

## Investment Objective & Performance Summary

The investment objective of the Company is to achieve long term capital growth from an actively managed portfolio of securities primarily of small and medium sized Japanese companies listed or traded on Japanese stockmarkets.

### Performance (on a total return basis)

	30 June 2011	Six months to 30 June 2011
Net asset value ("NAV") per share – undiluted	70.06p	+2.4%
NAV per share – diluted	67.79p	+2.4%
Ordinary share price	58.00p	+1.3%
Russell Nomura Mid/Small Cap Index (in sterling terms)	1.9125	-5.1%

### Standardised performance (on a total return basis) (%)

	01/07/06 to 30/06/07	01/07/07 to 30/06/08	01/07/08 to 30/06/09	01/07/09 to 30/06/10	01/07/10 to 30/06/11
NAV per share – undiluted	-23.0	-17.4	-16.4	+16.0	+16.9
Share price	-23.9	-19.0	-16.6	+11.6	+14.9

Sources: Fidelity and Datastream  
Past performance is not a guide to future returns

## Summary of Results

	30 June 2011	31 December 2010	% change
<b>Assets</b>			
Total assets employed <sup>1</sup>	£68.21m	£65.49m	+4.2
Shareholders' funds	£68.21m	£65.49m	+4.2
Contracts for Difference ("CFDs") exposure	£20.36m	£16.63m	
NAV per ordinary share - undiluted	70.06p	68.44p	+2.4
NAV per ordinary share - diluted <sup>2</sup>	67.79p	66.21p	+2.4

### Stockmarket Data

Russell Nomura Mid/Small Cap Index (in sterling terms)	1.9125	2.0158	-5.1
Yen/£ exchange rate	129.656	126.982	-2.1
Ordinary share price <sup>3</sup>	period end	58.00p	57.25p
	high	63.25p	57.25p
	low	47.75p	47.25p
Discount - undiluted <sup>3</sup>	period end	17.2%	16.4%
	high	19.5%	20.2%
	low	3.4%	12.7%
Discount - diluted	period end	14.4%	13.5%
Subscription share price <sup>3</sup>	period end	10.03p	11.75p
	high	14.75p	13.50p
	low	6.75p	5.25p

Returns for the six months to 30 June	2011	2010
Revenue return/(loss) per ordinary share - undiluted	0.04p	(0.12p)
Capital return per ordinary share - undiluted	1.82p	4.49p
Total return per ordinary share - undiluted	1.86p	4.37p

- 1 Total assets less current liabilities
- 2 The diluted NAV per ordinary share is included in this report since the NAV per ordinary share is greater than the exercise price of the subscription shares. Hence, if the subscription shares had converted at the period end date, the NAV per ordinary share in issue would have been diluted
- 3 The high and low figures relate to the six months ended 30 June 2011 and the year ended 31 December 2010

Sources: Fidelity and Datastream  
Past performance is not a guide to future returns

## Half-Yearly Report

### PERFORMANCE

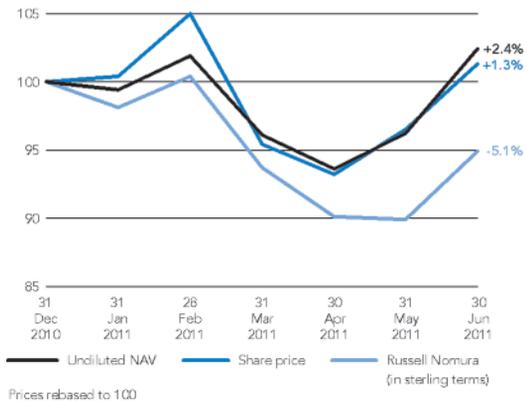
The Japanese market began on a strong note in 2011, with the major indices continuing to rebound from their November 2010 lows. Improving global economic fundamentals, underpinned by signs of a pickup in the US, translated into a reacceleration in Japanese exports. The Great East Japan Earthquake on 11 March, however, drastically altered this landscape. Initial concerns about the direct effects of the earthquake on the economy and production gave way to fears about radiation leaks from the stricken Fukushima nuclear power plant.

