

Jupiter Japan Income Fund

Interim Report & Accounts (unaudited)

For the six months ended 31 January 2023



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**These collectively comprise the Authorised Fund Manager's Report.*

Fund Information

Manager, Registrar and Administrator

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Trustee

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Investment Adviser

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Authorised and regulated by the Financial Conduct Authority.

Independent Auditors

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Directors

The Directors of Jupiter Unit Trust Managers Limited are:

P Moore

J Singh

T Scholefield

P Wagstaff

V Lazenby*

D Skinner

G Pound**

**Resigned 5 September 2022*

***Appointed 8 February 2023*

It is the intention of Jupiter Unit Trust Managers Limited to make this Report & Accounts available on their website. The maintenance and integrity of the Jupiter Unit Trust Managers Limited website is the responsibility of the Directors; the work carried out by the auditors of the Jupiter Japan Income Fund does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Fund Information *(continued)*

Investment Objective

To provide income together with the prospect of capital growth in order to provide a return, net of fees, higher than that provided by the TOPIX Index over the long term (at least five years).

Investment Policy

At least 70% of the Fund is invested in shares of companies based in Japan. Up to 30% of the Fund may be invested in other assets, including shares of companies based anywhere in the world, open-ended funds (including funds managed by Jupiter and its associates), cash and near cash.

The Fund may only enter into derivative transactions for the purposes of efficient portfolio management (including hedging), i.e. to reduce risk, minimise costs or generate additional capital and/or income. The Fund may not enter into derivative transactions for investment (i.e. speculative) purposes.

Benchmarks

The TOPIX Index is an industry standard index and is one of the leading representations of Japanese stock markets. It is easily accessible and provides a fair reflection of the Fund Manager's investment universe and a good relative measure to assess performance outcomes.

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the IA Japan Sector.

Status

The Fund operates under the Investment Funds Sourcebook (FUND) where applicable and the Collective Investment Schemes Sourcebook (COLL) of the Financial Conduct Authority. The Fund is an authorised unit trust scheme under Section 237 of the Financial Services and Markets Act 2000 and is a UCITS scheme as defined in the COLL rules.

The Fund is a qualifying fund for inclusion within a stocks and shares Individual Savings Account (ISA). It is the Manager's intention to continue to manage the affairs of the Fund in order to meet the qualifying requirements as outlined in current legislation.

Unit Classes

In addition to the basic class of units which are available to all types of investors, the Fund also offers I-H Class units, I-Class units, J-Class units, U2-Class units and Z-H Class units. I-H Class units and I-Class units are available to investors who invest at least £1,000,000, J-Class units are available to investors who invests a minimum of £500 (who buy units directly from the Manager and not through any intermediary or advisor), U2-Class units are available to investors who invest at least £50,000,000 and Z-H Class units are available to investors who invest at least £125,000,000. The purpose of I-H Class and Z-H Class units is to reduce the effect of fluctuations in the rate of exchange between the currency of the unit class and the currency in which all or part of the underlying assets are denominated or valued. The intention is that holders of units in a hedged currency unit class shall receive a return in Sterling substantially in line with the true performance of the assets of the Fund by reference to the value of that property in the currency in which the assets are denominated and shall not be affected (whether positively or negatively) by fluctuations in the rate of exchange between the currency of the class of units (Sterling) and the relevant currency or currencies in which the assets are denominated. Further details are available from the Manager on request. Please note that in order to distinguish between the unit classes within the Fund they are defined in these accounts as either L-Class Units (non I-H Class, non I-Class, non J-Class, non U2-Class and non Z-H Class) or I-H Class, I-Class, J-Class units, U2-Class units and Z-H Class. The unit types associated with each unit class are disclosed in the Comparative Tables on pages 7-11.

Fund Information *(continued)*

Cumulative Performance (% change to 31 January 2023)

	6 months	1 year	3 years	5 years
Percentage Growth	5.3	1.5	14.9	27.9
TOPIX Index*	4.8	3.4	12.5	17.4
IA Japan Sector**	3.3	0.7	12.4	14.1
Sector Position	13/69	32/68	22/67	7/64
Quartile Ranking	1st	2nd	2nd	1st

Source: Morningstar, gross income reinvested net of fees, in GBP. The statistics disclosed above relate to I-Class Units unless otherwise stated. Past performance is no guide to the future. *Target benchmark **Comparator benchmark

This document is for informational purposes only and is not investment advice. Market and exchange rate movements can cause the value of an investment to fall as well as rise, and you may get back less than originally invested. We recommend you discuss any investment decisions with a financial adviser, particularly if you are unsure whether an investment is suitable. Jupiter is unable to provide investment advice. Current tax levels and reliefs will depend on your individual circumstances and are subject to change in the future. **All the Fund's expenses are charged to capital, which can reduce the potential for capital growth. This has had the effect of increasing the distributions paid on an annualised basis on L-Class Units by up to 1.73% of the class' average Net Asset Value during the period under review (I-H Class Units 1.04%, I-Class Units 0.98%, J-Class Units 1.33%, U2-Class Units 0.80% and Z-H Class Units 0.96%) and constraining the class' capital performance to an equivalent extent. This Fund can invest more than 35% of its value in securities issued or guaranteed by an EEA state.** For definitions please see the glossary at jupiteram.com. Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Company examples are for illustrative purposes only and are not a recommendation to buy or sell. Quoted yields are not guaranteed and may change in the future. Jupiter Unit Trust Managers Limited is authorised and regulated by the Financial Conduct Authority and their registered address is The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ.

