business there and has made a significant contribution to the work of the Board, especially in his role as Chairman. Kevin Pakenham has considerable experience of the investment management industry, long business experience in Asia and his role as Chairman of the Audit Committee is greatly valued. Karen Brade has over 20 years' investment experience in a range of sectors and markets, including equity and debt investing, portfolio management, fund raising and investor development in Asia. Sir David Warren has over 30 years' experience and knowledge of Japan from his diplomatic career.

Communication with Shareholders

The Company places a great deal of importance on communication with its shareholders. The Manager has an annual programme of meetings with institutional shareholders and reports back to the Board on these meetings.

The Company has adopted a nominee code, which ensures that, when shares in Aberdeen Japan Investment Trust are held in the name of nominee companies and notification has been received in advance, nominee companies will be provided with copies of shareholder communications for distribution to their customers. Nominee investors may attend and speak at general meetings.

Participants in the Manager's Share Plan and ISA, whose shares are held in the nominee names of the plan administrator, are given the opportunity to vote by means of a Letter of Direction enclosed with the Annual Report. The Letter of Direction is forwarded to the administrator of the Share Plan and ISA, who will complete a proxy on behalf of the participants and forward it to the Company's registrars for inclusion in the voting figures.

As recommended best practice under the UK Code, the Annual Report is normally posted to shareholders at least twenty business days before the AGM. The Notice of Meeting sets out the business of the meeting and the resolutions are explained more fully in the Directors' Report. Separate resolutions are proposed for each substantive issue.

The Board is conscious that the AGM is an event at which all shareholders are encouraged to attend and participate. The Investment Manager makes a presentation to the meeting outlining the key investment issues that affect the Company. All shareholders have the opportunity to put questions at the AGM. Proxy voting figures for each resolution are announced to the meeting after voting on a show of hands and details are available on the Company's website.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (either the Company Secretary or the Manager) in situations where direct communication is required.

Shareholders have direct access to the Company via the Customer Services Department operated by the Manager. The Company also responds to letters from shareholders. Contact details may be found on page 68.

A website from which the Company's reports and other publications can be downloaded is maintained at www.aberdeenjapan.co.uk.

Proxy Voting and Stewardship

Proxy Voting

The purpose of the FRC's UK Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and assist institutional investors with the efficient exercise of their governance responsibilities. The FRC is encouraging institutional investors to make a statement of their commitment to the Code.

The Board has delegated responsibility for actively monitoring the activities of portfolio companies to the Manager. The Board has reviewed and accepts the Manager's Corporate Governance Principles, which may be found on the Manager's website, at http://www.aberdeen-asset.com/doc.nsf/Lit/LegalDocumentationGroupCorporateGovernancePrinciples. These Principles set out the Manager's framework on corporate governance, proxy voting and shareholder engagement in relation to the companies in which the Manager has invested or is considering investing.

The Board has also reviewed the Manager's Disclosure Response to the UK Stewardship Code, which appears on the Manager's website, at the web-address given above.

The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the portfolio company and for attending company meetings. The Manager, in the absence of explicit instruction from the Board, is empowered to use discretion in the exercise of the Company's voting rights.

The Board recognises and supports the Manager's policy of active engagement with investee companies and the voting of all of the shares held by the Company. The Board receives from the Manager regular reports on the exercise by the Manager of the Company's voting rights and discusses with the Manager any issues arising. It is the Board's view that having an active voting policy and a process for the monitoring by the Board of the Manager's exercise of those votes, especially in relation to controversial issues, aids the efficient exercise of the Company's governance responsibilities.

Stewardship and ESG

The Board is aware of its duty to act in the interests of the Company. The Board supports the Manager, a signatory to the UNPRI (United Nations Principles for Responsible Investment), in considering holistically the material risks posed by each investment, both from a financial and the environmental, social and corporate governance (ESG) perspectives. The consideration of ESG issues is a vital part of the Manager's due diligence and stewardship practice and, as part of their investment approach, the Manager actively engages with the management of each of the companies held by the Trust on such matters. The Manager's objective is to deliver superior investment return for the Company clients and, as part of this, incorporate ESG issues into their stewardship practises.

Report of the Audit Committee

Composition

The Audit Committee ("Committee") is chaired by Kevin Pakenham and comprises all Directors of the Company. The Committee is satisfied that it has the necessary recent and relevant financial experience to fulfil its responsibilities. The main responsibilities of the Committee include:

- to monitor the integrity of the the annual and half yearly financial statements, including the accounting policies applied therein and to ensure compliance with financial and regulatory reporting requirements;
- to assess whether the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to review and report to the Board on the significant issues and judgements made in connection with the financial reporting including the statement on the Company's viability;
- to review the internal control and risk management systems on which the Company is reliant and meet the needs of the Company and provide appropriate mitigation to the risks of the Company's operations.
- to consider annually the need for the Company to have its own internal audit function;
- as the Company has no employees, to consider the Manager's arrangements whereby staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters ('whistleblowing');
- to consider the re-appointment, remuneration and terms of engagement of the external auditor and to review annually the external auditor's independence, objectivity, effectiveness, resources and qualification; and
- to develop and implement policy on the engagement of the external auditor to supply non-audit services.

Activities During the Year

The Committee meets at least twice per year when it reviews the annual and half yearly financial reports in detail. Reports from the Aberdeen Group's internal audit, risk and compliance departments are also considered by the Committee which cover internal control systems, risk and the conduct of the business in the context of its regulatory environment.

Significant Accounting Issues

The Committee considered the following significant accounting issues, including those communicated by the external auditor, in relation to the Company's financial statements for the year to 31 March 2016:

- the valuation, existence and ownership of investments. The valuation of investments is undertaken in accordance with the stated accounting policies. All investments are in quoted securities in active markets, are considered to be liquid and have been categorised as Level 1 within FRS 102 fair value hierarchy. The portfolio holdings and their pricing is reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are prepared for each Board meeting. The Company used the services of an independent Depositary (BNP Paribas Securities Services) during the year under review to hold the assets of the Company. The investment portfolio is reconciled regularly by the Manager and the audit includes independent confirmation of the valuation and existence of all investments. The Committee reviews internal control reports from the Manager which provides details of the controls in place regarding the recording and pricing of investments. In addition, the Depositary, who is appointed to safeguard the Company's assets, checks its records on a monthly basis.
- the accounting treatment of currency hedging (see note 15 to the financial statements).
- improper revenue recognition. Investment income is accounted for in accordance with stated accounting policies and regularly reviewed by the Committee. The audit includes substantive testing of the Company's income stream and any significant adjustments made.

Review of Auditor

The Committee has reviewed the independence and the effectiveness of the auditor, KPMG LLP ("KPMG"), as follows:

- The auditor reports on an annual basis the steps it takes to ensure its independence and objectivity and confirms that it has complied with the relevant UK independence guidelines. The level of non-audit services provided by the auditor is assessed and for the period ended 31 March 2016 there were no non-audit services provided.
- The Committee considers the experience, continuity and tenure of the audit team, including the audit director. The audit team consists of suitably experienced staff with knowledge of the investment trust sector and there is a process in place for the rotation of the audit director.
- The Committee assesses the level of audit service annually. The audit plan is reviewed well in advance and subsequent audit findings are reported comprehensively in a timely manner and are resolved satisfactorily. The auditor has a constructive working relationship with both the Board and the Manager.

Following a review, the Committee is satisfied that KPMG remains independent and effective and supports the re-appointment of KPMG LLP as auditor for approval at the Annual General Meeting.

Audit Tenure

Under EU legislation listed companies are required to tender the external audit at least every ten years, and change auditor at least every twenty years.

In January 2015 the Committee undertook an audit tender process and, following consideration of the tenders received, the Board appointed KPMG LLP as auditor with effect from 14 July 2015. The Committee ensured that the transfer of the audit function was appropriately effected.

Internal Control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The Audit Committee confirms that as at 31 March 2016 there was a robust process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this annual report and financial statements, and is regularly reviewed by the Board and accords with the Financial Reporting Council's Guidance on Internal Controls.

Under the Management Agreement, the management of the Company's assets has been delegated to the Manager (AFML) within overall guidelines. Risks are identified and documented through a risk management framework by each function within the Manager's activities. The internal control systems operated by the Manager are monitored and supported by internal audit and compliance function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented.

The Committee has reviewed the effectiveness of the Manager's system of internal control, in particular the process for identifying and evaluating the significant risks affecting the Company, including financial, operational, regulatory and compliance, and the policies by which these risks are managed.

In addition, the Committee has adopted its own risk matrix which identifies the key risks for the Company and covers strategy, investment management, operations, regulatory and financial obligations and third party service providers. A monitoring system is undertaken whereby the controls to mitigate these risks, and the impact of the residual risks, are assessed on a regular basis. Details of the principal risks faced by the Company during the financial year are provided in the Overview of Strategy.

The key components designed to provide effective internal control are outlined below:

- the Manager prepares management reports, covering investment activities and financial matters which allow the Board to assess the Company's activities and review its performance;
- the Board and Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Manager as appropriate;
- the Manager's risk management, internal audit and compliance departments continually review the Manager's operations and reports to the Committee on a six monthly basis. A representative from the Manager's internal audit team meets with the Committee annually; and
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers.

During the year the Committee reviewed detailed reports from the Manager's risk management, internal audit and compliance functions. Areas covered included the arrangements for IT security, the control of transactions between shareholders and the Company, the adequacy of key investment staff succession plans and the effectiveness of the Manager's risk and internal audit functions for the purposes of the Company. The Committee also reviewed a report from the Depositary covering their functions in relation to safeguarding the Company's assets.

The Committee has considered the need for an internal audit function but, because of the compliance and internal control systems in place at the Manager, has decided to place reliance on the Manager's systems and internal audit procedures.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against mis-statement and loss.

