

Interim  
Financial Report

28 February 2025

# The Baillie Gifford Japan Trust PLC

Managed by

**Baillie Gifford™**

The Baillie Gifford Japan Trust PLC aims to achieve long-term capital growth principally through investment in medium to smaller sized Japanese companies, which are believed to have above average prospects for growth.

### **Benchmark**

The portfolio benchmark against which performance is measured is the TOPIX total return (in sterling terms).

### **Principal Risks and Uncertainties**

The principal risks facing the Company are financial risk, discount risk, investment strategy and smaller company risk, climate and governance risk, leverage risk, custody, depositary and reliance on third party service provider risk, cyber security risk, regulatory risk, political and associated economic risk and emerging risks. An explanation of these risks and how they are managed is set out on pages 30 to 33 of the Company's Annual Report and Financial Statements for the year to 31 August 2024 and is available on the Company's website: [japantrustplc.co.uk](http://japantrustplc.co.uk).

The principal risks and uncertainties have not changed since the date of the Annual Report.

### **Responsibility Statement**

We confirm that to the best of our knowledge:

- a. the condensed set of Financial Statements has been prepared in accordance with FRS 104 'Interim Financial Reporting';
- b. the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the year); and
- c. the Interim Financial Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board  
David Kidd  
Chairman  
27 March 2025

# Summary of unaudited results

	Six months to 28 February 2025	Six months to 29 February 2024
<b>Total returns (%)**†</b>		
<b>Net asset value per share</b>	<b>1.5</b>	<b>7.8</b>
<b>Share price</b>	<b>2.9</b>	<b>2.5</b>
<b>TOPIX total return (in sterling terms)</b>	<b>0.9</b>	<b>13.1</b>

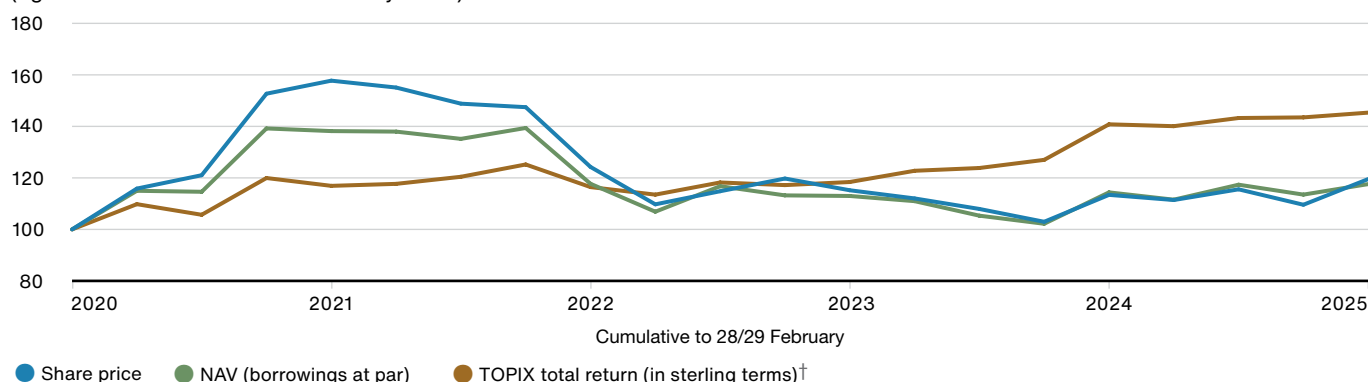
	28 February 2025	31 August 2024 (audited)	% change
Shareholders' funds	£695.3m	£748.4m	
Net asset value per share	856.9p	855.0p	0.2
Share price	767.0p	756.0p	1.5
Discount*	(10.5%)	(11.6%)	
Active share*	84%	84%	

	Six months to 28 February 2025	Six months to 29 February 2024
Revenue earnings per share	3.41p	4.31p

	Six months to 28 February 2025		Year to 31 August 2024	
Period's high and low	High	Low	High	Low
Net asset value per share	905.1p	788.4p	879.7p	707.5p
Share price	790.0p	689.0p	766.0p	641.0p
Premium/(discount)*	(10.5%)	(16.5%)	(6.1%)	(14.8%)

## Five Year Total Return Performance

(figures rebased to 100 at 28 February 2020)



\* Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures on pages 14 and 15. The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend.