Investment Report

Performance Review

For the six months ended 31 January 2023, the Fund returned 5.3%* in sterling terms compared to 4.8%* for its target benchmark, TOPIX Index and 3.3%* for the comparator benchmark, IA Japan sector average. Over five years, the Fund returned 27.9%* compared to 17.4%* for its target benchmark and 14.1%* for its comparator benchmark.

*Source: Morningstar, gross income reinvested net of fees, in GBP. The performance statistics disclosed above relate to I-Class units unless otherwise stated.

Market review

A notable feature of the period under review was a strengthening of the yen in late 2022 following a long period of weakness. These currency moves were a consequence of anticipation that the trajectory of Japanese interest rates might finally turn up in the new year, just as other central banks around the world would be completing their tightening cycles. In actual fact, the Bank of Japan (BoJ) tweaked monetary policy slightly tighter in December – sooner than expected – by increasing the upper band on 10-year Japanese government bond yields from 0.25% to 0.5%.

November saw the conclusion of the second quarter reporting round for companies with February and March year ends. Aggregate operating profit rose more than 6% year on year but was marginally behind consensus. Pre-tax and net profits were more meaningfully behind expectations with this disappointment concentrated in the communications sector – or more accurately in Softbank Group, the listed investment vehicle for Masayoshi Son.

Prime Minister Fumio Kishida's approval rating continued to fall, hitting new lows. The popularity of the cabinet has been sliding since the murder of former PM Shinzo Abe exposed deep links with a controversial religious sect. The recent resignation of three ministers has piled pressure on Kishida, meanwhile, the passing of a US\$200bn support package designed to alleviate weak yen-related cost pressures, has done little to boost his popularity.

Inflation in Japan continues to be elevated and accelerating. January's Tokyo Consumer Price Index (CPI) reading, which is usually a precursor to the overall nationwide CPI reading, showed both overall inflation and core inflation (ex-fresh food) running at 4.0%; a 41-year high.

Policy review

The Fund's positive performance during the period was driven by a number of factors. Higher global interest rates provided a boost to financial sector holdings, a trend which was emboldened in December as the BoJ finally followed suit by increasing the upper band to the 10-Year government bond yield. The Fund's positions in megabank Sumitomo Mitsui Financial Holdings, and insurance company Tokio Marine were beneficiaries.

Positive contributions were also made by two of the fund's most recent additions, both of which came as a consequence of Initial Public Offering (IPO) (the reopening of the IPO market was beneficial to performance in the quarter. The Fund's investment strategy is focused upon finding pockets of market inefficiency, and these have been plentiful in newly listed companies over the last several years). Chip design company Socionext performed well as its initial listing price failed to fully price-in the growth opportunity this company enjoys, especially in the proliferation of auto use semiconductors. Daiei Kankyo, a waste disposal company, is entirely domestic and highly defensive. Regulatory pressure on corporates is driving value-added waste disposal services and the fragmented nature of the industry provides opportunity for accretive M&A (merger & acquisitions).

Elsewhere, Iriso Electronics, which makes plastic electronic connectors for automotive and other industrial applications, also contributed positively. The stock reacted positively to its first quarter earnings announcement which showed growth in automotive use components and impressive cost control in the face of rising transport and material prices. Visional, which runs the popular Japanese direct recruitment website BizReach, as another strong performer as the company outgrew market expectations. In September the firm reported that full-year operating profits had more than trebled and forecast a further 50% growth in the current year.

Investment Report *(continued)*

On the negative side, negative contributions came from JMDC, a medical data company which is growing steadily but still has a relatively rich valuation multiple, and Roland, a world leader in the manufacture of electronic musical instruments, for which growth has slowed following the pandemic stay-at-home boom, and as consumers tighten their belts.

Over most of the period trading activity was light. However, December was an uncommonly busy month. Three new positions were established, and three existing holdings were sold. Two of the new additions, Socionext and Daiei Kankyo, are mentioned above. The third, Asahi Kasei, is a giant maker of all kinds of chemicals – some basic, many advanced – as well as cutting edge medical devices through its US subsidiary Zoll. The company has suffered from a near term profits squeeze, itself a function of higher input costs and waning demand in its chemical division, but over the medium-term we see the outlook for the business as considerably brighter, with it gradually metamorphosing into a higher margin less volatile manufacturer.

Of the sales, two were eventual exits from positions which had been cut back serially over previous periods: Nippon Densetsu Kogyo, the listed electrical engineering arm of East Japan Railway, and retailer Pan Pacific Holdings. More significantly, we sold out of the long-held position in Toyota. This was a consequence of a number of factors. Firstly, valuations have become unremarkable and the stock's dividend yield is now approximately in line with the market average. Meanwhile, having negotiated the chip supply shortage, Toyota and all other automakers face a deeply uncertain demand outlook as higher global interest rates finally bite. We remain impressed with Toyota's technological prowess and culture of R&D (research & development) so we do not rule out revisiting the company as an investment in the future but at the moment we consider it wiser to step aside.