No significant failings or weaknesses in the Company's process for identifying, evaluating and managing the significant risks faced by the Company were identified during the year under review.

Directors' Remuneration Report

The Board has prepared this Remuneration Report in accordance with the regulations governing the disclosure and approval of Directors' remuneration. This Remuneration Report comprises three parts:

(i) A Remuneration Policy, set out below, was approved by shareholders at the Annual General Meeting held in 2014 and this policy is subject to a vote at least every three years. Any change to this policy during this interval would also require shareholder approval.
(ii) An annual Implementation Report, which provides information on how the Remuneration policy has been applied during the year and will be subject to an advisory vote.
(iii) An Annual Statement.

The law requires the Company's auditor to audit certain of the disclosures provided in the Remuneration Report. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the report on pages 35 to 36.

The fact that the Remuneration Policy will now be subject to a binding vote does not imply any change on the part of the Company. The principles remain the same as for previous years. There have been no changes to the Directors' Remuneration Policy during the period of this Report nor are there any proposals for the foreseeable future, except for the Directors' fees, as set out in the Implementation Report below.

Remuneration Policy for Directors

The Remuneration Policy takes into consideration the principles of the UK Corporate Governance Code and the AIC's recommendations regarding the application of those principles to investment companies. Directors' remuneration is determined by the Remuneration Committee which comprises all Directors of the Company.

Directors' Fees

The Directors are non-executive and their fees are set within the limits of the Company's articles of association, which current limit the aggregate fees payable to £100,000 per annum. This limit may only be increased by a shareholder resolution. The Directors' fees for the year to 31 March 2016 totalled almost £90,000. A resolution will be proposed at the AGM in July 2016 to increase the limit to £200,000 in order to allow headroom for the future. This will be the first increase in the limit for Directors' fees since the Company was launched in1998.

Subject to this overall limit, the Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective. No shareholder views were sought in setting the remuneration policy although any comments received from shareholders would be considered on an on-going basis.

Fee rates are established after reviewing external sources as to current market levels.

	1 April 2016 £	1 April 2015 £
Chairman	27,000	26,000
Chairman of Audit Committee	21,000	20,500
Director	19,000	18,500

Appointment of Directors

- The Company only intends to appoint non-executive Directors under the terms of Letters of Appointment.
- Directors must retire and be subject to election at the first AGM after their appointment, and at least every three years thereafter.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment.
- No incentive or introductory fees will be paid to encourage a Directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- The Company indemnifies its Directors for costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.
- The Directors are entitled to be re-imbursed for out-of-pocket expenses incurred in connection with performing their duties including travel expenses.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

The above Remuneration Policy was approved at the AGM on 15 July 2014 and is effective for three years.

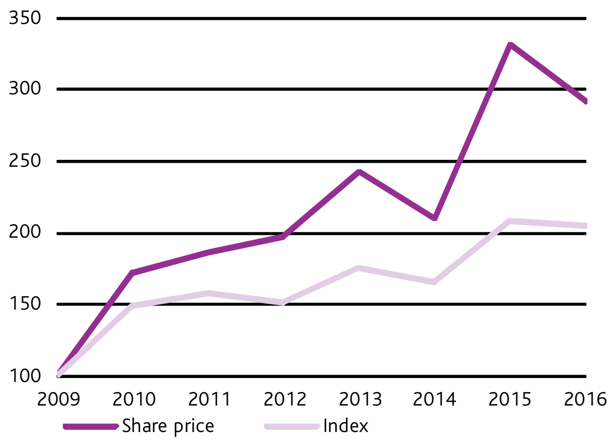
Implementation Report

Directors' Fees Increase

During the financial year the Board carried out a review of the level of Directors' fees and concluded that the amounts should increase to £27,000 for the Chairman, £21,000 for the Audit Committee Chairman and £19,000 for each Director, effective from 1 April 2016. There are no further fees to disclose as the Company has no employees, Chief Executive or Executive Directors.

Company Performance

During the year the Board carried out a review of investment performance. The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to Ordinary shareholders compared to the total return from a composite index, in Sterling terms, consisting of the MSCI All Countries Asia Pacific (including Japan) Index up to 7 October 2013 and the TOPIX Index, thereafter for the seven year period ended 31 March 2016 (rebased to 100 at 31 March 2009). This index was chosen for comparison purposes, as it is the reference index used for investment performance measurement purposes.



Statement of Voting at General Meeting

At the Company's last AGM, held on 14 July 2015, shareholders approved the Directors' Remuneration Report in respect of the year ended 31 March 2015. The votes were 98.8% in favour, 0.6% against, and 0.6% abstained.

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The total fees paid to Directors are shown below.

Audited Information

Fees Payable

The Directors who served in the year received the following fees which exclude employers' NI payable. This represents the entire remuneration paid to the Directors.

Fees are pro-rated where a change takes place during a financial year. No fees were paid to third parties.

Director	2016 £	2015 £	2014 £
Neil Gaskell	26,000	24,000	23,000
Karen Brade	18,500	17,500	15,125
Sir Andrew Burns	18,500	17,500	16,500
Robert Jenkins	-	-	12,375
Kevin Pakenham	20,500	19,000	18,000
Sir David Warren[1]	6,167	-	-
Total	**89,667**	**78,000**	**85,000**

[1] Appointed on 1 December 2015

Directors' Interests in the Company

Directors are not required to have a shareholding in the Company. The Directors (including their connected persons) at 31 March 2016 and 31 March 2015 had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the table below.

	31 March 2016 Ord 10p	31 March 2015 Ord 10p
Neil Gaskell	17,500	12,500
Karen Brade	1,500	1,400
Sir Andrew Burns	2,799	2,786
Kevin Pakenham	11,103	11,086
Sir David Warren	nil	n/a

The above holdings remained unchanged at the date of this report.

Annual 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 ended 31 March 2016:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and in which decisions have been taken.

The Directors' Remuneration Report was approved by the Board of Directors and signed on its behalf by:

Neil Gaskell
Chairman
31 May 2016

Financial Statements

Over the year, your Company's NAV returned -6.2%, compared to the benchmark return of -1.7%. This underperformance was largely caused by a loss of 4.3% on the currency hedge mainly in the first quarter 2016 when Brexit worries weakened sterling while the yen strengthened despite negative interest rates.

With over 36 million people, Tokyo is the world's most populous metropolis and is described as one of the three command centres for world economy

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the annual report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

For and on behalf of Aberdeen Japan Investment Trust PLC

Neil Gaskell
Chairman
31 May 2016

Independent Auditor's Report to the Members of Aberdeen Japan Investment Trust PLC only

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of Aberdeen Japan Investment Trust PLC for the year ended 31 March 2016 set out on pages 37 to 52. In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements the risk of material misstatement that had the greatest effect on our audit was as follows:

Carrying amount of quoted investment portfolio (£89.0m (2015: £86.3m))

Refer to page 28 (Audit Committee section of the Directors' Report), page 41 (accounting policy) and page 45 (financial disclosures).

- *The risk* - The Company's quoted investment portfolio makes up 98.3% of the Company's total assets (by value) and is considered to be the key driver of performance results. We do not consider these investments to be at high risk of significant misstatement, or to be subject to a significant level of judgment, because they comprise liquid investments quoted in an active market. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

- *Our response* - Our procedures over the completeness, valuation and existence of the Company's quoted investment portfolio included, but were not limited to:

  - documenting and assessing the process in place to record investment transactions and to value the portfolio;
  - agreeing the valuation of 100% of the investments in the portfolio to externally quoted prices; and
  - agreeing 100% of investment holdings in the portfolio to independently received third party confirmations.

3 Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements as a whole was set at £905,000, determined with reference to a benchmark of total assets (of which it represents 1%).

We report to the Audit Committee any uncorrected identified misstatements exceeding £45,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed at the head office of the administrator, BNP Paribas, in Dundee.

4 Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

5 We have nothing to report on the disclosures of principal risks

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the Directors' viability statement on page 11, concerning the principal risks, their management, and, based on that, the Directors' assessment and expectations of the Company's continuing in operation over the three years to 31 March 2019; or
- the disclosures in note 1 of the financial statements concerning the use of the going concern basis of accounting.

6 We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the annual report and

Independent Auditor's Report to the Members of Aberdeen Japan Investment Trust PLC only continued

financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; or
- the Report of the Audit Committee does not appropriately address matters communicated by us to the audit committee.

Under the Companies Act 2006 we are required 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.

Under the Listing Rules we are required to review:

- the Directors' statements, set out on pages 11 to 12, in relation to going concern and longer-term viability; and
- the part of the Statement of Corporate Governance on pages 24 to 27 relating to the Company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 34, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ

31 May 2016

Statement of Comprehensive Income

		Year ended 31 March 2016			Year ended 31 March 2015		
		Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
(Losses)/gains on investments	9	–	(883)	(883)	–	23,988	23,988
Income	2	1,681	–	1,681	1,222	–	1,222
Exchange (losses)/gains	13	–	(5,093)	(5,093)	–	1,338	1,338
Investment management fee	3	(280)	(420)	(700)	(238)	(357)	(595)
Administrative expenses	4	(325)	(15)	(340)	(293)	(7)	(300)
Net return before finance costs and taxation		1,076	(6,411)	(5,335)	691	24,962	25,653
Finance costs	5	(33)	(49)	(82)	(29)	(44)	(73)
Net return on ordinary activities before taxation		1,043	(6,460)	(5,417)	662	24,918	25,580
Taxation on ordinary activities	6	(168)	–	(168)	(122)	–	(122)
Net return on ordinary activities after taxation		**875**	**(6,460)**	**(5,585)**	**540**	**24,918**	**25,458**
Return per Ordinary share (pence)	**8**	**5.67**	**(41.85)**	**(36.18)**	**3.70**	**170.77**	**174.47**

The total column of this statement represents the profit and loss account of the Company.

