

abrdn Japan Investment Trust plc (formerly Aberdeen Japan Investment Trust PLC)

Japan specialists identifying
exceptional companies

Performance Data and Analytics to 31 May 2022

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.

Benchmark

Topix Index (in sterling terms).

Cumulative performance (%)

	as at 31/05/22	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	592.5p	0.4	(8.5)	(19.3)	(13.9)	17.3	15.1
NAV ^a	667.6p	(1.3)	(6.6)	(17.3)	(12.5)	13.7	12.2
Benchmark		1.1	(2.2)	(6.8)	(2.3)	14.6	20.6

Discrete performance (%)

	31/05/22	31/05/21	31/05/20	31/05/19	31/05/18
Share Price	(13.9)	12.2	21.4	(11.9)	11.4
NAV ^a	(12.5)	8.0	20.3	(10.5)	10.2
Benchmark	(2.3)	7.6	9.1	(6.4)	12.4

Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis. Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value. Source: Aberdeen Asset Managers Limited, Lipper and Morningstar.
Past performance is not a guide to future results.

^a Including current year revenue.

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Morningstar Analyst Rating™



^b Morningstar Analyst Rating™

Morningstar analysts assign the ratings globally on a five-tier scale with three positive ratings of Gold, Silver and Bronze.

Morningstar Sustainability Rating™



Morningstar Rating™



^b Morningstar Rating™ for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.



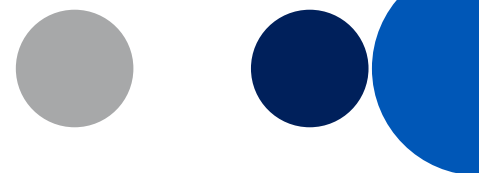
Ten largest equity holdings (%)

Tokio Marine	6.6
KDDI	5.1
Toyota Motor	4.2
Tokyu Fudosan	3.7
Sony	3.7
Shin-Etsu Chemical	3.6
Sho-Bond Holdings	3.0
Asahi Group	3.0
Chugai Pharmaceutical	2.8
Keyence	2.5
Total	38.2

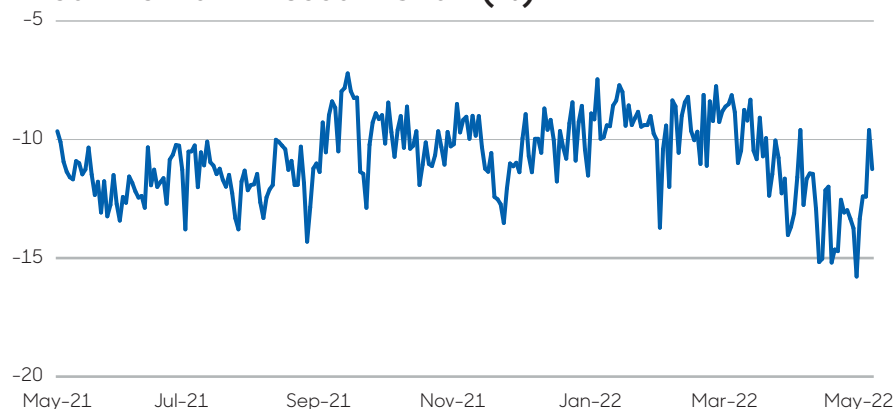
Total number of investments 68

All sources (unless indicated): abrdn: 31 May 2022.





1 Year Premium/Discount Chart (%)



Fund managers' report

Japanese shares rose in May. Downbeat performance in equity markets continued at the start of the month. Investors continued to sell stocks globally, fearful that economies would be harmed by high inflation and supply chain struggles amid China's strict Covid-19 policies. In particular, markets fell sharply after the US Federal Reserve (Fed) hiked rates, as investors feared that central bank action could push the US and other major economies into recession. However, sentiment changed and stocks rebounded later in the month. Investors reacted positively to a moderation in US inflation. Japan outperformed the global average, returning 0.87% for the MSCI Japan Index and 0.04% the MSCI Japan Small Cap Index, in Japanese yen.

Japan's economic news was mixed in the month. Consumer confidence data showed improving sentiment for the second month running. The au Jibun Bank Flash Japan Composite purchasing managers' index (PMI) data showed improvement in the services sector. However, there was some deterioration from manufacturing, as flash PMIs dropped from 52.1 in April to 50.8 in May. April data showed a slump in factory activity.

At the end of the month, Prime Minister Kishida's government released its 'broad framework' for economic reform. The policy highlights key areas of growth and investment for Japan, including human capital, technology, supporting start-ups and digital policy. Decarbonisation and energy policy was another theme of the framework. Over the month, Japan's energy minister committed to cutting coal power generation and restarting idle nuclear power plants. So far, however, there have been no commitments to build new nuclear facilities. To investors' relief, previously mooted less market-friendly tax and share buyback restrictions were omitted from the policy. More specific details are expected late in the year but the government has dropped a commitment to balancing its budget in the short run.

Fund managers' report continues overleaf

^c Expressed as a percentage of average daily net assets for the year ended 31 March 2022. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The OCF can help you compare the annual operating expenses of different Companies.