Investment Outlook

As we entered a new year, the BoJ posed the market a new question; what does its decision to widen trading bands on 10-year government debt from 0.25% to 0.5% really mean, if anything at all? The first place to look for answers is in the motivation for the decision itself. This appears to be more political than it does purely economic. Prime Minister Kishida's voter support has been flagging, in part because the sinking yen has squeezed households' buying power. The yen's slide reversed course in October offered Kishida little relief; he will hope that the further bump following the December BoJ move will finally do so.

Meanwhile, Kishida continues to talk-up wages. This indicates that Japanese government, and presumably central bank, attitudes towards "second order effects" are precisely the opposite of those for other developed market policymakers. In short, whilst most central bankers around the world fret that inflation will spread from prices to wages and then out of control, in Japan they worry that wages will lag, consumption will slump and inflation will be snuffed out. So far, this fear seems to be well founded – recent data shows that real pay in Japan suffered its deepest drop since 2014.

This is crucial because it highlights just how small the pinhead upon which the BoJ is dancing – it must do just enough to begin to normalise its monetary conditions and stop its currency from becoming worthless, but not so much that it actually impacts the real economy. The details of BoJ's policy in 2023, including the timing and scale of government bond band tinkering and any adjustment to the policy rate, remain to be seen, as does the identity of the next bank governor. It may well be that the pace of normalisation is marginally more rapid than many investors presumed. But we would remind clients of the marginality of all of this – the balance which the BoJ needs to strike is even more delicate than it is in other major markets. Don't expect fireworks.

As it happens, Japan is home to economic realities which tend to limit real economy sensitivity to monetary policy anyway. The corporate sector is awash with cash, so rising rates are only rarely a problem. So too with households, for which the stronger yen and the potential for better returns on savings will be welcome. But let's not be too bullish here either, remember real wages are still going in the wrong direction and demographics will continue to suppress consumption for years to come.

Investment Report *(continued)*

That is not to say that tighter, or more normal, monetary conditions will be totally inert. Slightly higher mortgage rates are unlikely to be helpful for new home sales. The most financially stressed companies could be finally put out of their misery. But again, this appears marginal rather than game changing. A good example of this is the Japanese banking sector, which bore the brunt of ultra-loose monetary policy. In the words of a strategist with whom we recently talked, “the BoJ has removed its foot from the head of the drowning man”. So, the future looks brighter for Japanese banks, but not that bright. Structural challenges still exist with too much money to lend, and too few borrowers to take it.

Dan Carter

Fund Manager

Comparative Tables

Change in net asset per unit				
	L-Class Income			
	31.01.23 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per unit	96.93	104.33	87.42	94.63
Return before operating charges*	5.96	(3.23)	21.00	(3.38)
Operating charges	(0.84)	(1.79)	(1.78)	(1.62)
Return after operating charges*	5.12	(5.02)	19.22	(5.00)
Distributions on income unit	(1.18)	(2.38)	(2.31)	(2.21)
Closing net asset value per unit	100.87	96.93	104.33	87.42
*after direct transaction costs of:	0.01	0.01	0.04	0.03
Performance				
Return after charges (%)	5.28	(4.81)	21.99	(5.28)
Other Information				
Closing net asset value (£'000)	3,596	3,466	4,067	5,543
Closing number of units	3,564,695	3,576,102	3,898,590	6,340,777
Operating charges (%)	1.73	1.73	1.73	1.72
Direct transaction costs (%)	0.01	0.01	0.03	0.03
Prices				
Highest unit price (p)	101.95	117.21	108.78	99.89
Lowest unit price (p)	91.05	89.25	89.51	75.57

Change in net asset per unit				
	I-H Class Income			
	31.01.23 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per unit	114.75	115.66	87.48	91.03
Return before operating charges*	7.24	3.07	31.74	(0.39)
Operating charges	(0.61)	(1.23)	(1.12)	(1.01)
Return after operating charges*	6.63	1.84	30.62	(1.40)
Distributions on income unit	(1.36)	(2.75)	(2.44)	(2.15)
Closing net asset value per unit	120.02	114.75	115.66	87.48
*after direct transaction costs of:	0.02	0.02	0.04	0.03
Performance				
Return after charges (%)	5.78	1.59	35.00	(1.54)
Other Information				
Closing net asset value (£'000)	18,072	18,146	21,391	18,455
Closing number of units	15,057,556	15,813,646	18,495,532	21,094,845
Operating charges (%)	1.04	1.04	1.04	1.10
Direct transaction costs (%)	0.01	0.01	0.03	0.03
Prices				
Highest unit price (p)	122.05	129.69	120.12	103.61
Lowest unit price (p)	109.44	102.93	89.25	71.21