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

The accompanying notes are an integral part of the financial statements.

Statement of Financial Position

	Notes	As at 31 March 2016 £'000	As at 31 March 2015 £'000
Fixed assets			
Investments designated at fair value through profit or loss	9	88,988	86,312
Current assets			
Debtors	10	625	597
Cash at bank and in hand		897	490
		1,522	1,087
Creditors: amounts falling due within one year	11		
Foreign currency bank loans		(2,476)	–
Other creditors		(264)	(148)
		(2,740)	(148)
Net current (liabilities)/assets		(1,218)	939
Total assets less current liabilities		87,770	87,251
Creditors: amounts falling due in more than one year			
Foreign currency bank loans	11	(8,047)	(7,302)
Net assets		**79,723**	**79,949**
Share capital and reserves			
Called-up share capital	12	1,582	1,459
Share premium		6,656	–
Capital redemption reserve		2,273	2,273
Capital reserve	13	67,162	74,663
Revenue reserve		2,050	1,554
Equity shareholders' funds		**79,723**	**79,949**
Net asset value per Ordinary share (pence)	14	**511.29**	**547.91**

The financial statements were approved and authorised for issue by the Board of Directors on 31 May 2016 and were signed on its behalf by :

Neil Gaskell
Chairman

The accompanying notes are an integral part of the financial statements.

Financial statements

Statement of Changes in Equity

For the year ended 31 March 2016

	Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2015		1,459	–	2,273	74,663	1,554	79,949
Return on ordinary activities after taxation		–	–	–	(6,460)	875	(5,585)
Dividend paid	7	–	–	–	–	(379)	(379)
Issue of Ordinary shares	12	123	6,656	–	–	–	6,779
Purchase of Ordinary shares to be held in treasury	12	–	–	–	(1,041)	–	(1,041)
Balance at 31 March 2016		**1,582**	**6,656**	**2,273**	**67,162**	**2,050**	**79,723**

For the year ended 31 March 2015

		Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2014		1,459	–	2,273	49,745	1,671	55,148
Return on ordinary activities after taxation		–	–	–	24,918	540	25,458
Dividend paid	7	–	–	–	–	(657)	(657)
Balance at 31 March 2015		**1,459**	**–**	**2,273**	**74,663**	**1,554**	**79,949**

The accompanying notes are an integral part of the financial statements.

Statement of Cash Flows

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Net return on operating activities before finance costs and taxation	(5,335)	25,653
Adjustment for:		
Losses/(gains) on investments	883	(23,988)
Increase in other creditors	18	11
Expenses taken to capital reserve	15	7
Movement in outstanding forward contracts	170	281
Oveseas withholding tax	(168)	(122)
Increase in accrued dividend income	(160)	(28)
Decrease/(increase) in other debtors	60	(12)
Net cash (outflow)/inflow from operating activities	**(4,517)**	**1,802**
Investing activities		
Purchases of investments	(19,256)	(9,493)
Sales of investments	15,685	6,959
Expenses allocated to capital	(3)	(1)
Net cash outflow from investing activities	**(3,574)**	**(2,535)**
Financing activities		
Bank and loan interest paid	(82)	(71)
Equity dividends paid	(379)	(657)
Proceeds from issue of Ordinary shares	6,779	–
Purchase of own shares to treasury	(1,041)	–
Movement in bank loans outstanding	3,221	1,478
Net cash inflow from financing activities	8,498	750
Increase in cash	**407**	**17**
Analysis of changes in cash during the year		
Opening balance	490	473
Increase in cash as above	407	17
Closing balance	**897**	**490**

Notes to the Financial Statements For the year ended 31 March 2016

1. Accounting policies

(a) Basis of accounting and going concern

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. 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 Directors believe this is appropriate for the reasons outlined in the Directors' Report on page 22.

These financial statements are the first since FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) came into effect for accounting periods beginning on or after 1 January 2015. An assessment of the impact of adopting FRS 102 has been carried out and found that no restatement of balances as at the transition date, 1 April 2015, or comparative figures in the Statement of Financial Position or the Statement of Comprehensive Income is considered necessary. The Company has early adopted Amendments to FRS 102 – Fair value hierarchy disclosures issued by the Financial Reporting Council in March 2016.

(b) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the Company designates the investments 'at fair value through profit or loss'. Fair value is taken to be the investment's cost at the trade date (excluding expenses incidental to the acquisition which are written off in the Statement of Comprehensive Income, and allocated to 'capital' at the time of acquisition).

Subsequent to initial recognition, investments continue to be designated at fair value through profit or loss, which is deemed to be bid prices, where the bid price is available, or otherwise at fair value based on published price quotations.

(c) Income

Dividends, including taxes deducted at source, are included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are reviewed on a case-by-case basis and may be credited to capital, if circumstances dictate. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserves. Interest receivable on bank balances is dealt with on an accruals basis.

Where applicable the dividend income is disclosed net of irrecoverable taxes deducted at source. UK dividend income is recorded net of tax credits.

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated to revenue in the Statement of Comprehensive Income except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are allocated to capital in the Statement of Comprehensive Income and separately identified and disclosed in note 9; and
- expenses are allocated and borne by capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect, the investment management fee is allocated 40% to revenue and 60% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth.

(e) Taxation

The charge for taxation is based on the revenue return for the financial period.

Deferred taxation

Deferred taxation is provided on all timing differences, that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the Statement of Financial Position date, measured on an undiscounted basis and based on tax rates expected to apply in the period that the timing differences reverse. 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 underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods. Due to the Company's status as an investment trust company, and the intention to continue to meet the conditions required to obtain approval for the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(f) Nature and purpose of reserves

Called up share capital

The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve.

Share premium account

The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 10p.

Capital redemption reserve

The capital redemption reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital.

Capital reserve

Gains or losses on disposal of investments and changes in fair values of investments are transferred to the capital reserve. The capital element of the management fee and relevant finance costs are charged to this reserve. Any associated tax relief is also credited to this reserve. The costs of share buybacks to be held in treasury are also deducted from this reserve.

Revenue reserve

This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

(g) Foreign currencies

Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction.

Foreign currency asset and liability balances are translated to Sterling at the middle rate of exchange at the year end. Differences arising from translation are treated as capital gain or loss to capital or revenue within the Statement of Comprehensive Income depending upon the nature of the gain or loss.

(h) Dividends payable

Final dividends are recognised in the financial statements in the period in which they are paid.

(i) Borrowings

All secured borrowings are initially recognised at cost, being the fair value of the consideration received, less issue costs where applicable, after initial recognition, all interest bearing borrowings are subsequently measured at amortised cost. The finance costs of such borrowings are accounted for on an accruals basis using the effective interest rate method and are charged 40% to revenue and 60% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth.

(j) Accounting judgements

The Company's investments and borrowings are made in Japanese yen, however the Board considers the Company's functional currency to be Sterling. In arriving at this conclusion, the Board considered that the shares of the Company are listed on the London Stock Exchange, it is regulated in the United Kingdom, principally having its shareholder base in the United Kingdom, pays dividends and expenses in sterling and also, as disclosed in note 13, it seeks to ensure that the Company's Japanese yen net exposure is appropriately Sterling–hedged through the use of rolling forward currency contracts. Consequently, the Board also considers the Company's presentational currency to be sterling.

2. Income	2016 £'000	2015 £'000
From investments designated at fair value through profit and loss:		
Overseas dividends	1,681	1,216
Other income		
Deposit interest	–	6
Total income	**1,681**	**1,222**

	2016			2015		
	Revenue	Capital	Total	Revenue	Capital	Total
3. Management fee	£'000	£'000	£'000	£'000	£'000	£'000
Management fee	**280**	**420**	**700**	**238**	**357**	**595**

For further details see note 18 Transactions with the Manager.

	2016			2015		
	Revenue	Capital	Total	Revenue	Capital	Total
4. Administrative expenses	£'000	£'000	£'000	£'000	£'000	£'000
Promotional fees	52	–	52	46	–	46
Directors' fees	90	–	90	78	–	78
Depositary fees	10	3	13	8	1	9
Transaction costs on investment purchases	–	12	12	–	6	6
Auditor's remuneration:						
• Grant Thornton UK LLP	–	–	–	23	–	23
• KPMG LLP	19	–	19	–	–	–
Other	154	–	154	138	–	138
	325	**15**	**340**	**293**	**7**	**300**

	2016			2015		
	Revenue	Capital	Total	Revenue	Capital	Total
5. Finance costs	£'000	£'000	£'000	£'000	£'000	£'000
Bank loans	**33**	**49**	**82**	**29**	**44**	**73**

		2016			2015		
		Revenue	Capital	Total	Revenue	Capital	Total
6.	**Taxation on ordinary activities**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
(a)	**Analysis of charge for the year**						
	Irrecoverable overseas taxation	168	–	168	122	–	122
	Total taxation	**168**	**–**	**168**	**122**	**–**	**122**

(b) Factors affecting total tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences can be explained below:

	2016 £'000	2015 £'000
Net return on ordinary activities before taxation	(5,417)	25,580
Net return on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 21%)	(1,083)	5,372
Effects of:		
Losses/(gains) on investments not taxable	177	(5,038)
Currency losses/(gains) not taxable	1,019	(281)
Irrecoverable overseas withholding tax suffered	168	122
Losses for which no deferred tax recognised	223	202
Non-taxable overseas dividends	(336)	(255)
Total tax charge for the year	**168**	**122**

(c) Provision for deferred taxation

At 31 March 2016 the Company had surplus management expenses and loan relationship debits with a tax value of £1,693,000 (2015 – £1,495,000) in respect of which a deferred tax asset has not been recognised. This is because the Company is not expected to generate taxable income in the future in excess of deductible expenses of that future period, and accordingly, it is unlikely that the Company will generate taxable revenue in the future and therefore will be unable to utilise the existing surplus expenses.