† Source: Baillie Gifford/London Stock Exchange Group ('LSEG') and relevant underlying data providers. See disclaimer on page 13.

Past performance is not a guide to future performance.



# Interim Management Report

At first glance, the six month period to the end of February 2025 appears subdued in investment terms. During the period the NAV total return of your Company was +1.5% whilst the share price total return was +2.9% and the TOPIX total return (in sterling terms) was +0.9%.

Beneath the surface, however, action has continued apace. Artificial Intelligence ('AI') continues to advance at a rapid rate with developments in the capabilities of the most advanced models, in the hardware used to run them, and in lowering costs. Our view remains that this is a radically disruptive technology that is re-shaping the competitive environment for many businesses. On the political front, President Trump's re-election is already resulting in geopolitical realignments and trade frictions, putting Japan at risk of direct and indirect effects. Directly, efforts to impose tariffs on, for example, imported cars are unhelpful to some of Japan's major companies. Indirectly, Japan currently benefits from open trade with its major trade partners, the USA and China, so to the extent that policies diminish global trade they will reduce opportunity for Japan's export companies. Domestically, the situation remains solid with modest inflation now embedded. Within the last year, the Bank of Japan ('BoJ') ended its negative interest rate policy and has incrementally increased rates to their current level of 0.5%. In addition, it has been able to move away from yield curve control which targeted a maximum yield of around 1% for the benchmark 10-year Japanese Government Bond ('JGB'). Currently the 10-year JGB yields around 1.5%. This normalisation of monetary policy has left 10-year yields at a similar order of magnitude to various other countries, including China (1.8%), Sweden (2.6%) and Switzerland (0.6%).

Turning to individual stocks, the five largest positive contributors to relative performance were SBI Holdings (+1.0%), Topcon (+0.9%), MIXI (+0.7%) and SWCC Showa (+0.5%) as well as not owning Daiichi Sankyo (+0.6%). The five largest negative contributors to relative performance were Rakuten (-0.7%), Unicharm (-0.6%), Eisai (-0.5%) and Calbee (-0.4%) as well as not owning Mitsubishi UFJ Financial Group (-0.7%). Finally gearing impacted relative performance by -0.4%.

SBI Holdings, which provides online financial services, has been delivering solid operational performance against the favourable background of rising rates. Topcon, which makes positioning and eyecare systems, is strongly rumoured to have been approached by potential acquirers. MIXI, which develops online games and other online businesses, has been growing profits again as a result of successful innovation. Finally, SWCC Showa has achieved rapid profit growth due to its ability to produce high voltage electricity cables that are in high demand as Japan modernises its electricity grid.

With regard to detractors, Rakuten, an internet conglomerate pushing into telecoms, is a large position that experienced a small pull-back after its stand out performance as the top positive contributor to performance in the previous fiscal year. We believe that the investment case of increasing profits across its business remains intact. Unicharm's weakness may be due to concerns around competitive intensity but we continue to regard its products (nappies, adult incontinence products, and feminine hygiene products) as very resilient and management as good stewards of the business. Eisai, which has the exciting

See Glossary of Terms and Alternative Performance Measures on pages 14 and 15.

Total return information sourced from LSEG/Baillie Gifford. See disclaimer on page 13.

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Alzheimer's treatment Leqembi, may be perceived as progressing slightly slower than expected but we see huge potential on a longer-term view as adoption expands. Finally, Calbee, which makes snacks, seems to be progressing well from an operational perspective.

During the period we sold a single holding and reinvested the proceeds in existing names where we have higher conviction. The sold holding was long-standing position Tokyo Tatemono which has benefitted from multi-year development of its interests in Yaesu, an area of Tokyo separated from the key Marunouchi business district by Tokyo Station. Looking forward the company will be shifting its business more towards condominium development, which we believe to be less attractive.