Comparative Tables *(continued)*

Change in net asset per unit				
	I-Class Income			
	31.01.23 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per unit	104.37	111.50	92.75	99.67
Return before operating charges*	6.44	(3.47)	22.32	(3.59)
Operating charges	(0.51)	(1.09)	(1.08)	(0.98)
Return after operating charges*	5.93	(4.56)	21.24	(4.57)
Distributions on income unit	(1.28)	(2.57)	(2.49)	(2.35)
Closing net asset value per unit	109.02	104.37	111.50	92.75
*after direct transaction costs of:	0.01	0.02	0.04	0.03
Performance				
Return after charges (%)	5.68	(4.09)	22.90	(4.59)
Other Information				
Closing net asset value (£'000)	179,021	195,495	197,505	101,773
Closing number of units	164,210,954	187,310,847	177,131,434	109,724,100
Operating charges (%)	0.98	0.98	0.98	0.98
Direct transaction costs (%)	0.01	0.01	0.03	0.03
Prices				
Highest unit price (p)	110.17	125.40	116.01	105.51
Lowest unit price (p)	98.19	96.02	94.97	79.96

Change in net asset per unit				
	J-Class Income**			
	31.01.23 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per unit	97.57	104.68	87.47	96.18
Return before operating charges*	6.02	(3.34)	21.01	(6.15)
Operating charges	(0.65)	(1.37)	(1.47)	(1.37)
Return after operating charges*	5.37	(4.71)	19.54	(7.52)
Distributions on income unit	(1.20)	(2.40)	(2.33)	(1.19)
Closing net asset value per unit	101.74	97.57	104.68	87.47
*after direct transaction costs of:	0.01	0.01	0.04	0.03
Performance				
Return after charges (%)	5.50	(4.50)	22.34	(7.82)
Other Information				
Closing net asset value (£'000)	819	804	666	555
Closing number of units	805,021	823,728	635,934	634,430
Operating charges (%)	1.33	1.33	1.43	1.43
Direct transaction costs (%)	0.01	0.01	0.03	0.03
Prices				
Highest unit price (p)	102.81	117.66	109.05	97.68
Lowest unit price (p)	91.73	89.80	89.55	89.47

**The J-Class Income Units was launched on 29 May 2020.

Comparative Tables *(continued)*

Change in net asset per unit				
	U2-Class Income			
	31.01.23 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per unit	105.21	112.20	93.17	99.94
Return before operating charges*	6.50	(3.51)	22.43	(3.60)
Operating charges	(0.42)	(0.89)	(0.89)	(0.80)
Return after operating charges*	6.08	(4.40)	21.54	(4.40)
Distributions on income unit	(1.30)	(2.59)	(2.51)	(2.37)
Closing net asset value per unit	109.99	105.21	112.20	93.17
*after direct transaction costs of:	0.01	0.02	0.04	0.03
Performance				
Return after charges (%)	5.78	(3.92)	23.12	(4.40)
Other Information				
Closing net asset value (£'000)	334,190	318,584	299,091	168,950
Closing number of units	303,825,931	302,811,153	266,573,422	181,335,776
Operating charges (%)	0.80	0.80	0.80	0.80
Direct transaction costs (%)	0.01	0.01	0.03	0.03
Prices				
Highest unit price (p)	111.15	126.21	116.67	105.88
Lowest unit price (p)	99.02	96.77	95.39	80.27
Change in net asset per unit				
	Z-H Class Income			
	31.01.23 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per unit	114.69	115.56	87.43	90.84
Return before operating charges*	7.25	3.01	31.63	(0.36)
Operating charges	(0.56)	(1.13)	(1.05)	(0.90)
Return after operating charges*	6.69	1.88	30.58	(1.26)
Distributions on income unit	(1.36)	(2.75)	(2.45)	(2.15)
Closing net asset value per unit	120.02	114.69	115.56	87.43
*after direct transaction costs of:	0.02	0.02	0.04	0.03
Performance				
Return after charges (%)	5.83	1.63	34.98	(1.39)
Other Information				
Closing net asset value (£'000)	128,696	118,015	117,405	66,534
Closing number of units	107,228,265	102,898,661	101,597,923	76,096,820
Operating charges (%)	0.96	0.96	0.96	0.96
Direct transaction costs (%)	0.01	0.01	0.03	0.03
Prices				
Highest unit price (p)	122.01	129.57	120.02	103.52
Lowest unit price (p)	109.40	102.88	89.20	71.17

Comparative Tables *(continued)*

Change in net asset per unit				
	L-Class Accumulation			
	31.01.23 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per unit	137.58	144.63	118.56	125.30
Return before operating charges*	8.46	(4.55)	28.49	(4.58)
Operating charges	(1.19)	(2.50)	(2.42)	(2.16)
Return after operating charges*	7.27	(7.05)	26.07	(6.74)
Distributions on accumulation unit	(1.68)	(3.32)	(3.16)	(2.94)
Retained distributions on accumulation unit	1.68	3.32	3.16	2.94
Closing net asset value per unit	144.85	137.58	144.63	118.56
*after direct transaction costs of:	0.02	0.02	0.05	0.04
Performance				
Return after charges (%)	5.28	(4.87)	21.99	(5.38)
Other Information				
Closing net asset value (£'000)	11,436	25,519	30,673	28,506
Closing number of units	7,894,700	18,547,662	21,207,375	24,042,950
Operating charges (%)	1.73	1.73	1.73	1.72
Direct transaction costs (%)	0.01	0.01	0.03	0.03
Prices				
Highest unit price (p)	144.68	162.45	149.09	133.32
Lowest unit price (p)	129.22	125.12	121.37	101.11