		2016	2015
7.	**Dividends**	**£'000**	**£'000**
	Amounts recognised as distributions to equity holders in the year:		
	Final dividend 2015 – 2.60p (2014 – 4.50p)	**379**	**657**

In order to comply with the requirements of Sections 1158-1159 of the Corporation Tax Act 2010 the Company is required to make a dividend distribution.

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability and will be paid on 8 July 2016 to shareholders on the register at the close of business on 10 June 2016.

The table below sets out the total dividends proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158 –1159 are considered. The revenue available for distribution by way of dividend for the year is £2,050,000 (2015 – £1,554,000). Presently, only the revenue reserve can be used for the distribution of dividends.

	2016 £'000	2015 £'000
Proposed final dividend for 2016 – 4.20p per Ordinary share (2015 – 2.60p)	**655**	**379**

8. **Return per Ordinary share**	2016 p	2016 £'000	2015 p	2015 £'000
Returns per share are based on the following figures:				
Revenue return	5.67	875	3.70	540
Capital return	(41.85)	(6,460)	170.77	24,918
Total return	**(36.18)**	**(5,585)**	**174.47**	**25,458**
Weighted average number of Ordinary shares in issue		**15,435,471**		**14,591,572**

9. **Investments designated at fair value through profit or loss**	2016 £'000	2015 £'000
Opening book cost	64,480	60,514
Opening investment holding (losses)/gains	21,832	(718)
Opening fair value	86,312	59,796
Movements in the year:		
Purchases at cost (excluding transaction costs)	19,244	9,487
Sales – proceeds (net of transaction costs)	(15,685)	(6,959)
Sales – gains on sales	3,837	1,438
(Decrease)/increase in investment holding gains	(4,720)	22,550
Closing fair value	**88,988**	**86,312**

	2016 £'000	2015 £'000
Closing book cost	71,876	64,480
Closing investment holding gains	17,112	21,832
	88,988	**86,312**

	2016 £'000	2015 £'000
Investments listed on a recognised investment exchange	**88,988**	**86,312**

(Losses)/gains on investments	2016 £'000	2015 £'000
Gains on sales	3,837	1,438
(Decrease)/increase in investment holding gains	(4,720)	22,550
	(883)	**23,988**

Transaction costs

During the year expenses were incurred in acquiring or disposing of investments designated as fair value through profit or loss. Expenses incurred in acquiring investments have been expensed through capital and are included within administration expenses in the Statement of Comprehensive Income, whilst expenses incurred in disposing of investments have been expensed through capital and are included within (losses)/gains on investments in the Statement of Comprehensive Income. The total costs were as follows:

	2016 £'000	2015 £'000
Purchases	12	6
Sales	10	7
	22	**13**

10. Debtors: amounts falling due within one year	2016 £'000	2015 £'000
Forward foreign exchange contracts	–	73
Prepayments and accrued income	620	467
Withholding tax debtor	–	53
Other loans and receivables	5	4
	625	**597**

All financial assets are included at amortised cost or at fair value for forward foreign exchange contracts.

11. Creditors	2016 £'000	2015 £'000
(a) Foreign currency bank loans		
Falling due within one year	2,476	–
Falling due after more than one year	8,047	7,302
	10,523	**7,302**

The Company entered into a three year credit facility with ING Bank in January 2015. At the year end, JPY1,300,000,000 (2015 – JPY1,300,000,000) equivalent to £8,047,000 (2015 – £7,302,000) had been drawn down from ING Bank at an all–in interest rate of 0.89750% (2015 – 0.89750%) which is due to mature on 23 January 2018.

In addition, on 10 August 2015, the Company entered into a one year JPY800,000,000 revolving credit facility with ING Bank. At the year end JPY400,000,000 equivalent to £2,476,000 had been drawn down at an all-in interest rate of 0.75% which matured on 18 May 2016. On 18 May 2016 the JPY400,000,000 loan was rolled over until 18 August 2016 at an all-interest rate of 0.75%.

The terms of both loan facilities with ING Bank contain a covenant that total borrowings should not exceed 35% of the adjusted net asset value of the Company at any time and that the net asset value should not fall below £25,000,000 at any time. The Company has met these covenants throughout the period.

(b) Other creditors falling due within one year	2016 £'000	2015 £'000
Forward foreign exchange contracts	98	–
Sundry creditors	166	148
	264	**148**

12. Called-up share capital	2016 Number	2016 £'000	2015 Number	2015 £'000
Allotted, called-up and fully paid				
Ordinary shares of 10p each	15,592,572	1,559	14,591,572	1,459
Held in treasury	229,000	23	–	–
	15,821,572	**1,582**	**14,591,572**	**1,459**

	Ordinary shares Number	Treasury shares Number	Total Number
Balance brought forward	14,591,572	–	14,591,572
Ordinary shares issued in the year	1,230,000	–	1,230,000
Ordinary shares bought back for holding in treasury	(229,000)	229,000	–
	15,592,572	**229,000**	**15,821,572**

During the year 1,230,000 Ordinary shares (2015 – £Nil) were issued at a premium of £6,656,000 (2015 – Nil) resulting in proceeds of £6,779,000 (2015 – £Nil). In addition 229,000 Ordinary shares (2015 – £Nil) were bought back and held in treasury at a cost of £1,041,000 (2015 – £Nil).

Since the year end a further 3,500 shares have been purchased to be held in treasury at a cost of £16,000.

13. Capital reserve	2016 £'000	2015 £'000
At 1 April 2015	74,663	49,745
(Losses)/gains over cost arising on movement in investment holdings	(4,720)	22,550
Gains on realisation of investments at fair value	3,837	1,438
Currency (losses)/gains	(5,093)	1,338
Administrative expenses	(15)	(7)
Management fee	(420)	(357)
Buyback of Ordinary shares for holding in treasury	(1,041)	–
Finance costs	(49)	(44)
At 31 March 2016	**67,162**	**74,663**

The capital reserve includes investment holding gains amounting to £17,112,000 (2015 – gains of £21,832,000) as disclosed in note 9.

The currency losses of £5,093,000 in 2016 include a loss on the currency hedge, almost all of which came in the first quarter of 2016 when the yen strengthened, as well as losses on the translation of yen deposits and loans to the functional currency.

Notes to the Financial Statements continued

14. Net asset value per share

The net asset value per share and the net asset values attributable to Ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	Net asset value per share		Net asset values attributable	
	2016	2015	2016	2015
	p	p	£'000	£'000
Ordinary shares	**511.29**	**547.91**	**79,723**	**79,949**

The movements during the year of the assets attributable to the Ordinary shares were as follows:

	2016	2015
	£'000	£'000
Net assets attributable at 1 April 2015	79,949	55,148
Capital return for the year	(6,460)	24,918
Revenue on ordinary activities after taxation	875	540
Dividend paid	(379)	(657)
Issue of Ordinary shares	6,779	–
Purchase of Ordinary shares to be held in treasury	(1,041)	–
Net assets attributable at 31 March 2016	**79,723**	**79,949**

The net asset value per Ordinary share is based on net assets, and on 15,592,572 (2015 – 14,591,572) Ordinary shares, being the number of Ordinary shares in issue, after deducting 229,000 shares in held in treasury, at the year end.

15. Financial instruments

Risk management

The Company's investment activities expose it to various types of financial risk associated with the financial instruments and markets in which it invests. The Company's financial instruments comprise securities and other investments, cash balances, loans, forward exchange contracts and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income.

The Company also has the ability to enter into derivative transactions, in the form of forward exchange contracts, to ensure that foreign currency exposure is appropriately hedged.

Certain risk management functions have been delegated to Aberdeen Fund Managers Limited ("AFML" or "Manager") under the terms of the management agreement (further details of which are included under note 3). The Board regularly reviews and agrees policies for managing each type of risk, are summarised below. This approach has been applied throughout the year within the Manager's risk management framework which is described on page 62 and has not changed since the previous accounting period.

The main risks the Company faces from its financial instruments are (i) market risk (comprising interest rate risk, currency risk and price risk), (ii) liquidity risk and (iii) credit risk.

Market price risk

The fair value or future cash of a financial instrument held by the Company may fluctuate because of changes in market prices. This market price risk comprises three elements – interest rate, price risk and currency risk.

Interest rate risk

Interest rate movements may affect:

– the fair value of the investments in fixed interest rate securities;

– the level of income receivable on cash deposits; and

– interest payable on the Company's variable rate borrowings.

Management of the 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 and borrowing decisions.

Interest rate sensitivity

Movements in interest rates would not significantly affect net assets attributable to the Company's shareholders and total profit due to there being no investments in fixed interest securities during the year and a relatively low level of bank borrowings.

Price risk

Price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of quoted investments.

Management of the risk

It is the Board's investment policy for the Company's assets to be invested in a selected portfolio of securities in quoted companies as explained on page 8. The Manager has a dedicated investment management process, which ensures that the risk inherent in this investment policy is controlled. Underlying the process is the belief that risk is not that individual stock prices fluctuate in the short term, or that movement in the value of the portfolio deviates from the benchmark but that risk is investment in poorly managed expensive companies which the Manager does not understand. In-depth research and stock selection procedures are in place based on this risk control philosophy. The portfolio is reviewed on a periodic basis by the Manager's Investment Committee and by the Board.

Price sensitivity

If market prices at the Statement of Financial Position date had been 10% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 March 2016 would have increased/(decreased) by £8,899,000 (2015 increased/(decreased) by £8,631,000) and equity reserves would have increased/(decreased) by the same amount.