With much changing in the world we believe that investors in Japan will be well-served by sticking to the core investment principle of focusing on companies with sound prospects for sales and earnings growth. Your company maintains significant exposure to the long-term secular trends of digitalisation, automation and AI. Furthermore, given that the portfolio currently owns no car manufacturers and has a more domestic orientation than the wider Japanese stock market we believe that it will be relatively resilient to tariffs imposed by the USA. Given the highly attractive investment opportunities available and a low funding cost we have maintained net gearing at the significant level of 20%.

Baillie Gifford & Co

27 March 2025

# List of Investments

as at 28 February 2025 (unaudited)

Name	Business	Value £'000	% of total investments
<b>Secular Growth*</b>			
<b>Rakuten</b>	<b>Commerce and services</b>	<b>43,140</b>	<b>5.2</b>
<b>SBI Holdings</b>	<b>Financials</b>	<b>37,928</b>	<b>4.6</b>
<b>GMO Internet</b>	<b>Information, communication and utilities</b>	<b>27,574</b>	<b>3.3</b>
<b>CyberAgent</b>	<b>Commerce and services</b>	<b>24,819</b>	<b>3.0</b>
<b>FANUC</b>	<b>Electricals and electronics</b>	<b>23,740</b>	<b>2.9</b>
<b>Kubota</b>	<b>Manufacturing and machinery</b>	<b>17,243</b>	<b>2.1</b>
<b>Oisix</b>	<b>Retail</b>	<b>17,024</b>	<b>2.0</b>
<b>Recruit</b>	<b>Commerce and services</b>	<b>16,969</b>	<b>2.0</b>
<b>Sato</b>	<b>Manufacturing and machinery</b>	<b>16,438</b>	<b>2.0</b>
<b>Misumi</b>	<b>Commerce and services</b>	<b>16,338</b>	<b>2.0</b>
<b>Keyence</b>	<b>Electricals and electronics</b>	<b>14,810</b>	<b>1.8</b>
<b>GA Technologies</b>	<b>Information, communication and utilities</b>	<b>14,215</b>	<b>1.7</b>
<b>Eisai</b>	<b>Pharmaceuticals and food</b>	<b>12,560</b>	<b>1.5</b>
MonotaRO	Retail	11,590	1.4
Systemx	Electricals and electronics	11,001	1.3
M3	Commerce and services	9,963	1.2
Seria	Retail	9,130	1.1
Raksul	Information, communication and utilities	8,863	1.1
TKP	Real estate and construction	8,661	1.0
Topcon	Manufacturing and machinery	8,544	1.0
SMC	Manufacturing and machinery	7,826	0.9
Nidec	Electricals and electronics	7,501	0.9
Broadleaf	Information, communication and utilities	7,092	0.9
Lifenet Insurance	Financials	7,090	0.9
LY Corp	Communication services	7,088	0.9
Daikin Industries	Manufacturing and machinery	6,578	0.8
freee K.K.	Information, communication and utilities	6,378	0.8
Mercari	Information, communication and utilities	5,435	0.7
Noritsu Koki	Manufacturing and machinery	5,201	0.6
Vector	Information, communication and utilities	4,442	0.5
PeptiDream	Pharmaceuticals and food	4,312	0.5
Bengo4.com	Commerce and services	4,147	0.5
Rizap	Commerce and services	3,931	0.5
BASE	Information, communication and utilities	3,793	0.5
Nakanishi	Manufacturing and machinery	3,780	0.4
Infomart	Commerce and services	3,710	0.4
Digital Garage	Information, communication and utilities	3,679	0.4
Demae-can	Information, communication and utilities	3,578	0.4
Nihon M&A Center	Commerce and services	3,433	0.4
Istyle	Information, communication and utilities	3,030	0.4
Nippon Ceramic	Electricals and electronics	2,853	0.3
		<b>455,427</b>	<b>54.8</b>