Thereafter, the Japanese market continued to decline. In addition, mounting concerns about the US economy, tightening monetary policy in emerging nations and fiscal problems in Europe depressed investor sentiment further. However, towards the end of the review period, the Japanese equity market staged a strong rebound, as better-than-expected domestic macroeconomic data underscored the resilience of Japanese companies in overcoming supply-chain disruptions and restoring production. Nevertheless, despite the recent rebound, the Japanese equity market underperformed major indices in Europe and the US over the review period.

After the earthquake, we saw a widening of the differential in returns between individual sectors and stocks. This reflected the steep declines suffered by power utilities and other companies directly impacted by the disaster, and the gains in those companies perceived to be beneficiaries of reconstruction demand. Tokyo Electric Power (TEPCO), operator of the stricken Fukushima nuclear plant, hit all-time lows. Against a backdrop of mounting political uncertainty, TEPCO's crisis threatened to impair the entire industry's ability to procure funding.

Attribution Analysis		Six months to 30 June 2011 (pence)
NAV (undiluted) at 31 December 2010		68.44
Impact of the Index (in yen terms)		-2.14
Impact of Index Income (in yen terms)		0.75
Impact of Stock Selection		4.66
Impact of Gearing		0.80
Impact of the Exchange Rate		-1.38
Impact of Charges		-0.69
Cash/Residual		-0.38
NAV (undiluted) at 30 June 2011		70.06

### Performance for the six months to 30 June 2011



Sources: Fidelity and Datastream

Past performance is not a guide to future returns

On the other hand, defensive segments, notably consumer staples, held up well, as did retailers successfully implementing restructuring or overseas expansion strategies. In the consumer discretionary sector, mid-cap automobile and parts companies also outperformed.

## Half-Yearly Report

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Over the review period, your Company's net asset value increased by 1.62p per share (2.4%) to 70.06p per share, as can be seen in the Attribution Analysis table on page 3, and the discount to NAV remained stable. The Manager's stock selection made significant contributions to your Company's net asset value. The emphasis on internet-related businesses was particularly rewarding. Last year's leading contributor M3, continued to perform strongly, as robust growth in its US operations lifted investors' confidence. A holding in CyberAgent, which had been a relative laggard among internet-related stocks, also paid off. Its blog service called Ameba has proved to be highly profitable and penetration of smartphones in Japan is expected to accelerate its top line growth. In addition, a holding in Bit-Isle, an operator of internet data centres, added value. Bit-Isle's strong quarterly earnings growth and an increase in dividends drove its share price higher. An operator of a price comparison website, Kakaku.com, continued to hit fresh highs as rising demand for price comparisons and restaurant search services highlighted its growth potential.

A titanium smelter, Osaka Titanium Technologies added value. Its share price performance reflected rising titanium prices. Another major contributor was Maruwa, manufacturer of electronic ceramic components used for smartphones, automobiles, digital cameras, etc. It posted strong earnings growth for fiscal 2010 and is expected to maintain robust growth momentum into fiscal 2011 due to improving product mix.

Conversely, stocks selected in the electrical machinery sector struggled. Electronic component producers including Mitsumi Electric, MegaChips and Meiko Electronics, fared poorly due to weakening end demand for PCs and disappointing sales of Nintendo's 3DS.

The Manager sold out of positions in Mitsumi Electric and Meiko Electronics, but he maintained overweight positions in MegaChips, which is expected to benefit from Nintendo's new game console "Wii U".

In the real estate sector, Sumitomo Real Estate Sales detracted from relative performance. The Manager sold out the position in April as its earnings outlook was overshadowed by weak retail brokerage business amid poor consumer sentiment after the earthquake.