Foreign currency risk

The Company primarily invests in the shares of companies which are listed in Japan but can include companies listed on other stockmarkets which earn significant revenue from trading in Japan or hold net assets predominantly in Japan. The Statement of Financial Position, therefore, can be significantly affected by movements in foreign exchange rates.

Management of the risk

The Company may, from time to time, match specific overseas investment with foreign currency borrowings. The Company's borrowings, as detailed in note 11, are also in foreign currency. In addition, the Company seeks to ensure that the Company's Yen net exposure is appropriately Sterling–hedged through the use of rolling forward currency contracts. At 31 March 2016 the Company had a foreign currency contract, details of which are disclosed on page 50. During the year a net loss of £4,089,000 (2015 – gain of £1,327,000) was realised from the use of such contracts.

The revenue account is subject to currency fluctuation arising on dividends paid in foreign currencies. The Company does not hedge this currency risk.

Foreign currency risk exposure by currency of denomination:

	31 March 2016			31 March 2015		
	Overseas investments[A] £'000	Net monetary assets £'000	Total currency exposure £'000	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000
Japanese Yen	52,688	181	52,869	49,312	346	49,658
Taiwan Dollar	–	–	–	–	54	54
Total	**52,688**	**181**	**52,869**	**49,312**	**400**	**49,712**

[A] Overseas investment is stated net of forward currency contracts with a net Sterling equivalent amount of £36,300,000 (2015 – £37,000,000)

Foreign currency sensitivity

The following table details the Company's sensitivity to a 10% increase and decrease in Sterling against the major foreign currencies in which the Company has exposure (based on exposure >5% of total exposure including foreign exchange contracts). The sensitivity analysis includes foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates.

	2016 Revenue £'000	2016 Equity[A] £'000	2015 Revenue £'000	2015 Equity[A] £'000
Japanese Yen	168	7,865	122	7,936

[A] Represents equity exposure to relevant currencies.

Foreign exchange contracts

The following Japanese Yen forward contracts were outstanding at the year end:

Date of contract	Settlement date	Amount JPY '000	Contracted rate	Unrealised gain at 31 March 2016 £'000
15 March 2016	30 June 2016	2,931,043	161.49	(38)
15 March 2016	30 June 2016	2,934,465	161.68	(60)
				(98)

The Sterling equivalent of the above contracts is £36,300,000 based on the net amount of JPY 5,865,508,000 at the contracted rates applicable.

Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not considered to be significant as the Company's assets mainly comprise readily realisable securities which can be sold to meet funding requirements if necessary and flexibility is achieved through the use of loan facilities, details of which may be found in note 11.

Liquidity risk exposure

At 31 March 2016, the Company had a long term bank loans of £8,047,000 (2015 – £7,302,000) which was due to mature on 23 January 2018 with interest due on the principal every six months. The Company also had a rolling facility of £2,476,000 (2015 – Nil) which was due to mature on 18 May 2016 with interest payable at maturity.

Credit risk

This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

Management of the risk

Investment transactions are carried out with a large number of brokers of good quality credit standing; and cash is held only with reputable banks with high quality external credit enhancements.

In addition, both stock and cash reconciliations to the Depositary's records are performed on a daily basis to ensure discrepancies are investigated on a timely basis.

None of the Company's financial assets is secured by collateral or other credit enhancements and none are past due or impaired.

Credit risk exposure

The amount of cash at bank and in hand of £897,000 (2015 – £490,000) and debtors of £625,000 (2015 – £524,000) in the Statement of Financial Position represent the maximum exposure to credit risk at 31 March.

Fair values of financial assets and financial liabilities

All financial assets and financial liabilities of the Company are included in the Statement of Financial Position at fair value or at amortised cost that approximates to fair value.

16. 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 maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt. The Board normally seeks to limit gearing to 15% of net assets.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Manager's views on the market and the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period and year end positions are presented in the Balance Sheet.

17. Fair value hierarchy

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company has early adopted Amendments to FRS 102 – Fair value hierarchy disclosures issued by the Financial Reporting Council in March 2016. The fair value hierarchy shall have the following classifications:

Level 1- unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3 – inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

All of the Company's investments are in quoted equities (2015 – same) actively traded on a recognised stock exchange, with their fair value being determined by reference to their quoted bid prices at the reporting date. The total value of the investments (2016 – £88,988,000; 2015 – £86,312,000) have therefore been deemed as Level 1. Forward foreign currency contracts as detailed in note 15 have been categorised as Level 2.

Notes to the Financial Statements continued

18. Transactions with the Manager

The Company has agreements with AFML to provide management, accounting, administrative and secretarial duties. The agreement for provision of management services has been delegated to Aberdeen Investment Management Kabushiki Kaisha.

The Company has an agreement with AFML for the provision of promotional activities in relation to the Company's participation in the Aberdeen Investment Trust Share Plan and ISA. The total fees paid and payable under the agreement were £52,000 (2015 – £46,000) and the accrual to AFML at the year end was £14,000 (2015 – £12,000).

The management fee is payable at a rate of 0.95% per annum of the value of the Company's net assets up to £50 million decreasing to 0.75% of the value of the Company's assets over and above £50 million, and is payable monthly in arrears. The balance due to AFML at the year end was £58,000 (2015 – £58,000).

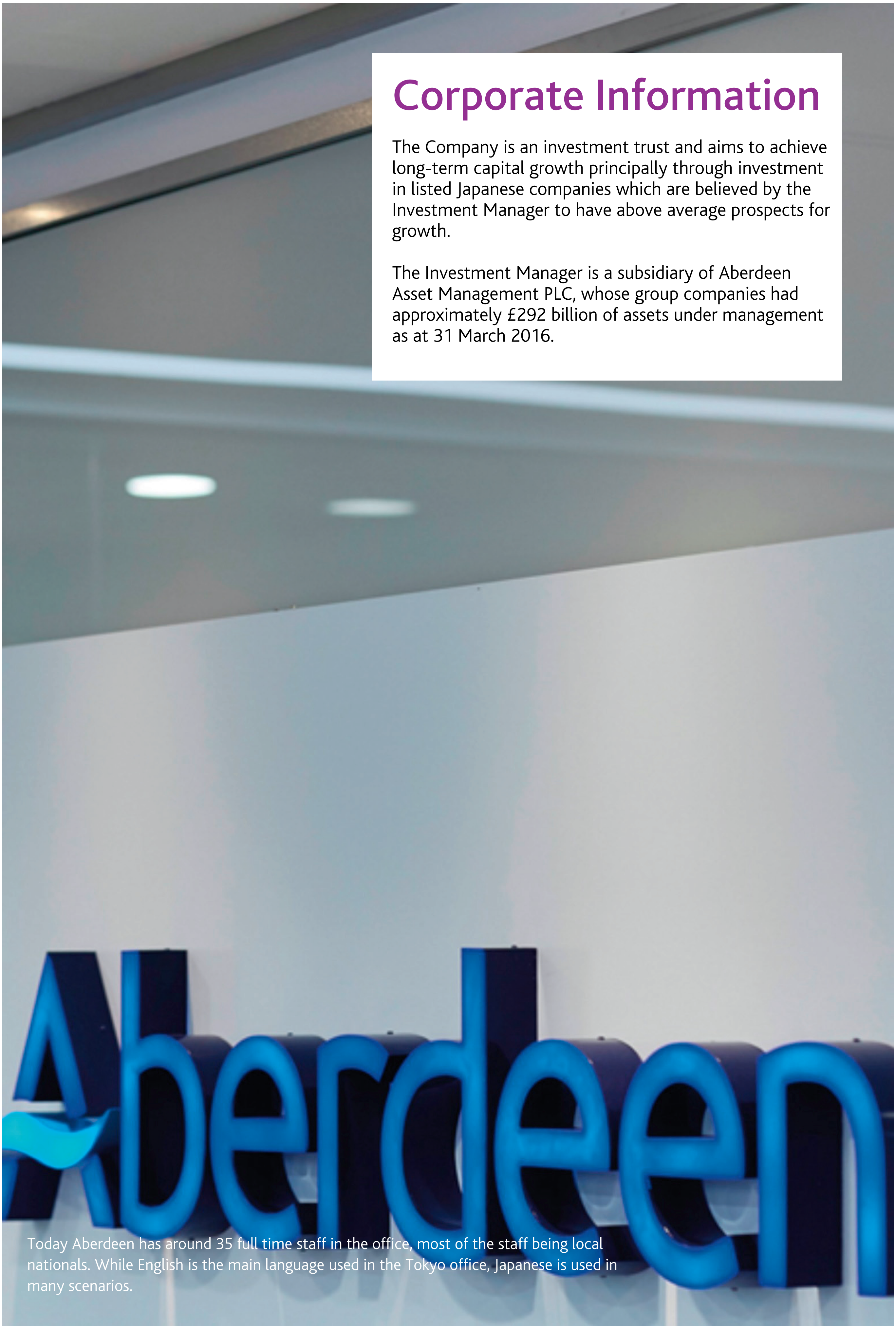
19. Related party transactions

Fees payable during the year to the Directors and their interest in shares of the Company are disclosed within the Directors' Remuneration Report on pages 30 and 31.

Corporate Information

The Company is an investment trust and aims to achieve long-term capital growth principally through investment in listed Japanese companies which are believed by the Investment Manager to have above average prospects for growth.

The Investment Manager is a subsidiary of Aberdeen Asset Management PLC, whose group companies had approximately £292 billion of assets under management as at 31 March 2016.



Today Aberdeen has around 35 full time staff in the office, most of the staff being local nationals. While English is the main language used in the Tokyo office, Japanese is used in many scenarios.

Information about the Manager

Aberdeen Fund Managers Limited

The Manager is a subsidiary of Aberdeen Asset Management PLC, whose group companies had approximately £292 billion of assets under management as at 31 March 2016.