^d Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

^e The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

Sector allocation (%)

	Trust	Benchmark
Consumer Discretionary	21.0	23.1
Industrials	20.1	25.7
Health Care	11.9	8.5
Financials	11.1	9.8
Technology	10.2	12.0
Consumer Staples	7.6	5.6
Telecommunications	7.3	5.3
Basic Materials	5.1	5.7
Real Estate	5.0	2.0
Energy	-	0.9
Utilities	-	1.4
Cash	0.7	-
Total	100.0	100.0

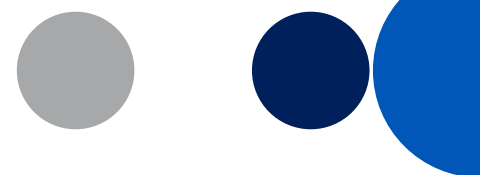
Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	14.69	13.37
Beta	1.08	1.05
Sharpe Ratio	0.27	0.25
Annualised Tracking Error	5.13	5.17
Annualised Information Ratio	0.13	(0.06)
R-Squared	0.88	0.85

Source: Aberdeen Asset Management, BPSS & Datastream, Basis: Total Return, Gross of Fees, GBP. Please note that risk analytics figures are calculated on gross returns whereas the performance figures are based on net asset value (NAV) returns. In addition, the risk analytics figures lag the performance figures by a month.

Key information Calendar

Year end	31 March
Accounts published	June
Annual General Meeting	July
Dividend paid	December and July
Launch date	October 1998
Fund manager	Japanese Equities Team
Ongoing charges ^c	1.00%
Annual management fee	0.75% of the lower of net assets and market capitalisation
Premium/(Discount)	(11.2)%
Historic yield	2.5%
Net gearing ^d	11.8%
Active share ^e	86.0%



Fund managers' report - continued

On the monetary policy side, Bank of Japan Governor Kuroda has pledged to keep loose monetary policy unchanged, to help the economy recover. The core consumer price index rose by 1.9% in May, almost at the central bank's 2% target. However, Kuroda believes that price rises are still temporary and that the economy is not yet at its price goals.

In spite of concerns of a broader economic slowdown, Japanese companies are buying back shares at a record pace. Sony is buying back up to 2% of its shares outstanding, after announcing earnings guidance that was not as bad as expectations. Non-life insurer Tokio Marine announced a share buyback of up to 1.8% of its shares outstanding, as well as a significant dividend increase on continued insurance rate hikes in the new financial year.

The end-March reporting season reaffirmed our view that our holdings continue to make efforts to maintain their profitability amidst cost inflation, supply chain issues and nearer-term macroeconomic uncertainty. Beverage maker Asahi Group announced price hikes of up to 16% for soft drinks in Japan, following an earlier announcement to raise beer prices in Japan for the first time in 14 years. Seasonings maker Ajinomoto's results fell short of expectations on higher costs but the company is raising prices and has confidence that this will not result in a sales volume decline.

Rising energy prices and environmental awareness are leading to an increase in demand for energy-efficient products at a number of our holdings. Daikin Industries is forecasting its heat pump sales to grow 45% year-on-year this financial year in Europe on the back of rising energy-saving demand. Specialty chemical and glass maker AGC mentioned the possibility of an expansion of the high-performance glass market as insulation in buildings become increasingly important to save on electricity costs.

Portfolio Moves

No changes were made to the portfolio in May.

Outlook

The escalation of the Ukrainian conflict, and its impact on global commodity prices, has put a chill on sentiment across global markets. While the direct impact on most Japanese corporates – including the Fund's holdings – is minimal, the indirect impact from the sharp rise in commodity prices puts further pressure on companies' profitability. Broadly speaking, companies are passing on higher prices to their end customers, but these actions will come with a lag, especially with the recent run-up in prices. Meanwhile, the peaking of the sixth wave of Covid-19 cases in Japan should bolster a return to some normalcy after a tough year. With this backdrop, and with the rotation in the markets earlier in the year, valuations for quality stocks have fallen sharply. However, commentary from companies suggests that business fundamentals remain sound.

The risk outlined overleaf relating to gearing and exchange rate movements are particularly relevant to this trust but should be read in conjunction with all warnings and comments given. Important information overleaf

AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

Assets/Debt (£m)

Gross Assets	94.3
Debt	10.5
Cash & cash equivalents	0.6

Capital structure

Ordinary shares	12,559,910
Treasury shares	3,261,662

Allocation of management fees and finance costs

Capital	60%
Revenue	40%

Trading details

Reuters/Epic/Bloomberg code	AJIT
ISIN code	GB0003920757
Sedol code	0392075
Stockbrokers	Shore Capital
Market makers	CFEP, INV, JPMS, STFL, SCAP, WINS



Factsheet

Receive the factsheet by email as soon as it is available by registering at www.investments.co.uk/#signup www.aberdeenjapan.co.uk



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Important information

Risk factors you should consider prior to investing:

- The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- Derivatives may be used, subject to restrictions set out for the Company, in order to manage risk and generate income. The market in derivatives can be volatile and there is a higher than average risk of loss.
- Movements in exchange rates will impact on both the level of income received and the capital value of your investment.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.

Other important information:

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