Change in net asset per unit				
	I-Class Accumulation			
	31.01.23 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per unit	148.17	154.60	125.79	131.93
Return before operating charges*	9.12	(4.92)	30.27	(4.85)
Operating charges	(0.73)	(1.51)	(1.46)	(1.29)
Return after operating charges*	8.39	(6.43)	28.81	(6.14)
Distributions on accumulation unit	(1.82)	(3.59)	(3.39)	(3.15)
Retained distributions on accumulation unit	1.82	3.59	3.39	3.15
Closing net asset value per unit	156.56	148.17	154.60	125.79
*after direct transaction costs of:	0.02	0.02	0.05	0.04
Performance				
Return after charges (%)	5.66	(4.16)	22.90	(4.65)
Other Information				
Closing net asset value (£'000)	230,939	218,455	177,425	209,786
Closing number of units	147,504,675	147,434,676	114,766,683	166,770,156
Operating charges (%)	0.98	0.98	0.98	0.98
Direct transaction costs (%)	0.01	0.01	0.03	0.03
Prices				
Highest unit price (p)	156.37	173.82	159.02	140.92
Lowest unit price (p)	139.37	134.63	128.77	106.96

Comparative Tables *(continued)*

Change in net asset per unit				
	J-Class Accumulation**			
	31.01.23 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per unit	138.51	145.14	118.63	128.71
Return before operating charges*	8.51	(4.70)	28.52	(8.25)
Operating charges	(0.93)	(1.93)	(2.01)	(1.83)
Return after operating charges*	7.58	(6.63)	26.51	(10.08)
Distributions on accumulation unit	(1.70)	(3.35)	(3.17)	(1.59)
Retained distributions on accumulation unit	1.70	3.35	3.17	1.59
Closing net asset value per unit	146.09	138.51	145.14	118.63
*after direct transaction costs of:	0.02	0.02	0.05	0.04
Performance				
Return after charges (%)	5.47	(4.57)	22.35	(7.83)
Other Information				
Closing net asset value (£'000)	7,710	7,372	7,888	6,442
Closing number of units	5,277,402	5,322,568	5,434,655	5,430,302
Operating charges (%)	1.33	1.33	1.43	1.43
Direct transaction costs (%)	0.01	0.01	0.03	0.03
Prices				
Highest unit price (p)	145.93	163.09	149.49	130.71
Lowest unit price (p)	130.19	125.90	121.43	119.72

Change in net asset per unit				
	U2-Class Accumulation			
	31.01.23 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per unit	69.51	72.40	58.86	61.44
Return before operating charges*	4.28	(2.31)	14.11	(2.08)
Operating charges	(0.28)	(0.58)	(0.57)	(0.50)
Return after operating charges*	4.00	(2.89)	13.54	(2.58)
Distributions on accumulation unit	(0.86)	(1.68)	(1.59)	(1.47)
Retained distributions on accumulation unit	0.86	1.68	1.59	1.47
Closing net asset value per unit	73.51	69.51	72.40	58.86
*after direct transaction costs of:	0.01	0.01	0.02	0.02
Performance				
Return after charges (%)	5.75	(3.99)	23.00	(4.20)
Other Information				
Closing net asset value (£'000)	42,013	32,530	25,524	6,438
Closing number of units	57,149,863	46,797,540	35,255,545	10,937,923
Operating charges (%)	0.80	0.80	0.80	0.80
Direct transaction costs (%)	0.01	0.01	0.03	0.03
Prices				
Highest unit price (p)	73.42	81.42	74.43	65.88
Lowest unit price (p)	65.41	63.15	60.20	49.97

**The J-Class Accumulation Units were launched on 29 May 2020.

Comparative Tables *(continued)*

Risk and Reward Indicator

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



- The lowest category does not mean 'no risk'. Some risk will still be present in funds with a risk and reward rating of 1.
- The Fund is in this category due to the nature of its investments and previous levels of volatility (how much the value of the Fund rises and falls).

Charges

- The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

Charges taken from the Fund over the six months (annualised) to:	31.01.23	31.01.22
Ongoing charges for L-Class Units	1.73%	1.73%
Ongoing charges for I-H Class Units	1.04%	1.04%
Ongoing charges for I-Class Units	0.98%	0.98%
Ongoing charges for J-Class Units	1.33%	1.43%
Ongoing charges for U2- Class Units	0.80%	0.80%
Ongoing charges for Z-H Class Units	0.96%	0.96%