### THE MARKET & OUTLOOK

In Japan, companies have moved quickly to resolve supply-chain disruptions and, as a result, production is recovering at a faster than expected pace. Whilst corporate earnings are set to contract sharply in the first half of fiscal 2011 (April to September), consensus forecasts point towards a strong rebound in the second half and robust growth in fiscal 2012. As concerns about a US economic slowdown, the Greek debt crisis and inflation risks in emerging nations have come to dominate the investment agenda, Japanese stocks are yet to reflect the anticipated recovery in earnings and although the market may be range-bound for the time being, the mid term outlook for Japanese stocks remains positive.

The Great East Japan Earthquake dealt a significant one-time blow to production activities across various sectors. In contrast to the global financial crisis, however, supply-side factors triggered the current adjustment and latent demand remains firm. As a result, aggregate production is expected to return to pre-quake levels around the third quarter. Importantly, output in the key automobile industry, which was hardest hit by supply-chain disruptions, is normalising quickly.

## Half-Yearly Report

This should have positive knock-on effects for other sectors such as upstream materials and intermediate goods. Furthermore, the Bank of Japan's latest Tankan survey indicated that companies are not making substantial cuts to either employment or capital investment.

Whilst domestic risk factors (the nuclear crisis, power constraints and political uncertainty) pose a risk to Japan's recovery, external developments arguably represent a greater hurdle to investor sentiment. In particular, the extent of the soft patch in the US economy, tightening monetary policy in emerging nations and the debt crisis in Europe represent major headwinds for share prices.

Although markets may see some retrenchment over the near term, valuations offer downside support. The price-to-book ratio for the Japanese market currently stands at around par, with more than 60% of the benchmark universe trading below book value. Furthermore, a forward price-to-earnings ratio of 13 times offers attractive future upside.

### GEARING

The Company gears through the use of CFDs. Total exposure was £86.33m at at 30 June 2011, equating to gearing of 26.6%.

### THE BOARD AND ITS COMMITTEES

David Robins was appointed to the Board and Audit Committee on 1 February 2011. Sir Laurie Magnus was appointed as Chairman of the Audit Committee at the conclusion of the Annual General Meeting on 12 May 2011.

### SUBSCRIPTION SHARES

The rights attaching to a total of 1,670,697 subscription shares were exercised during the period from 1 January 2011 to 30 June 2011, at which point the total number of subscription shares remaining in issue was 17,337,617.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Board, with the assistance of the Manager, has developed a risk matrix which, as part of the internal controls process, identifies the key risks that the Company faces. The key risks identified within this matrix continue to be market, share price, currency, investment management, governance/regulatory, financial and operational administration. Information on each of these is given in the Business Review section of the Annual Report for the year ended 31 December 2010.

By order of the Board  
FIL Investments International  
1 August 2011



## Directors' Responsibility Statement

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The Directors confirm to the best of their knowledge that:

- a) the condensed set of financial statements contained within the Half-Yearly financial report has been prepared in accordance with the UK Accounting Standards Board's Statement 'Half-Yearly Financial Reports';
  - b) the Half-Yearly report narrative on pages 3, 4 and 5 (constituting the interim management report) includes a fair review of the information required by Rule 4.2.7R of the FSA's Disclosure and Transparency Rules and 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 financial year; and
  - c) in accordance with Disclosure and Transparency Rule 4.2.8R there have been no related parties transactions during the six months to 30 June 2011 and therefore nothing to report on any material effect by such a transaction on the financial position or the performance of the Company during that period; and there have been no changes in this position since the last Annual Report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.
- The Half-Yearly financial report has not been audited or reviewed by the Company's Independent Auditor.

The Half-Yearly financial report was approved by the Board on 1 August 2011 and the above responsibility statement was signed on its behalf by William Thomson, Chairman.