Aberdeen Asset Management PLC manages assets on behalf of a wide range of clients including more than 85 investment trusts and other closed-ended funds, which have combined total assets of approximately £16 billion.

Aberdeen Asset Management PLC has its headquarters in Aberdeen with its main investment centres in Bangkok, Budapest, Edinburgh, Hong Kong, Jersey, Kuala Lumpur, London, Paris, Philadelphia, Singapore, Sydney and Tokyo.

Aberdeen Investment Management Kabushiki Kaisha ("AIMKK") is primarily responsible for the Japan equity portfolios managed within Aberdeen Asset Management PLC (the "Aberdeen Group") and is supported by the Aberdeen Group's Asian equities team in Singapore. AIMKK is based in Tokyo and is a wholly-owned subsidiary of the Aberdeen Group, a publicly-quoted company on the London Stock Exchange.

The Investment Team Senior Managers

Hugh Young
Managing Director
BA in Politics from Exeter University. Started investment career in 1980. In charge of AAM Asia's Far East funds since 1985.

Chern-Yeh Kwok
Head of Investment Management, Japan
BA in Journalism from the University of Missouri- Columbia and MSc in Finance from the London Business School. Joined AAM Asia in 2005 from MSCI Barra where he was an equity research analyst. Became Head of Japanese equities in January 2011 and is based in Tokyo.

Flavia Cheong
Head of Equities – Asia Pacific ex Japan
Chartered Financial Analyst ®, Masters in Economics from University of Auckland. Previously with Investment Company of the People's Republic of China and Development Bank of Singapore. Started investment career in 1987. Joined AAM Asia in August 1996.

Adrian Lim
Senior Investment Manager
Chartered Financial Analyst ®, B.Acc from Nanyang Technological University (Singapore). Joined AAM Asia in 2000. Previously he was an associate director at Arthur Andersen advising on mergers & acquisitions in South East Asia.

Keita Kubota
Investment Manager
BA of Law from Ritsumeikan University, Kyoto. Joined AAM Asia in 2006 and is based in Tokyo.

The Investment Process

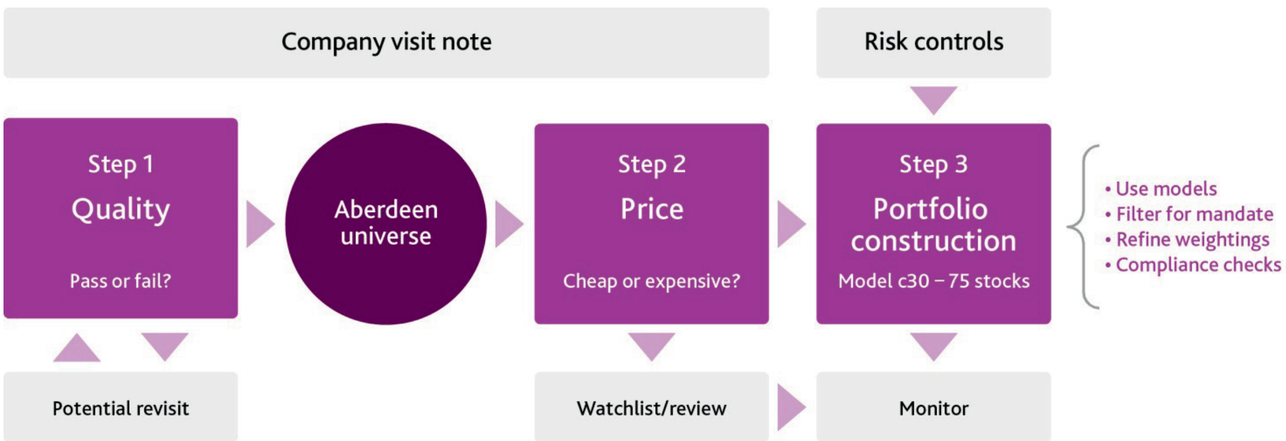
Philosophy and Style

The Investment Manager's investment philosophy is that markets are not always efficient. We (Aberdeen) believe that superior investment returns are therefore attainable by identifying good companies cheaply, defined in terms of the fundamentals that in our opinion drive share prices over the long term. We undertake substantial due diligence before initiating any investment including company visits in order to assure ourselves of the quality of the prospective investment. We are then careful not to pay too high a price when making the investment. Subsequent to that investment we then keep in close touch with the company, aiming to meet management at least twice a year. Given our long-term fundamental investment philosophy, one would not expect much change in the companies in which we invest. We do, however, take opportunities offered to us by what we see as anomalous price movements within stock markets to either top up or top slice positions, which accounts for the bulk of the activity within the portfolio during the year under review.

Risk Controls

We seek to minimise risk by our in depth research. We do not view divergence from a benchmark as risk – we view investment in poorly run expensive companies that we do not understand as risk. In fact where risk parameters are expressed in benchmark relative terms, asset – including sector – allocation constitutes a significant constraint on stock selection. Hence diversification of stocks provides our main control.

Aberdeen's performance and investment risk unit independently monitors portfolio positions, and reports monthly. As well as attributing performance it also produces statistical analysis, which is used by the Investment Manager primarily to check the portfolio is behaving as expected, not as a predictive tool.



Investor information

Direct

Investors can buy and sell shares in Aberdeen Japan Investment Trust PLC directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Many have online facilities. Alternatively, for retail clients, shares may be bought directly through Aberdeen's Investment Plan for Children, Investment Trust Share Plan, Investment Trust ISA or ISA Transfer.

Suitable for Retail/NMPI Status

The Company's shares are designed for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who seek income and capital growth from investment in Japanese markets and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that securities issued by Aberdeen Japan Investment Trust PLC can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments (NMPIs) and intends to continue to do so for the foreseeable future.

The Company's securities are excluded from the Financial Conduct Authority's restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust.

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers Limited ("Aberdeen") runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management, including Aberdeen Japan Investment Trust PLC. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time.

Aberdeen's Investment Trust Share Plan

Aberdeen runs a Share Plan (the "Plan") through which shares in Aberdeen Japan Investment Trust PLC can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen in writing at any time.

Aberdeen Investment Trust ISA

Aberdeen offers a stocks and shares ISA which allows you to invest up to £15,240 in the tax year 2016/17.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

You can choose to transfer previous tax year investments to us, which can be invested in Aberdeen Japan Investment Trust PLC while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Nominee Accounts and Voting Rights

In common with other schemes of this type, all investments in Aberdeen's Investment Trust Share Plan, Investment Plan for Children and Investment Trust ISA are held in nominee accounts and investors have full voting and other rights of share ownership.

Dividend Tax Allowance

From 6 April 2016, dividend tax credits have been replaced by an annual £5,000 tax-free allowance on dividend income. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

Keeping You Informed

Aberdeen Japan Investment Trust PLC's share price appears daily in the Financial Times.

For internet users, detailed data on Aberdeen Japan Investment Trust PLC, including price, performance information and a monthly factsheet, is available on the Company's website (www.aberdeenjapan.co.uk) and the TrustNet website (www.trustnet.co.uk). Alternatively you can call 0500 00 00 40 for trust information.

Registrars

If you have an administrative query which relates to a direct shareholding, please contact the Company's Registrar, as follows:

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Telephone: 0871 664 0300
(Calls cost 12p per minute plus network extras. Lines are open 8.30 am–5.30 pm Mon–Fri.)

Telephone International: +44 208 639 3399
Email ssd@capitaregistrars.com
Website www.capitaregistrars.com

Customer Service

For information on Aberdeen's Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB
Telephone: 0500 00 00 40
Email: inv.trusts@aberdeen-asset.com

Details are also available on www.invtrusts.co.uk.

Terms and Conditions for Aberdeen managed savings products can be found under the Literature section of our website at www.invtrusts.co.uk.

Literature Request Service

For literature and application forms for the Aberdeen investment trust products, please contact:

Telephone: 0500 00 40 00
Email: aam@lit-request.com

Online Dealing Providers

Investor Information

There are a number of other ways in which you can buy and hold shares in this investment trust.

Online Dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell You Invest
Alliance Trust Savings
Barclays Stockbrokers
Charles Stanley Direct
Halifax Share Dealing
Hargreave Hale
Hargreaves Lansdown
Idealing
Interactive Investor
Selftrade
Stocktrade
TD Direct
The Share Centre

Investor information continued

Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Wealth Management Association at www.thewma.co.uk

Financial Advisers

To find an adviser who recommends on investment trusts, visit www.unbiased.co.uk

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Telephone: 0800 111 6768
Website: www.fca.org.uk/firms/systems-reporting/register/search
Email: register@fca.org.uk

Investor Warning: Be alert to share fraud and boiler room scams

Aberdeen has been contacted by investors informing that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen Asset Management or for third party firms. Aberdeen has also been notified of emails claiming that certain investment companies under its management have issued claims in the courts against individuals. These may be scams which attempt to gain investors' personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from them is required to release the supposed payment for their shares.

These callers/senders do not work for Aberdeen and any third party making such offers/claims has no link with Aberdeen. Aberdeen Asset Management does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact Aberdeen's investor services centre using the details on the 'Contact Us' page.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams: http://www.fca.org.uk/consumers/scams

The above information has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Financial Calendar

1 June 2016	Announcement of annual financial report for year ended 31 March 2016
5 July 2016	Annual General Meeting at 10.30 am
8 July 2016	Proposed final dividend payable for year ended 31 March 2016
November 2016	Announcement of half yearly financial report for the six months ending 30 September 2016

Full Text of Investment Policy

The Company's holdings will be generally listed in Japan although the portfolio may also include companies traded on stock markets outside Japan whose consolidated revenue is earned predominantly from trading in, or consolidated net assets are predominantly held in, Japan. The investment portfolio of the Company may comprise investments of any market capitalisation or sector. From time to time, fixed interest holdings, or quasi-equity investments such as convertible securities and warrants, may be held although the book value of such investments will never represent in aggregate more than 25% of gross assets.