Portfolio Statement

As at 31 January 2023

Holding	Investment	Market value £	Total net assets %
EQUITIES - 98.71% (99.19%)			
Basic Materials - 6.63% (6.18%)			
977,800	KH Neochem	16,810,477	1.76
391,400	Shin-Etsu Chemical	46,553,477	4.87
		63,363,954	6.63
Consumer Discretionary - 23.24% (31.60%)			
1,167,100	Bridgestone	35,170,106	3.68
1,084,400	Direct Marketing	11,124,993	1.16
5,234,400	Hazama	28,091,425	2.94
962,900	Katitas	18,957,844	1.98
2,373,900	Prestige International	10,651,229	1.11
1,161,700	Roland	28,018,952	2.93
2,403,600	Sekisui House	36,755,751	3.84
741,500	Sony	53,536,863	5.60
		222,307,163	23.24
Financials - 18.43% (17.87%)			
878,300	Aruhi	5,656,281	0.59
3,100,000	Orix	44,010,013	4.60
2,072,900	Sumitomo Mitsui Financial Group	73,112,042	7.64
2,632,700	Tokio Marine	44,579,953	4.66
1,025,800	WealthNavi	8,955,479	0.94
		176,313,768	18.43
Health Care - 3.06% (1.91%)			
792,900	Menicon	14,101,707	1.47
886,700	Nakanishi	15,161,273	1.59
		29,262,980	3.06
Industrials - 17.56% (16.35%)			
538,100	Daiei Kankyo	5,664,825	0.59
248,800	Fanuc	35,500,133	3.71
691,500	IRISO Electronics	18,684,801	1.95
457,100	JMDC	12,080,170	1.26
1,414,500	MinebeaMitsumi	19,772,399	2.07
2,339,200	Nomura	13,575,590	1.42
1,271,100	Recruit	32,862,686	3.44
1,552,100	Tsubaki Nakashima	10,944,768	1.15
325,700	Visional	18,881,734	1.97
		167,967,106	17.56

Portfolio Statement *(continued)*

As at 31 January 2023

Holding	Investment	Market value £	Total net assets %
	Real Estate - 2.78% (3.27%)		
81,072	Star Asia Investment	26,611,235	2.78
	Technology - 18.86% (11.79%)		
4,723,300	Asahi Kasei	28,944,458	3.03
959,700	NEC	27,908,071	2.92
3,121,100	Net Protections	11,393,888	1.19
434,900	Rohm	28,007,704	2.93
806,900	Simplex	11,389,921	1.19
436,300	Socionext	22,543,635	2.36
811,900	TechnoPro	20,316,801	2.12
1,513,100	Ushio	16,325,671	1.71
1,106,600	WingArc1st	13,521,092	1.41
		180,351,241	18.86
	Telecommunications - 8.15% (10.22%)		
1,281,300	KDDI	32,454,751	3.39
4,910,800	SoftBank	45,507,932	4.76
		77,962,683	8.15
	DERIVATIVES - 0.09% ((0.07%))		
	Forward Currency Contracts - 0.09% ((0.07%))		
	Bought JPY ¥975,701,734: Sold GBP £6,229,982	(132,898)	(0.01)
	Bought JPY ¥142,468,675: Sold GBP £909,681	(19,405)	–
	Bought JPY ¥6,634,750: Sold GBP £42,651	(1,191)	–
	Bought JPY ¥5,177,523: Sold GBP £32,932	(579)	–
	Bought JPY ¥6,266,363: Sold GBP £39,623	(465)	–
	Bought JPY ¥2,562,501: Sold GBP £16,408	(395)	–
	Bought GBP £68,407: Sold JPY ¥11,000,860	(337)	–
	Bought GBP £44,269: Sold JPY ¥7,117,051	(205)	–
	Bought JPY ¥1,141,533: Sold GBP £7,261	(128)	–
	Bought JPY ¥1,226,169: Sold GBP £7,757	(95)	–
	Bought GBP £12,724: Sold JPY ¥2,045,921	(60)	–
	Bought GBP £12,422: Sold JPY ¥1,996,160	(51)	–
	Bought JPY ¥689,007: Sold GBP £4,349	(43)	–
	Bought GBP £1,958: Sold JPY ¥313,617	(2)	–
	Bought JPY ¥30,524: Sold GBP £191	–	–
	Bought JPY ¥11,807: Sold GBP £74	–	–
	Bought GBP £2,711: Sold JPY ¥433,250	–	–
	Bought JPY ¥59,854: Sold GBP £372	2	–
	Bought GBP £96,776: Sold JPY ¥15,466,341	3	–
	Bought GBP £73,566: Sold JPY ¥11,771,486	7	–

Portfolio Statement *(continued)*

As at 31 January 2023

Holding	Investment	Market value £	Total net assets %
Forward Currency Contracts (continued)			
	Bought JPY ¥395,393: Sold GBP £2,459	12	–
	Bought JPY ¥4,948,594: Sold GBP £30,894	29	–
	Bought JPY ¥1,473,348: Sold GBP £9,164	42	–
	Bought GBP £5,968: Sold JPY ¥943,787	70	–
	Bought GBP £83,838: Sold JPY ¥13,396,485	124	–
	Bought GBP £11,847: Sold JPY ¥1,842,885	331	–
	Bought JPY ¥17,067,742: Sold GBP £106,215	440	–
	Bought GBP £70,968: Sold JPY ¥11,218,217	867	–
	Bought GBP £87,537: Sold JPY ¥13,868,610	873	–
	Bought GBP £222,697: Sold JPY ¥35,423,844	1,337	–
	Bought GBP £476,378: Sold JPY ¥75,978,554	1,594	–
	Bought GBP £250,014: Sold JPY ¥39,516,519	3,079	–
	Bought GBP £231,266: Sold JPY ¥36,117,665	5,569	–
	Bought GBP £1,574,514: Sold JPY ¥250,453,313	9,450	–
	Bought GBP £3,395,915: Sold JPY ¥541,621,606	11,364	–
	Bought GBP £1,806,926: Sold JPY ¥285,597,551	22,250	–
	Bought GBP £18,018,648: Sold JPY ¥2,865,255,159	113,893	0.01
	Bought GBP £127,434,660: Sold JPY ¥20,264,162,615	805,498	0.09
		820,980	0.09
	Total value of investments	944,961,110	98.80
	Net other assets	11,530,926	1.20
	Net assets	956,492,036	100.00

All holdings are ordinary shares or stock units unless otherwise stated. The sectors as shown are based on the Industry Classification Benchmark (see page 23). The figures in brackets show allocations as at 31 July 2022.