## Twenty Largest Investments (including derivatives) as at 30 June 2011

	Exposure £'000	Fair Value <sup>1</sup> £'000	Total Exposure % <sup>2</sup>
<b>Sekisui Chemical (CFD)</b> Engaged in housing construction and materials, high-performance plastic segments and flat panel displays	2,905	681	3.4
<b>Takata (CFD)</b> Develops and manufactures safety products for automobiles	2,698	334	3.1
<b>Kakaku.com (CFD)</b> Provides price comparison services and product information	2,245	530	2.6
<b>FP (CFD)</b> Manufactures polystyrene and synthetic resins	2,208	324	2.6
<b>M3 (CFD)</b> Medical related internet service provider	2,014	944	2.3
<b>CyberAgent</b> Internet media company	1,959	1,959	2.3
<b>Bit-Isle</b> Information technology company	1,809	1,809	2.1
<b>GMO Payment Gateway</b> Engaged in the provision of payment processing services	1,744	1,744	2.0
<b>Maruwa</b> Manufacturer of ceramic electronic components	1,612	1,612	1.9
<b>Toyota Boshoku</b> Manufactures automotive components	1,516	1,516	1.8
<b>Mitsui</b> Manufactures chemical products	1,509	1,509	1.7
<b>Sumitomo Mitsui Financial Group (CFD)</b> Diversified financial company	1,445	(343)	1.7
<b>Fast Retailing (CFD)</b> Holding company primarily engaged in the clothing business	1,390	(113)	1.6
<b>Daikokutenbussan</b> Engaged in the supermarket and food business	1,378	1,378	1.6
<b>LEC</b> Manufactures household products	1,332	1,332	1.5
<b>Aisin Seiki</b> Production and sales of automotive parts	1,323	1,323	1.5
<b>Sony Commercial Network</b> Digital entertainment provider	1,247	1,247	1.4
<b>Terumo (CFD)</b> Manufacture and sale of medical products and equipment	1,183	(55)	1.4
<b>MegaChips</b> Designs and manufactures large-scale integration systems and products	1,179	1,179	1.4
<b>Osaka Titanium Technologies</b> Produces titanium and silicone products	1,171	1,171	1.3
<b>Twenty Largest Investments</b>	33,867	20,081	39.2
<b>Other Investments</b>	50,416	46,078	58.4
<b>Cash and other net current assets</b>	2,052	2,052	2.4
	<b>86,335</b>	<b>68,211</b>	<b>100.0</b>

1 Fair value represents the carrying value in the Balance Sheet on page 12

2 % based on total exposure which is the fixed asset investments plus the exposure of the underlying securities within the CFDs

## Income Statement

	Notes	for the six months ended 30.06.11		
		revenue £'000	unaudited capital £'000	total £'000
Gains on investments designated at fair value through profit or loss		–	315	315
Net gains/(losses) on derivative instruments held at fair value through profit or loss		–	1,417	1,417
Income	2	767	–	767
Investment management fee		(415)	–	(415)
Other expenses		(241)	–	(241)
Exchange gains/(losses) on other net assets		5	36	41
<b>Net return/(loss) before finance costs and taxation</b>		<b>116</b>	<b>1,768</b>	<b>1,884</b>
Finance costs on long CFDs		(39)	–	(39)
<b>Net return/(loss) on ordinary activities before taxation</b>		<b>77</b>	<b>1,768</b>	<b>1,845</b>
Taxation on return/(loss) on ordinary activities	3	(41)	–	(41)
<b>Net return/(loss) on ordinary activities after taxation for the period</b>		<b>36</b>	<b>1,768</b>	<b>1,804</b>
<b>Return/(loss) per ordinary share</b>				
Undiluted	4	0.04p	1.82p	1.86p
Diluted	4	0.04p	1.81p	1.85p

A Statement of Total Recognised Gains and Losses has not been prepared as there are no gains and losses other than those reported in this Income Statement.

The total column of the Income Statement is the profit and loss account of the Company.

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

No operations were acquired or discontinued in the period.