Name	Business	Value £'000	% of total investments
<b>Growth Stalwarts†</b>			
<b>Calbee</b>	<b>Pharmaceuticals and food</b>	<b>22,852</b>	<b>2.7</b>
<b>Nintendo</b>	<b>Manufacturing and machinery</b>	<b>20,468</b>	<b>2.5</b>
Pola Orbis	Chemicals and other materials	12,004	1.4
Unicharm	Chemicals and other materials	11,469	1.4
Shiseido	Consumer staples	10,116	1.2
Park24	Real estate and construction	9,814	1.2
Nippon Paint	Chemicals and other materials	9,183	1.1
Kansai Paint	Chemicals and other materials	8,647	1.0
Olympus	Manufacturing and machinery	8,417	1.0
Sugi	Retail	8,263	1.0
Kao	Chemicals and other materials	7,457	0.9
Kose	Consumer staples	6,077	0.7
Pigeon	Manufacturing and machinery	4,651	0.6
Sawai Pharmaceutical	Pharmaceuticals and food	2,798	0.3
		<b>142,216</b>	<b>17.0</b>
<b>Special Situations#</b>			
<b>SoftBank Group</b>	<b>Information, communication and utilities</b>	<b>53,371</b>	<b>6.4</b>
<b>Sony</b>	<b>Electricals and electronics</b>	<b>33,542</b>	<b>4.0</b>
<b>MIXI</b>	<b>Commerce and services</b>	<b>20,378</b>	<b>2.5</b>
Colopl	Information, communication and utilities	8,016	1.0
		<b>115,307</b>	<b>13.9</b>
<b>Cyclical Growth‡</b>			
<b>Sumitomo Mitsui Trust Bank</b>	<b>Financials</b>	<b>38,849</b>	<b>4.7</b>
<b>Bridgestone</b>	<b>Manufacturing and machinery</b>	<b>13,811</b>	<b>1.7</b>
Murata	Electricals and electronics	12,023	1.4
Nifco	Chemicals and other materials	11,420	1.4
Sumitomo Metal Mining	Chemicals and other materials	11,348	1.4
Chugoku Marine Paints	Chemicals and other materials	10,049	1.2
DMG Mori	Manufacturing and machinery	8,226	1.0
Rohm	Electricals and electronics	5,710	0.7
SWCC Showa	Electricals and electronics	4,288	0.5
Shima Seiki	Manufacturing and machinery	2,393	0.3
		<b>118,117</b>	<b>14.3</b>
<b>Total investments</b>		<b>831,067</b>	<b>100.0</b>

**Growth category**

\* Secular Growth – opportunity to grow rapidly but where there are a number of potential outcomes.

† Growth Stalwarts – growth is less rapid but more predictable.

# Special Situations – performance has not been good but there is a reason to believe improvements are underway.

‡ Cyclical Growth – earnings do not rise every year but are expected to be higher from one cycle to the next.

Stocks highlighted in bold are the 20 largest holdings.

# Income Statement (unaudited)

	For the six months ended 28 February 2025			For the six months ended 29 February 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	-	705	705	-	43,761	43,761
Currency (losses)/gains	-	(1,459)	(1,459)	-	3,470	3,470
Income	7,192	-	7,192	8,066	-	8,066
Investment management fee	(2,042)	-	(2,042)	(2,118)	-	(2,118)
Other administrative expenses	(370)	-	(370)	(345)	-	(345)
<b>Net return before finance costs and taxation</b>	<b>4,780</b>	<b>(754)</b>	<b>4,026</b>	<b>5,603</b>	<b>47,231</b>	<b>52,834</b>
Finance costs of borrowings	(1,186)	-	(1,186)	(861)	-	(861)
<b>Net return before taxation</b>	<b>3,594</b>	<b>(754)</b>	<b>2,840</b>	<b>4,742</b>	<b>47,231</b>	<b>51,973</b>
Tax	(719)	-	(719)	(806)	-	(806)
<b>Net return after taxation</b>	<b>2,875</b>	<b>(754)</b>	<b>2,121</b>	<b>3,936</b>	<b>47,231</b>	<b>51,167</b>
<b>Net return per ordinary share (note 5)</b>	<b>3.41p</b>	<b>(0.89p)</b>	<b>2.52p</b>	<b>4.31p</b>	<b>51.74p</b>	<b>56.05p</b>

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies.