Statement of Total Return

For the six months ended 31 January 2023				
	Six months to 31.01.23		Six months to 31.01.22	
	£	£	£	£
Income				
Net capital gains/(losses)		46,163,452		(11,989,440)
Revenue	12,575,626		11,437,466	
Expenses	(4,328,342)		(4,578,894)	
Interest payable and similar charges	(28,238)		(13,383)	
Net revenue before taxation	8,219,046		6,845,189	
Taxation	(1,254,380)		(1,143,730)	
Net revenue after taxation		6,964,666		5,701,459
Total return before distributions		53,128,118		(6,287,981)
Distributions		(11,221,654)		(10,206,956)
Change in net assets attributable to unitholders from investment activities		41,906,464		(16,494,937)

Statement of Change in Net Assets Attributable to Unitholders

For the six months ended 31 January 2023				
	Six months to 31.01.23		Six months to 31.01.22	
	£	£	£	£
Opening net assets attributable to unitholders		938,385,549		881,634,955
Amounts receivable on issue of units	56,595,434		120,194,548	
Amounts payable on cancellation of units	(83,792,950)		(67,249,152)	
		(27,197,516)		52,945,396
Change in net assets attributable to unitholders from investment activities		41,906,464		(16,494,937)
Unclaimed distributions		–		435
Retained distribution on accumulation units		3,397,539		3,034,992
Closing net assets attributable to unitholders		956,492,036		921,120,841

Balance Sheet

As at 31 January 2023

	31.01.23	31.07.22
	£	£
Assets		
Fixed Assets:		
Investments	945,116,964	930,827,167
Current assets:		
Debtors	11,262,712	4,311,278
Cash and bank balances	16,062,949	19,763,484
Total assets	972,442,625	954,901,929
Liabilities		
Investment liabilities	(155,854)	(644,217)
Creditors:		
Bank overdrafts	(616,207)	(6,601,420)
Distributions payable	(7,758,393)	(8,193,962)
Other creditors	(7,420,135)	(1,076,781)
Total liabilities	(15,950,589)	(16,516,380)
Net assets attributable to unitholders	956,492,036	938,385,549

Directors' Statement

Jupiter Japan Income Fund

This report has been prepared in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook and Investment Funds Sourcebook where applicable and the Statement of Recommended Practice issued by the Investment Association.

Directors: Paula Moore, Phil Wagstaff

Jupiter Unit Trust Managers Limited

London

28 March 2023

Notes to the Interim Financial Statements

1. Significant Accounting Policies

The interim financial statements have been prepared on the historical cost basis as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook. They have been prepared in accordance with FRS 102 and the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by The Investment Management Association (now referred to as the Investment Association) in May 2014 (the 2014 SORP) and amended in June 2017.

Unless otherwise stated all other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 July 2022 and are described in those financial statements.

2. Financial Instruments

In pursuing its investment objectives, the Fund holds a number of financial instruments. These comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable from issues and payable for cancellations and debtors for accrued revenue.

The Fund may enter into derivative transactions, the purpose of which will only be for efficient management of the Fund and not for investment purposes.

The Fund has little exposure to credit, liquidity and cash flow risk. These risks are not significant at current levels. The main risks it faces from its financial instruments are market price, foreign currency, interest rate and counterparty risk. The Manager reviews policies for managing these risk in pursuance of the Investment Objective and Policy as set out on page 2. These risks remain unchanged from prior year.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, Scheme Particulars and in the rules of the Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Report and Portfolio Statement.

Use of Derivatives

The Manager made use of the following derivatives during the period under review:

Forward Foreign Currency Contracts

The Manager has entered into forward currency contracts in relation to the I-H Class Income Units and Z-H Class Income Units for the purpose of reducing the effect of fluctuations in the rate of exchange between the currency of the unit class and the currency in which all or part of the scheme property is denominated. This has resulted in realised and unrealised losses of £1,578,521 (31.01.22: realised and unrealised gains of £1,225,867) to the Fund during the period and these are included within net capital losses on page 16. All contracts were undertaken with Northern Trust as counterparty during the period.

The derivative contracts outstanding at the period end are itemised on page 14 and 15.