These financial statements have been prepared in accordance with the AIC Statement of Recommended Practice ("SORP") issued in January 2009.

for the year ended 31.12.10			for the six months ended 30.06.10		
revenue	audited capital	total	revenue	unaudited capital	total
£'000	£'000	£'000	£'000	£'000	£'000
–	10,584	10,584	–	4,452	4,452
–	1,562	1,562	–	(477)	(477)
1,088	–	1,088	589	–	589
(760)	–	(760)	(383)	–	(383)
(458)	–	(458)	(240)	–	(240)
(24)	466	442	(6)	322	316
(154)	12,612	12,458	(40)	4,297	4,257
(75)	–	(75)	(41)	–	(41)
(229)	12,612	12,383	(81)	4,297	4,216
(58)	–	(58)	(32)	–	(32)
(287)	12,612	12,325	(113)	4,297	4,184
(0.30p)	13.19p	12.89p	(0.12p)	4.49p	4.37p
n/a	n/a	n/a	n/a	n/a	n/a

## Reconciliation of Movements in Shareholders' Funds

	share capital £'000	share premium account £'000	capital redemption reserve £'000
<b>Opening shareholders' funds: 1 January 2010</b>	24,850	44	2,437
Net recognised capital return on ordinary activities after taxation for the period	–	–	–
Exercise of rights attached to subscription shares and conversion into ordinary shares	22	–	–
Net revenue loss on ordinary activities after taxation for the period	–	–	–
<b>Closing shareholders' funds: 30 June 2010</b>	<u>24,872</u>	<u>44</u>	<u>2,437</u>
<b>Opening shareholders' funds: 1 January 2010</b>	24,850	44	2,437
Net recognised capital return on ordinary activities after taxation for the year	–	–	–
Exercise of rights attached to subscription shares and conversion into ordinary shares	(5)	5	–
Issue of ordinary shares on exercise of rights attached to subscription shares	27	32	–
Net revenue loss on ordinary activities after taxation for the year	–	–	–
<b>Closing shareholders' funds: 31 December 2010</b>	<u>24,872</u>	<u>81</u>	<u>2,437</u>
Net recognised capital return on ordinary activities after taxation for the period	–	–	–
Exercise of rights attached to subscription shares and conversion into ordinary shares	(84)	84	–
Issue of ordinary shares on exercise of rights attached to subscription shares	418	501	–
Net revenue return on ordinary activities after taxation for the period	–	–	–
<b>Closing shareholders' funds: 30 June 2011</b>	<u>25,206</u>	<u>666</u>	<u>2,437</u>

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other reserve £'000	capital reserve £'000	revenue reserve £'000	total equity £'000
57,955	(19,033)	(13,149)	53,104
-	4,297	-	4,297
26	-	-	48
-	-	(113)	(113)
<u>57,981</u>	<u>(14,736)</u>	<u>(13,262)</u>	<u>57,336</u>
57,955	(19,033)	(13,149)	53,104
-	12,612	-	12,612
-	-	-	-
-	-	-	59
-	-	(287)	(287)
<u>57,955</u>	<u>(6,421)</u>	<u>(13,436)</u>	<u>65,488</u>
-	1,768	-	1,768
-	-	-	-
-	-	-	919
-	-	36	36
<u>57,955</u>	<u>(4,653)</u>	<u>(13,400)</u>	<u>68,211</u>