The portfolio will be constructed through the identification of individual companies which offer long-term growth potential. The portfolio will be actively managed and not seek to track the Company's reference benchmark, hence a degree of volatility against the benchmark is inevitable.

In constructing the new equity portfolio a spread of risk will be achieved by diversifying the portfolio through investment in 30 to 70 holdings. Sector concentration and thematic characteristics of the portfolio will be carefully monitored. There will be no maximum limits to deviation from the Company's reference benchmark, stock or sector weights except as imposed by banking covenants on any borrowings.

On acquisition, no holding shall exceed 10% of the Company's portfolio at the time of purchase although market movements may increase this percentage. Also, on acquisition, no more than 15% of the Company's gross assets will be invested in other UK listed investment companies, being companies holding the majority of their net assets in Japan.

The Board is responsible for determining the gearing strategy for the Company. Gearing may be used selectively to leverage the Company's portfolio in order to enhance returns where and to the extent it is considered appropriate to do so. Gearing will be subject to a maximum gearing level of 25% of net assets at the time of draw down. Any borrowing, except for short-term liquidity purposes, will be used for investment purposes or buying back shares.

The Company may use derivatives for the purpose of efficient portfolio management and hedging (i.e. for the purpose of reducing, transferring or eliminating investment risk in its investments, including protection against currency risks). The Company will seek to ensure that the Company's Yen net exposure is appropriately Sterling-hedged through the use of rolling forward contracts, options or other derivative instruments. The Board, in its absolute discretion but following consultation with the Investment Manager, will determine what levels of Sterling hedge are appropriate in light of market movements and the composition of the portfolio from time to time. The Company may purchase and sell derivative investments such as exchange-listed and over-the-counter put and call options on currencies, securities, fixed income, currency and interest rate indices and other financial instruments, purchase and sell financial futures contracts and options thereon and enter into various interest rate and currency transactions such as swaps, caps, floors or collars or credit transactions and credit derivative instruments. The Company may also purchase derivative instruments that combine features of these instruments. The Company's aggregate exposure to derivative instruments will not exceed 50% of its gross assets, excluding any instruments used for the purposes of currency hedging.

The Company will not acquire securities that are unlisted or unquoted at the time of investment (with the exception of securities which are about to be listed or traded on a stock exchange or are convertible into listed securities). However, the Company may continue to hold securities that cease to be listed or quoted if the Investment Manager considers this to be appropriate.

The Company may underwrite or sub-underwrite any issue or offer for sale of investments. No such commitment will be entered into if the aggregate of such investments would exceed 10% of the Company's gross assets and no such individual investment would exceed 5% of the Company's gross assets.

Any minimum and maximum percentage limits set out in the Investment Policy will only be applied at the time of the relevant acquisition, trade or borrowing.

The Company will normally be substantially fully invested in accordance with its investment policy but, during periods in which changes in economic conditions or other factors (such as political and diplomatic events, natural disasters and changes in laws) so warrant, the Company may reduce its exposure to securities and increase its position in cash and money market instruments.

The Company will invest and manage its assets, including its exposure to derivatives, in accordance with the objective of spreading risk in accordance with the Company's investment policy.

Glossary of Terms and Definitions

Aberdeen Investment Management Kabushiki Kaisha ("AIMKK")	AIMKK (or "Investment Manager") is a subsidiary company of Aberdeen Asset Management PLC which has been delegated responsibility for the Company's day-to-day investment management.
Alternative Investment Fund Managers Directive ("AIFMD")	The AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' (AIFs). It is designed to regulate any fund which is not a UCITs fund and which is managed and/or marketed in the EU. The Company has been designated as an AIF.
Alternative Investment Fund Manager ("AIFM")	Aberdeen Fund Managers Limited ("AFML" or "Manager") is a wholly owned subsidiary of Aberdeen Asset Management PLC and acts as the Alternative Investment Fund Manager ("AIFM") for the Company as required by EU Directive 2011/61/EU. AFML is authorised and regulated by the Financial Conduct Authority.
Asset Cover	The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security.
Benchmark index ("Index")	The benchmark index is the TOPIX (in Sterling terms). Prior to October 2013 the Company invested in companies across Asia Pacific including Japan. Performance is measured against the Composite Index which is comprised of: TOPIX (in Sterling terms) from 8 October 2013. MSCI AC Asia Pacific (including Japan) Index (in Sterling terms) to 7 October 2013.
Discount	The amount by which the market price per share of an investment trust is lower than the NAV per share. The discount is normally expressed as a percentage of the NAV per share.
Dividend Cover	Earnings per share divided by dividends per share expressed as a ratio.
Dividend Yield	The annual dividend expressed as a percentage of the share price.
Net Asset Value or NAV	The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.
Net Gearing/(Cash)	Net gearing/(cash) is calculated by dividing total assets (as defined below) less cash or cash equivalents by shareholders' funds expressed as a percentage.
Ongoing Charges	Ratio of expenses as percentage of average daily shareholders' funds calculated as per the industry standard method.
Peer Group	The Peer Group is the Japan sector within the Association of Investment Companies.
Pre-Investment Disclosure Document ("PIDD")	The AIFM and the Company are required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment are included within a PIDD, a copy of which can be found on the Company's website.
Premium	The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.
Price/Earnings Ratio	The ratio is calculated by dividing the middle-market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.
Prior Charges	The name given to all borrowings including debentures, loans and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Total Assets	Total assets less current liabilities (before deducting prior charges as defined above).

Your Company's Share Capital History

Issued Share Capital at 31 March 2016

15,821,572	Ordinary shares of 10p (of which 229,000 are held in treasury)

Capital History

Year ended 31 March 2016	During the year to 31 March 2016 1.23 million Ordinary shares were issued at a premium to the prevailing NAV. 229,000 Ordinary shares were repurchased into treasury at a discount to the prevailing NAV.
Year ended 31 March 2015	No changes in the issued share capital.
Year ended 31 March 2014	No changes in the issued share capital. The Company changed its investment objective from an All Asia to a Japan only mandate. The name of the Company was changed to Aberdeen Japan Investment Trust PLC.
Year ended 31 March 2013	700,000 Ordinary shares held in treasury were cancelled. No shares were purchased or issued.
Year ended 31 March 2012	900,795 Ordinary shares purchased, 200,795 of which for cancellation, and 700,000 held in treasury.
Year ended 31 March 2011	No shares purchased, cancelled or issued.
Year ended 31 March 2010	240,000 Ordinary shares purchased for cancellation at prices per share in a range between 239.0p and 280.38p.
Year ended 31 March 2009	541,000 Ordinary shares purchased for cancellation at prices per share in a range between 150.0p and 176.0p.
Year ended 31 March 2008	413,400 Ordinary shares purchased for cancellation at prices per share in a range between 199.3p and 244.0p.
Year ended 31 March 2007	Change in name to Aberdeen All Asia investment Trust PLC from Gartmore Asia Pacific Trust PLC.
Year ended 31 March 2004	Change in name to Gartmore Asia Pacific Trust PLC from Govett Asian Recovery Trust PLC Tender Offer and Matching facility - 18,971,310 Ordinary shares purchased for cancellation.
Year ended 31 March 2003	544,000 Ordinary shares purchased for cancellation.
Year ended 31 March 2001	720,000 Ordinary shares purchased for cancellation.
Year ended 31 March 2000	200,000 Ordinary shares purchased for cancellation.
Year ended 31 March 1999	200,000 Ordinary shares purchased for cancellation.
August 1998	Company established as Govett Asian Recovery Trust PLC with 37,322,077 Ordinary shares of 10p subscribed.

Alternative Investment Fund Managers Directive Disclosures (Unaudited)

Pre-investment Disclosure Document (PIDD)

The AIFMD is intended to offer increased protection to investors in investment products that do not fall under the existing European Union regime for regulation of investment products known as "UCITS".

Aberdeen Fund Managers Limited ("AFML") and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ('AIFMD'). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ('PIDD') the latest version of which can be found on the Company's website www.aberdeenjapan.co.uk. There have been no material changes to the disclosures contained within the PIDD since first publication in July 2014.

The periodic disclosures as required under the AIFMD to investors are made below:

- Information on the investment strategy and sector investment focus and principal stock exposures are included in the Strategic Report.
- None of the Company's assets are subject to special arrangements arising from their illiquid nature.
- The Strategic Report, note 15 to the Financial Statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected. The financial instruments as described in note 15 are managed within the risk management framework operated by AFML and further details are provided below.
- There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by AFML.
- All authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the Company's AIFM remuneration policy is available from the Company Secretaries, Aberdeen Asset Management PLC on request (see contact details on page 68) and the remuneration disclosures in respect of the AIFM's reporting period for the year ended 30 September 2015 are available on the Company's website.

AFML's Risk management framework

AFML is responsible for ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in its pre-investment disclosures to investors (details of which can be found on the Company's website) and has responsibility for monitoring and oversight of investment performance, product risk and regulatory and operational risk for the Company.

The Manager conducts its risk oversight function through the operation of Aberdeen Asset Management Group's ("Aberdeen") risk management processes and systems which are embedded within Aberdeen's operations. Aberdeen's Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk, Risk Management and Legal. The team is headed up by Aberdeen's Head of Risk, who reports to the Chief Executive Officer of Aberdeen. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using Aberdeen's operational risk management system ("SWORD").

Aberdeen's Internal Audit Department is independent of the Risk Division and reports directly to the Aberdeen's CEO, the Audit Committee of the Aberdeen's Board of Directors and the Audit Committee of the Company. The Internal Audit Department is responsible for providing an independent assessment of Aberdeen's control environment.