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

A Statement of Comprehensive Income is not required as all gains and losses of the Company have been reflected in the above statement.

The accompanying notes on pages 10 to 12 are an integral part of the Financial Statements.



# Balance Sheet (unaudited)

	Notes	At 28 February 2025 £'000	At 31 August 2024 (audited) £'000
<b>Fixed assets</b>			
Investments	6	831,067	886,335
<b>Current assets</b>			
Debtors		3,482	2,871
Cash and cash equivalents		5,796	5,305
		9,278	8,176
<b>Creditors</b>			
Amounts falling due within one year		(81,851)	(146,132)
<b>Net current liabilities</b>		<b>(72,573)</b>	<b>(137,956)</b>
<b>Total assets less current liabilities</b>		<b>758,494</b>	<b>748,379</b>
<b>Creditors</b>			
Amounts falling due after more than one year	7	(63,242)	-
<b>Net assets</b>		<b>695,252</b>	<b>748,379</b>
<b>Capital and reserves</b>			
Share capital		4,717	4,717
Share premium account		213,902	213,902
Capital redemption reserve		203	203
Capital reserve		466,601	514,122
Revenue reserve		9,829	15,435
<b>Shareholders' funds</b>		<b>695,252</b>	<b>748,379</b>
<b>Net asset value per ordinary share*</b>		<b>856.9p</b>	<b>855.0p</b>
<b>Ordinary shares in issue</b>	8	<b>81,137,614</b>	<b>87,532,614</b>

\* See Glossary of Terms and Alternative Performance Measures on pages 14 and 15.

# Statement of Changes in Equity (unaudited)

## For the six months ended 28 February 2025

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve * £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 September 2024		4,717	213,902	203	514,122	15,435	<b>748,379</b>
Shares bought back		-	-	-	(46,767)	-	<b>(46,767)</b>
Net return		-	-	-	(754)	2,875	<b>2,121</b>
Dividends paid during the period	4	-	-	-	-	(8,481)	<b>(8,481)</b>
<b>Shareholders' funds at 28 February 2025</b>		<b>4,717</b>	<b>213,902</b>	<b>203</b>	<b>466,601</b>	<b>9,829</b>	<b>695,252</b>

## For the six months ended 29 February 2024

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve * £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 September 2023		4,717	213,902	203	496,965	17,176	<b>732,963</b>
Shares bought back		-	-	-	(21,514)	-	<b>(21,514)</b>
Net return		-	-	-	47,231	3,936	<b>51,167</b>
Dividends paid during the period	4	-	-	-	-	(9,157)	<b>(9,157)</b>
<b>Shareholders' funds at 29 February 2024</b>		<b>4,717</b>	<b>213,902</b>	<b>203</b>	<b>522,682</b>	<b>11,955</b>	<b>753,459</b>

\* The capital reserve balance at 28 February 2025 includes unrealised investment holding gains of £14,780,000 (29 February 2024 – gains of £59,740,000).