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## Balance Sheet

	30.06.11 unaudited £'000	31.12.10 audited £'000	30.06.10 unaudited £'000
	Note		
<b>Fixed assets</b>			
Investments designated at fair value through profit or loss	63,925	62,564	55,902
<b>Current assets</b>			
Derivative assets held at fair value through profit or loss	2,973	2,339	1,451
Debtors	306	191	294
Cash at bank	3,042	1,237	1,201
	<u>6,321</u>	<u>3,767</u>	<u>2,946</u>
<b>Creditors</b>			
Derivative liabilities held at fair value through profit or loss	(739)	(363)	(832)
Other creditors	(1,296)	(480)	(680)
	<u>(2,035)</u>	<u>(843)</u>	<u>(1,512)</u>
<b>Net current assets</b>	<u>4,286</u>	<u>2,924</u>	<u>1,434</u>
<b>Total net assets</b>	<u>68,211</u>	<u>65,488</u>	<u>57,336</u>
<b>Capital and reserves</b>			
Share capital	25,206	24,872	24,872
Share premium account	666	81	44
Capital redemption reserve	2,437	2,437	2,437
Other reserve	57,955	57,955	57,981
Capital reserve	(4,653)	(6,421)	(14,736)
Revenue reserve	(13,400)	(13,436)	(13,262)
<b>Total equity shareholders' funds</b>	<u>68,211</u>	<u>65,488</u>	<u>57,336</u>
<b>Net asset value per ordinary share</b>			
Undiluted	5 70.06p	68.44p	59.93p
Diluted	5 67.79p	66.21p	59.12p

## Cash Flow Statement

	30.06.11 unaudited £'000	31.12.10 audited £'000	30.06.10 unaudited £'000
<b>Operating activities</b>			
Overseas dividends received	540	780	412
Dividends on long CFDs received	166	238	26
Investment management fee paid	(423)	(733)	(374)
Directors' fees paid	(71)	(104)	(49)
Other cash payments	(106)	(405)	(172)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>106</b>	<b>(224)</b>	<b>(157)</b>
<b>Servicing of finance</b>			
Interest paid on long CFDs	(40)	(80)	(48)
<b>Net cash outflow from servicing of finance</b>	<b>(40)</b>	<b>(80)</b>	<b>(48)</b>
<b>Financial investment</b>			
Purchase of investments	(35,134)	(76,205)	(42,012)
Disposal of investments	34,757	74,025	40,399
<b>Net cash outflow from financial investment</b>	<b>(377)</b>	<b>(2,180)</b>	<b>(1,613)</b>
<b>Derivative activities</b>			
Proceeds of long CFD positions closed	1,159	1,176	495
<b>Net cash inflow from derivative activities</b>	<b>1,159</b>	<b>1,176</b>	<b>495</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>848</b>	<b>(1,308)</b>	<b>(1,323)</b>
<b>Financing</b>			
Exercise of rights attached to subscription shares	916	58	47
<b>Net cash inflow from financing</b>	<b>916</b>	<b>58</b>	<b>47</b>
<b>Increase/(decrease) in cash</b>	<b>1,764</b>	<b>(1,250)</b>	<b>(1,276)</b>
<b>Reconciliation of net cash movements to movement in net funds</b>			
<b>Net funds at the beginning of the period</b>	<b>1,237</b>	<b>2,403</b>	<b>2,403</b>
Net cash inflow/(outflow)	1,764	(1,250)	(1,276)
Exchange movements	41	84	74
<b>Change in net funds</b>	<b>1,805</b>	<b>(1,166)</b>	<b>(1,202)</b>
<b>Net funds at the period end</b>	<b>3,042</b>	<b>1,237</b>	<b>1,201</b>

## Notes to the Financial Statements

### 1 ACCOUNTING POLICIES

The Half-Yearly financial statements have been prepared on the basis of the accounting policies set out in the Company's annual report and financial statements for the year ended 31 December 2010.

### 2 INCOME

	30.06.11 unaudited £'000	31.12.10 audited £'000	30.06.10 unaudited £'000
<b>Income from investments designated at fair value through profit or loss</b>			
Overseas dividends	579	838	456
<b>Income from derivative instruments held at fair value through profit or loss</b>			
Dividends on long CFDs	188	250	133
<b>Total income</b>	<b>767</b>	<b>1,088</b>	<b>589</b>

### 3 TAXATION ON RETURN/(LOSS) ON ORDINARY ACTIVITIES

	30.06.11 unaudited £'000	31.12.10 audited £'000	30.06.10 unaudited £'000
Overseas taxation	41	58	32