Notes to the Interim Financial Statements *(continued)*

3. Unit Price Movement since the Balance Sheet date (Non-adjusting post balance sheet event)

Since the last day of dealing of the period on 31 January 2023, the Fund's quoted prices in pence have moved as follows:

	Price as at 31.01.23	Price as at 20.03.23	% Change
L-Class Income	101.81	97.34	(4.39)
L-Class Accumulation	144.50	139.78	(3.27)
I-H Class Income	121.50	116.65	(3.99)
I-Class Income	110.03	105.31	(4.29)
I-Class Accumulation	156.18	151.22	(3.18)
J-Class Income	102.68	98.23	(4.33)
J-Class Accumulation	145.74	141.05	(3.22)
U2 Class Income	111.02	106.27	(4.28)
U2-Class Accumulation	73.34	71.03	(3.15)
Z-H Class Income	121.50	116.66	(3.98)

Distribution Tables

For the six months ended 31 January 2023

INTERIM

Group 1: Units purchased prior to 1 August 2022

Group 2: Units purchased on or after 1 August 2022 to 31 January 2023

	Income	Equalisation	Distribution payable 31.03.23	Distribution paid 31.03.22
L-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.1833	–	1.1833	1.1760
Group 2	0.3001	0.8832	1.1833	1.1760

	Income	Equalisation	Distribution to be accumulated 31.03.23	Distribution accumulated 31.03.22
L-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.6783	–	1.6783	1.6282
Group 2	1.2089	0.4694	1.6783	1.6282

	Income	Equalisation	Distribution payable 31.03.23	Distribution paid 31.03.22
I-H Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.3611	–	1.3611	1.3096
Group 2	0.7897	0.5714	1.3611	1.3096

	Income	Equalisation	Distribution payable 31.03.23	Distribution paid 31.03.22
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.2824	–	1.2824	1.2660
Group 2	0.6296	0.6528	1.2824	1.2660

	Income	Equalisation	Distribution to be accumulated 31.03.23	Distribution accumulated 31.03.22
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.8212	–	1.8212	1.7554
Group 2	0.8806	0.9406	1.8212	1.7554

Distribution Tables *(continued)*

For the six months ended 31 January 2023

INTERIM

Group 1: Units purchased prior to 1 August 2022

Group 2: Units purchased on or after 1 August 2022 to 31 January 2023

	Income	Equalisation	Distribution payable 31.03.23	Distribution paid 31.03.22
J-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.1954	–	1.1954	1.1831
Group 2	0.4832	0.7122	1.1954	1.1831

	Income	Equalisation	Distribution to be accumulated 31.03.23	Distribution accumulated 31.03.22
J-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.6967	–	1.6967	1.6396
Group 2	1.0720	0.6247	1.6967	1.6396

	Income	Equalisation	Distribution payable 31.03.23	Distribution paid 31.03.22
U2-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.2953	–	1.2953	1.2759
Group 2	0.4748	0.8205	1.2953	1.2759

	Income	Equalisation	Distribution to be accumulated 31.03.23	Distribution accumulated 31.03.22
U2-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.8559	–	0.8559	0.8233
Group 2	0.3588	0.4971	0.8559	0.8233

	Income	Equalisation	Distribution payable 31.03.23	Distribution paid 31.03.22
Z-H Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.3619	–	1.3619	1.3093
Group 2	0.6965	0.6654	1.3619	1.3093

Distribution Tables *(continued)*

All Unit Types

The relevant information required by a corporate unitholder is as follows:

- Franked investment income 100.00%
- Annual payment 0.00%
(non-foreign element)

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

General Information (unaudited)

Advice to Unitholders

In recent years investment related scams have become increasingly sophisticated and difficult to spot. We are therefore warning all our unitholders to be cautious so that they can protect themselves and spot the warning signs.

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they are only making the offer available to you
- ask you to not tell anyone else about it

You can avoid investment scams by:

- **Rejecting unexpected offers** – Scammers usually cold call but contact can also come by email, post, word of mouth or at a seminar. If you have been offered an investment out of the blue, chances are it's a high risk investment or a scam.
- **Checking the FCA Warning List** – Use the FCA Warning List to check the risks of a potential investment. You can also search to see if the firm is known to be operating without proper FCA authorisation.
- **Getting impartial advice** – Before investing get impartial advice and don't use an adviser from the firm that contacted you.

If you are suspicious, report it:

- You can report the firm or scam to the FCA by contacting their Consumer Helpline on **0800 111 6768** or using their online reporting form.
- If you have lost money in a scam, contact **Action Fraud** on **0300 123 2040** or **www.actionfraud.police.uk**

For further helpful information about investment scams and how to avoid them please visit **www.fca.org.uk/scamsmart**

Responsible Stewardship

Jupiter believes that responsible stewardship is an important issue and aims to act in the best interests of all its stakeholders by engaging with the companies that it invests in, and by exercising its voting rights with care. We believe companies with high standards of corporate responsibility, governance and sustainable business practices create an appropriate culture to enhance good investment performance. **Jupiter's Corporate Governance and Voting Policy** and its compliance with the **UK Stewardship Code**, together with supporting disclosure reports are available at **www.jupiteram.com**.

Other Information

This document contains information based on the Industry Classification Benchmark (ICB). The ICB is a product of FTSE International Limited (FTSE) and all intellectual property rights in and to ICB vest in FTSE. Jupiter Asset Management Limited has been licensed by FTSE to use ICB. 'FTSE' is a trade mark of the London Stock Exchange Plc and is used by FTSE under license. FTSE and its licensors do not accept liability to any person for any loss or damage arising out of any error or omission in ICB.

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