# Condensed Cash Flow Statement (unaudited)

	Notes	Six months to 28 February 2025 £'000	Six months to 29 February 2024 £'000
<b>Cash flows from operating activities</b>			
Net return before taxation		2,840	51,973
Net gain on investments		(705)	(43,761)
Currency losses/(gains)		1,459	(3,470)
Finance costs of borrowings		1,186	861
Overseas withholding tax		(702)	(738)
Changes in debtors and creditors		(317)	(684)
<b>Cash from operations</b>		<b>3,761</b>	<b>4,181</b>
Interest paid		(1,065)	(866)
<b>Net cash inflow from operating activities</b>		<b>2,696</b>	<b>3,315</b>
<b>Cash flows from investing activities</b>			
Acquisitions of investments		(18,484)	(39,296)
Disposals of investments		72,801	55,966
<b>Net cash inflow from investing activities</b>		<b>54,317</b>	<b>16,670</b>
<b>Cash flows from financing activities</b>			
Shares bought back	8	(48,555)	(21,288)
Dividends paid	4	(8,481)	(9,157)
Bank loans drawn down		140,747	92,498
Bank loans repaid		(140,036)	(78,620)
<b>Net cash outflow from financing activities</b>		<b>(56,325)</b>	<b>(16,567)</b>
<b>Increase in cash and cash equivalents</b>		<b>688</b>	<b>3,418</b>
Exchange movements		(197)	(47)
Cash and cash equivalents at start of period*		5,305	6,030
<b>Cash and cash equivalents at end of period*</b>		<b>5,796</b>	<b>9,401</b>

\* Cash and cash equivalents represent cash at bank and short term money market deposits repayable on demand.

# Notes to the condensed Financial Statements (unaudited)

## 01 Basis of Accounting

The condensed Financial Statements for the six months to 28 February 2025 comprise the statements set out on the previous pages together with the related notes on pages 10 to 12. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and updated in July 2022 with consequential amendments. They have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 28 February 2025 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 31 August 2024.

### Going concern

Having considered the Company's principal risks and uncertainties, as set out on the inside front cover, together with its current position, investment objective and policy, its assets and liabilities, and projected income and expenditure, together with the Company's dividend policy, it is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Board has considered severe but plausible downside scenarios, including the impact of heightened market volatility and macroeconomic and geopolitical concerns, including inflation and interest rates, but it does not believe the Company's going concern status is affected. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. In accordance with the Company's Articles of Association, shareholders have the right to vote annually at the Annual General Meeting on whether to continue the Company. The next continuation vote will be in December 2025. The Directors have no reason to believe that the continuation resolution will not be passed at the Annual

General Meeting. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

## 02 Financial Information

The financial information contained within this Interim Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 31 August 2024 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying its report and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

## 03 Investment Manager

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed by the Company as its Alternative Investment Fund Manager and Company Secretary. The investment management function has been delegated to Baillie Gifford & Co. The management agreement can be terminated on not less than 6 months' notice, or on shorter notice in certain circumstances. With effect from 1 September 2024, the annual management fee is 0.65% on the first £250 million of net assets and 0.55% on the remaining net assets, calculated and payable quarterly.

## 04 Dividends

	Six months to 28 February 2025 £'000	Six months to 29 February 2024 £'000
Amounts recognised as a distribution in the period: Previous year's final dividend of 10.00p paid 18 December 2024 (2024 – 10.00p paid on 20 December 2023)	8,481	9,157

No interim dividend has been declared.

## 05 Net Return Per Ordinary Share

	Six months to 28 February 2025 £'000	Six months to 29 February 2024 £'000
Revenue return after taxation	2,875	3,936
Capital return after taxation	(754)	47,231
<b>Total net return</b>	<b>2,121</b>	<b>51,167</b>
<b>Weighted average number of ordinary shares in issue</b>	<b>84,364,962</b>	<b>91,294,290</b>

Net return per ordinary share is based on the above totals of revenue and capital and the weighted average number of ordinary shares in issue during each period. There are no dilutive or potentially dilutive shares in issue.

## 06 Fair Value Hierarchy

The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit or loss account are measured is described below. Fair value measurements are categorised on the basis of the lowest level input that is significant to the fair value measurement.

**Level 1** – using unadjusted quoted prices for identical instruments in an active market;

**Level 2** – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and

**Level 3** – using inputs that are unobservable (for which market data is unavailable).

The fair value of listed investments is the last traded price which is equivalent to the bid price on Japanese markets.

The financial assets designated as valued at fair value through profit or loss are all categorised as Level 1 in the above hierarchy. None of the financial liabilities are designated at fair value through profit or loss in the Financial Statements.