### 4 RETURN/(LOSS) PER ORDINARY SHARE

	30.06.11 unaudited	31.12.10 audited	30.06.10 unaudited
<b>Undiluted</b>			
Revenue	0.04p	(0.30p)	(0.12p)
Capital	1.82p	13.19p	4.49p
Total	1.86p	12.89p	4.37p
<b>Diluted</b>			
Revenue	0.04p	n/a	n/a
Capital	1.81p	n/a	n/a
Total	1.85p	n/a	n/a

Returns/(losses) per ordinary share are based on the net revenue return/(loss) on ordinary activities after taxation in the period, the net capital return in the period and the total net return in the period and the weighted average number of ordinary shares in issue during the period.

## Notes to the Financial Statements

	30.06.11 unaudited £'000	31.12.10 audited £'000	30.06.10 unaudited £'000
<b>Net return/(loss) on ordinary activities after taxation - undiluted and diluted</b>			
Revenue	36	(287)	(113)
Capital	1,768	12,612	4,297
Total	<u>1,804</u>	<u>12,325</u>	<u>4,184</u>

### Weighted average number of ordinary shares in issue

Undiluted	97,024,603	95,653,233	95,629,636
Diluted	97,511,524	n/a	n/a

There were no diluted returns/(losses) per ordinary share in the periods ended 31.12.10 and 30.06.10 because the average ordinary share price for these periods was below the exercise price of the rights attaching to the subscription shares.

## 5 NET ASSET VALUE PER ORDINARY SHARE

The undiluted net asset value per ordinary share is based on net assets of £68,211,000 (31.12.10: £65,488,000; 30.06.10: £57,336,000) and on 97,355,217 (31.12.10: 95,684,520; 30.06.10: 95,664,318) ordinary shares, being the number of ordinary shares in issue at the period end.

The diluted net asset value per ordinary share has been calculated on the assumption that the rights attaching to the outstanding subscription shares of 17,337,617 at 30 June 2011 (31.12.10: 19,008,314; 30.06.10: 19,028,516) were exercised at that date. This basis of calculation is in accordance with guidelines laid down by the Association of Investment Companies and details of the exercises are provided to the London Stock Exchange.

## 6 INVESTMENT TRANSACTION COSTS

Transaction costs are incurred in the acquisition and disposal of investments. These are included in the gains on investments designated at fair value through profit or loss in the capital column of the Income Statement and are summarised below:

	30.06.11 unaudited £'000	31.12.10 audited £'000	30.06.10 unaudited £'000
Purchases	37	79	44
Sales	36	76	40
	<u>73</u>	<u>155</u>	<u>84</u>



## Notes to the Financial Statements

### 7 SHARE ISSUES

The following ordinary shares were issued on exercise of the conversion rights attached to the subscription shares:

	30.06.11 unaudited	31.12.10 audited	30.06.10 unaudited
Number of ordinary shares issued	1,670,697	107,067	86,865
Exercise price per share	55p	55p	55p
Total consideration	£918,883	£58,887	£47,776

The rights attaching to a total of 1,670,679 subscription shares were exercised during the period from 1 January 2011 to 30 June 2011, at which point the total number of subscription shares in issue was 17,337,617.

### 8 GOING CONCERN

The Board receives regular reports from the Manager and the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements as outlined in the Annual Report for the year ended 31 December 2010.

### 9 UNAUDITED FINANCIAL STATEMENTS

The results for the six months to 30 June 2011 and 30 June 2010, which are unaudited, constitute non-statutory accounts within the meaning of s435 of the Companies Act 2006. The figures and financial information for the year ended 31 December 2010 are extracted from the latest published financial statements. These financial statements, on which the Independent Auditor gave an unqualified report, have been delivered to the Registrar of Companies.



## Investor Information

### CONTACT INFORMATION

#### Private investors:

Call free to **0800 41 41 10**  
9am to 6pm, Monday to Saturday.