Aberdeen's corporate governance structure is supported by several committees to assist the board of directors of Aberdeen, its subsidiaries and the Company to fulfil their roles and responsibilities. Aberdeen's Risk Division is represented on all committees, with the exception of those committees that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described on the committees' terms of reference.

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross method	Commitment method
Maximum level of leverage	2.50:1	2.00:1
Actual level at 31 March 2016	1.57:1	1.58:1

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There is no right of re-use of collateral or any guarantees granted under the leveraging arrangement. Changes to the information contained either within this annual report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which AFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The information on this page has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Aberdeen Japan Investment Trust PLC will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH, at 10.30 am on Tuesday, 5 July 2016 for the following purposes:

To consider and, if thought fit, pass the following Resolutions which will be proposed as Ordinary Resolutions:

Ordinary business

1. To receive and adopt the Directors' Report and Financial Statements for the year ended 31 March 2016, together with the independent auditor's report thereon.
2. To receive and adopt the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 31 March 2016.
3. To approve a final dividend of 4.2p per share for the year ended 31 March 2016.
4. To re-elect Neil Gaskell as a Director of the Company.
5. To re-elect Karen Brade as a Director of the Company.
6. To re-elect Kevin Pakenham as a Director of the Company.
7. To elect Sir David Warren as a Director of the Company.
8. To re-appoint KPMG LLP as independent auditor and to authorise the Directors to agree their remuneration.

Special business

As special business to consider and, if thought fit, pass the following resolutions, in the case of Resolutions 9 and 10, as Ordinary Resolutions, and in the case of Resolutions 11 and 12, as Special Resolutions.

9. To increase the limit on the aggregate fees payable to Directors contained in clause 80 of the Company's articles of association to £200,000 (see note (i)).
10. THAT, in substitution for any existing authority under section 551 of the Companies Act 2006 (the "Act"), but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors of the Company be generally and unconditionally authorised for the purposes of Section 551 of the Act to allot Ordinary shares of 10p each in the Company ("shares") and to grant rights ("relevant rights") to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £155,890, such authorisation to expire at the earlier of the conclusion of the next Annual General Meeting of the Company to be held in 2017 or 30 September 2017 unless previously renewed, revoked or varied by the Company in general meeting, save that the Company may at any time before the expiry of this authorisation make an offer which would or might require shares to be allotted or relevant rights to be granted after the expiry of this authorisation and the Directors of the Company may allot shares or grant relevant rights in pursuance of any such offer or agreement as if the authorisation conferred hereby had not expired.
11. THAT, subject to the passing of the resolution numbered 10 set out in the notice of this meeting ("Section 551 Resolution") and in substitution for any existing authority under sections 570 and 573 of the Companies Act 2006 (the "Act") but without prejudice to the exercise of any such authority prior to the date of this resolution, the directors of the Company be empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) either pursuant to the authorisation conferred by the Section 551 Resolution or by way of a sale of treasury shares, in each case for cash as if section 561(1) of the Act did not apply to such allotment or sale, provided that this power shall be limited to:
    a) the allotment of equity securities (otherwise than pursuant to sub-paragraph (b) below) up to an aggregate nominal amount of £155,890 at a price not less than the undiluted net asset value per share at allotment, as determined by the Directors of the Company;
    b) the allotment of equity securities at a price not less than the undiluted net asset value per share at allotment, as determined by the Directors of the Company in connection with an offer to (a) all holders of such Ordinary shares of 10p each in the capital of the Company in proportion (as nearly as may be) to the respective numbers of Ordinary shares held by them and (b) to holders of other equity securities as required by the rights of those securities (but subject to such exclusions, limits or restrictions or other arrangements as the Directors of the Company may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in or under the laws of, or requirements of, any regulatory body of any stock exchange in any territory or otherwise howsoever); and

such power shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company to be held in 2017 or 30 September 2017, but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of any such offer or agreement as if such expiry had not occurred.

12. THAT the Company be and is hereby generally and, subject as hereinafter appears, 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 fully paid Ordinary shares of 10p each in the capital of the Company ("Ordinary shares") and to cancel or hold in treasury such shares, provided that:–
    a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased shall be an aggregate of 2.3 million Ordinary shares or, if less, the number representing 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution;
    b) the minimum price which may be paid for an Ordinary share shall be 10p (exclusive of expenses);
    c) the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall be the higher of:
        (i) 5% above the average of the market values of the Ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the Ordinary shares for the five business days immediately preceding the date of purchase; and
        (ii) the higher of the price of the last independent trade in Ordinary shares and the highest current independent bid for Ordinary shares on the London Stock Exchange; and
    d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at earlier of the conclusion of the Annual General Meeting of the Company to be held in 2017 or 30 September 2017, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase Ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract or contracts.

By order of the Board
Aberdeen Asset Management PLC
Secretary
Bow Bells House
1 Bread Street
London
EC4M 9HH

7 June 2016

Notes:

(i) The resolution to increase the limit on Directors' fees in the Company's articles of association is recommended by the Remuneration Committee for the reasons provided on page 30.

(ii) A member entitled to attend, speak and vote is entitled to appoint one or more proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share. A reply-paid form of proxy is enclosed.

(iii) Forms of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority, should be sent to the address noted on the form of proxy so as to arrive not less than 48 hours (excluding non-working days) before the time fixed for the meeting. The return of a completed proxy form or other instrument of proxy will not prevent you attending the meeting and voting in person if you wish to do so. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every Ordinary share of which they are a holder. As a member, you have the right to put questions at the meeting relating to the business being dealt with at the meeting.

(iv) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to have the right to attend

Notice of Annual General Meeting continued

and vote at the meeting referred to above a member must first have his or her name entered in the Company's register of members by not later than 6pm on the date two days (excluding non-working days) before the time fixed for the meeting (or in the event that the meeting be adjourned on the register of members by not later than 6pm on the date two days (excluding non-working days) before the time of the adjourned meeting). Changes to entries on that register after that time (or, in the event that the meeting is adjourned, on the register of members after 6pm on the date two days (excluding non-working days) before the time of any adjourned meeting) shall be disregarded in determining the rights of any member

(v) to attend and vote at the meeting referred to above.

(vi) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual which can be viewed at www.euroclear.com. 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.

(vii) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) no later than 48 hours before the time of the meeting or any adjournment. 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

(viii) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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.

(ix) 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.

(x) Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party complies with their respective disclosure obligations under the Disclosure and Transparency Rules.

(xi) A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in notes (i) and (ii) above do not apply to a Nominated Person. The rights described in those notes can only be exercised by registered members of the Company.

(xii) It is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting: or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

(xiii) No Director has a service contract with the Company. Copies of the Directors' letters of appointment are available for inspection on any day (except Saturdays, Sundays and bank holidays) from the date of this notice until the date of the meeting during usual business hours at the Company's registered office and for 15 minutes prior to, and at, the meeting.

(xiv) Information regarding the Annual General Meeting, including information required by Section 311A of the Companies Act 2006, is available from the Company's website, www.aberdeenjapan.co.uk.

(xv) Under Section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
   a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
   b) the answer has already been given on a website in the form of an answer to a question; or
   c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

(xvi) The Register of Directors' Interests kept by the Company in accordance with Section 809 of the Companies Act 2006 will be open for inspection at the meeting.

(xvii) Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this Notice of Annual General Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or document on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

(xviii) As at 31 May 2016, the latest practicable date prior to publication of this document, the Company had 15,589,072 Ordinary shares in issue with a total of 15,589,072 voting rights.

(xix) There are special arrangements for holders of shares through the Share Plan and Investment Trust ISA. These are explained in the 'Letter of Direction' which such holders will have received with this report.

(xx) 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):
Tel: 0871 664 0300 (Calls to this number cost 10 pence per minute plus network extras. Lines are open 8.30 am–5.30 pm Mon–Fri.)
Tel International: (+ 44 208 639 3399)
Email ssd@capitaregistrars.com

Contact Addresses

Directors

Neil Gaskell, Chairman
Karen Brade
Sir Andrew Burns
Kevin Pakenham
Sir David Warren

Manager, Secretary and Registered Office

Alternative Investment Fund Manager *

Aberdeen Fund Managers Limited
Bow Bells House
1 Bread Street
London EC4M 9HH

Authorised and regulated by the Financial Conduct Authority
* appointed as required by EU Directive 2011/61/EU

Investment Manager

Aberdeen Investment Management Kabushiki Kaisha

A subsidiary of Aberdeen Asset Management PLC
Website: www.aberdeen-asset.com

Secretary and Registered Office

Aberdeen Asset Management PLC
Bow Bells House
1 Bread Street
London EC4M 9HH

Registered in England & Wales No. 3582911
Email: company.secretary@invtrusts.co.uk

Website

www.aberdeenjapan.co.uk

Bankers

ING N. V. London Branch

Depositary

BNP Paribas Securities Services, London Branch

Stockbrokers

JPMorgan Securities Limited
25 London Wall
London EC2Y 5AJ

Independent Auditor

KPMG LLP

Lawyers

Maclay Murray Spens
One London Wall
London EC2Y 5AB

Foreign Account Tax Compliance Act ("FATCA") Registration Number (GIIN)

IRS Registration Number (GIIN): QHB2WK.99999.SL.826

Points of Contact

Manager

Customer Services Department: 0500 00 00 40
(open Monday - Friday, 9am - 5pm)
Email: inv.trusts@aberdeen-asset.com

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Tel: 0871 664 0300
(Calls cost 12p per minute plus network extras. Lines are open 8.30 am–5.30 pm Mon–Fri.)

Tel International: (+44 208 639 3399)
Email: ssd@capitaregistrars.com
Website: www.capitaregistrars.com