All of the Company's investments fall into Level 1 for the periods reported.



## 07 Bank Loans

	At 28 February 2025	At 31 August 2024
<b>Due within one year:</b>		
2 year floating rate loan facility with Bank of New York Mellon for ¥15,000 million, expiring August 2025	¥15,000 million (£79.0 million) at 1.443%	¥15,000 million (£78.4 million) at 1.585%
Revolving credit facility with Mizuho Bank for ¥2.6 billion, expiring March 2025	–	¥500 million (£2.6 million) at 1.216% ¥1,000 million (£5.2 million) at 1.428% ¥1,100 million (£5.8 million) at 1.280%
7 year fixed rate loan facility with ING Bank N.V. for ¥9,300 million, expiring November 2024	–	¥9,300 million (£48.6 million) at 1.585%
<b>Due after one year:</b>		
Fixed rate unsecured private notes with Canada Life:		
– ¥4,000 million Series A Senior Notes due 20 November 2029	¥4,000 million at 1.56% (£21.1 million)	–
– ¥4,000 million Series B Senior Notes due 20 November 2034	¥4,000 million at 2.05% (£21.1 million)	–
– ¥4,000 million Series C Senior Notes due 20 November 2038	¥4,000 million at 2.55% (£21.1 million)	–

In the six month period ending 28 February 2025, the Company repaid loans totaling ¥9.3 billion to ING and ¥2.6 billion to Mizuho. On 20 November 2024 the Company issued ¥12 billion of long-term secured privately placed senior notes with Canada Life.

## 08 Share Capital

The Company has the authority to issue shares/sell treasury shares at a premium to net asset value as well as to buy back shares at a discount to net asset value. During the period, no shares were issued and 6,395,000 shares were bought back into Treasury (29 February 2024 – nil issued and 3,135,000 bought back). There were 13,190,595 shares held in Treasury at 28 February 2025 (29 February 2024 – 4,415,595). Between 1 March 2025 and 26 March 2025, the Company bought back a further 940,000 shares into Treasury. The Company has authority remaining to buy back 9,025,019 ordinary shares.

## 09 Related Party Transactions

There have been no transactions with related parties during the first six months of the current financial year that have materially affected the financial position or the performance of the Company during that period and there have been no changes in the related party transactions described in the last Annual Report and Financial Statements that could have had such an effect on the Company during that period.

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

# Further Shareholder Information

## How to Invest

Baillie Gifford Japan's shares are traded on the London Stock Exchange. They can be bought by placing an order with a stockbroker or by asking a professional adviser to do so. If you are interested in investing directly in The Baillie Gifford Japan Trust PLC, you can do so online. There are a number of companies offering real time online dealing services. Find out more by visiting the investment trust pages at [bailliegifford.com](http://bailliegifford.com).

## Client Relations Team Contact Details

You can contact the Baillie Gifford Client Relations Team by telephone (your call may be recorded for training or monitoring purposes), email or post. See contact details in the Company Information on page 16.

## Share Register Enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on 0370 889 3221.

## Automatic Exchange of Information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, The Baillie Gifford Japan Trust PLC is required to collect and report certain information about certain shareholders.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, The Baillie Gifford Japan Trust PLC must provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information. For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders [gov.uk/government/publications/exchange-of-information-account-holders](http://gov.uk/government/publications/exchange-of-information-account-holders).

## Third Party Data Provider Disclaimer

No third party data provider ('Provider') makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. No Provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the index data included in this document, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom.

No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

Without limiting the foregoing, no Provider shall have any liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgements, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

# Glossary of Terms and Alternative Performance Measures ('APM')

## Net Asset Value

Also described as shareholders' funds, net asset value ('NAV') is the value of total assets less liabilities (including borrowings). The NAV per share is calculated by dividing this amount by the number of ordinary shares in issue. Borrowings are valued at their nominal par value. Par value approximates to amortised cost. The Company's yen denominated loans are valued at their sterling equivalent.