#### Financial advisers:

Call free to **0800 41 41 81**  
8am to 6pm, Monday to Friday.  
[www.fidelity.co.uk/its](http://www.fidelity.co.uk/its)

**Existing shareholders** who have a specific query regarding their holding or need to provide updated information, for example a change of address, should contact the appropriate administrator.

#### Holders of ordinary shares

Capita Registrars, Registrars to Fidelity Japanese Values PLC, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Telephone: **0871 664 0300** (calls cost 10p per minute plus network extras. Lines are open 8.30am – 5.30pm Monday to Friday).

Email: [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)

Details of individual shareholdings and other information can also be obtained from the Registrars' website:  
[www.capitaregistrars.com](http://www.capitaregistrars.com)

#### Fidelity Share Plan investors

Fidelity Investment Trust Share Plan, Block C, Western House, Lynchwood Business Park, Peterborough PE2 6BP.

Telephone: **0845 358 1107** (calls to this number are charged at 4p per minute from a BT landline. Other telephone service providers' costs may vary).

#### Fidelity ISA investors

Fidelity, using the freephone number given opposite, or by writing to: UK Customer Service, Fidelity International, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ.  
[www.fidelity.co.uk/its](http://www.fidelity.co.uk/its)

#### Fidelity ShareNetwork:

[www.fidelity.co.uk/sharenetwork](http://www.fidelity.co.uk/sharenetwork)

#### General enquiries

should be made to Fidelity, the Investment Manager and Secretary, at the Company's registered office: FIL Investments International, Investment Trusts, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Telephone: **01732 361 144**

Fax: **01737 836 892**

[www.fidelity.co.uk/its](http://www.fidelity.co.uk/its)

### FINANCIAL CALENDAR

**30 June 2011** – Half-Yearly period end

**August 2011** – announcement of Half-Yearly results

**Mid August 2011** – publication of Half-Yearly report

**31 December 2011** – financial year end

**March/April 2012** – publication of Annual Report

**May 2012** – Annual General Meeting

## Directory

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### BOARD OF DIRECTORS

William Thomson (Chairman)  
Sir Laurie Magnus (Audit Committee  
Chairman)  
Nicholas Barber, CBE (Senior Independent  
Director)  
Simon Fraser  
Philip Kay  
David Miller, OBE  
David Robins

### MANAGER, SECRETARY AND REGISTERED OFFICE

FIL Investments International  
Beech Gate, Millfield Lane  
Lower Kingswood  
Tadworth  
Surrey  
KT20 6RP

### FINANCIAL ADVISERS AND STOCKBROKERS

Collins Stewart Europe Limited  
88 Wood Street  
London  
EC2V 7QR

### INDEPENDENT AUDITOR

Grant Thornton UK LLP  
Chartered Accountants and Registered  
Auditor  
30 Finsbury Square  
London  
EC2P 2YU

### BANKERS AND CUSTODIAN

JPMorgan Chase Bank (London Branch)  
125 London Wall  
London  
EC2Y 5AJ

### REGISTRARS

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

### LAWYERS

Slaughter and May  
One Bunhill Row  
London  
EC1Y 8YY

Speechly Bircham LLP  
6 New Street Square  
London  
EC4A 3LX

## WARNING TO SHAREHOLDERS – “BOILER ROOM” SCAMS

Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based ‘brokers’ who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as ‘boiler rooms’. These ‘brokers’ can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000. It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved by visiting [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register)
- Report the matter to the FSA either by calling **0845 606 1234** or visiting [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at [www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml](http://www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml)

Details of any share dealing facilities that the Company endorses will be included in company mailings.

More detailed information on this or similar activity can be found on the FSA website [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)



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Please note that the value of investments and the income from them may fall as well as rise and the investor may not get back the amount originally invested. Past performance is not a guide to future returns. For funds that invest in overseas markets, changes in currency exchange rates may affect the value of your investment. Investing in small and emerging markets can be more volatile than other more developed markets. Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities, but is included for the purposes of illustration only. Investees should also note that the views expressed may no longer be current and may have already been acted upon by Fidelity.

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