## (Discount)/Premium (APM)

As stockmarkets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the NAV per share from the share price and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

		28 February 2025	31 August 2024
Net asset value per ordinary share	(a)	856.9p	855.0p
Share price	(b)	767.0p	756.0p
<b>Discount</b>	<b>(b - a) ÷ (a) expressed as a percentage</b>	<b>(10.5%)</b>	<b>(11.6%)</b>

## Total Return (APM)

The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend.

		28 February 2025 NAV (par)	28 February 2025 Share price	29 February 2024 NAV (par)	29 February 2024 Share price
Closing NAV per ordinary share/share price	(a)	856.9p	767.0p	838.0p	742.0p
Dividend adjustment factor*	(b)	1.0127	1.0142	1.0135	1.0150
Adjusted closing NAV per ordinary share/share price	(c) = (a) x (b)	867.8p	777.9p	849.3p	753.1p
Opening NAV per ordinary share/share price	(d)	855.0p	756.0p	787.7p	735.0p
<b>Total return</b>	<b>((c)÷(d))-1</b>	<b>1.5%</b>	<b>2.9%</b>	<b>7.8%</b>	<b>2.5%</b>

\* The dividend adjustment factor is calculated on the assumption that the dividend of 10.00p (2024 - 10.00p) paid by the Company in the period under review was invested into shares of the Company at the cum income NAV per ordinary share/share price, as appropriate, at the ex-dividend date.

## Gearing (APM)

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets. The level of gearing can be adjusted through the use of derivatives which affect the sensitivity of the value of the portfolio to changes in the level of markets.

Gearing is the Company's borrowings less cash and cash equivalents expressed as a percentage of shareholders' funds.

Potential gearing is the Company's borrowings expressed as a percentage of shareholders' funds.

		28 February 2025		31 August 2024	
		Gearing *	Potential gearing †	Gearing *	Potential gearing †
		£'000	£'000	£'000	£'000
Borrowings	(a)	142,294	142,294	140,572	140,572
Cash and cash equivalents	(b)	3,481	-	5,305	-
Shareholders' funds	(c)	695,252	695,252	748,379	748,379
<b>Gearing</b>		<b>20.0%</b>	<b>20.5%</b>	<b>18.1%</b>	<b>18.8%</b>

\* Gearing: ((a) - (b)) divided by (c), expressed as a percentage.

† Potential gearing: (a) divided by (c), expressed as a percentage.

## Leverage (APM)

For the purposes of the Alternative Investment Fund Managers (AIFM) Regulations, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

## Active Share (APM)

Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

# Company Information

## Directors

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**Chairman:** David Kidd  
Sharon Brown  
Sam Davis  
Patricia Lewis  
Joanna Pitman

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## Company Details

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[japantrustplc.co.uk](http://japantrustplc.co.uk)

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Company Registration No. SC075954

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ISIN: GB0000485838

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Sedol: 0048583

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Ticker: BGFD

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Legal Entity Identifier:  
54930037AGTKN765Y741

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## Further Information

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### Client Relations Team

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Baillie Gifford & Co  
Calton Square  
1 Greenside Row  
Edinburgh EH1 3AN

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T: +44 (0)800 917 2113

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[enquiries@bailliegifford.com](mailto:enquiries@bailliegifford.com)

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## Alternative Investment Fund Managers, Secretaries and Registered Office

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### Baillie Gifford & Co Limited

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Calton Square  
1 Greenside Row  
Edinburgh EH1 3AN

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T: +44 (0)131 275 2000

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[bailliegifford.com](http://bailliegifford.com)

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## Registrar

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### Computershare Investor Services PLC

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The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ

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T: +44 (0)370 889 3221

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## Independent Auditor

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### Ernst & Young LLP Chartered Accountants and Statutory Auditors

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Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

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## Depositary

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### The Bank of New York Mellon (International) Limited

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180 Queen Victoria Street  
London EC4V 4LA

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## Company Broker

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### Investec Bank plc

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30 Gresham Street  
London EC2V 7QP

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[japantrustplc.co.uk](http://japantrustplc.co.uk)

