FIDELITY JAPANESE VALUES
(the "Company")

Terms of Reference of the Audit Committee

1. Function

1.1 The function of the Audit Committee is to ensure that the Company maintains the highest standards of integrity, financial reporting and internal control.

As part of this function the Audit Committee is to review the Company's internal control systems, form an opinion as to the effectiveness of internal control and report formally to the Board.

2. Membership

2.1 The Committee shall be appointed by the Board and shall consist of a Chairman and not less than two other members. A quorum shall be two members.

2.2. All members shall be independent non-executive Directors and at least one should have recent relevant financial knowledge.

2.3 Members' appointments should be for a period of up to three years, extendable by additional three year periods, as long as they continue to be independent.

2.4 An induction programme is required for new Audit Committee members and regular updates regarding any proposed developments or changes in laws or regulations which affect the Company and/or the Directors.

2.5 Representatives of the external auditors and a representative from Fidelity's internal audit department shall be invited to attend meetings. Other individuals may be invited to attend. No person other than the Committee Chairman and Committee members has the right to attend Meetings.

3. Meetings

3.1 The Committee shall meet at least two times a year and at such other times as the Chairman of the Committee, the external or internal auditors or any Committee member shall require.

3.2 The meetings should coincide with the availability of the external audit plans and when the half-yearly report, preliminary announcements and the full annual report are near completion and, if deemed necessary, when the interim management statements are near completion.

3.3 At least annually, the Committee should meet external and internal auditors without management present to the extent deemed appropriate to discuss the remit and issues arising from the audit.

3.4 The Company's auditors shall be advised of the timing of Committee meetings and shall be invited to attend such meetings as required. The Committee shall have access to the auditors if it so requires. The Committee shall also have direct access to the management company's compliance officer, internal auditor and other key business heads as deemed necessary.

4. Secretary

4.1 The Company Secretary shall be the secretary of the Committee and shall, unless and to the extent from time to time determined by the Committee, attend all meetings of the Committee.

Minutes of the Committee shall be circulated to all members of the Board unless a conflict of interest exists.

5. Authority

5.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to obtain, at the Company's expense, outside legal or other independent professional advice on any matters within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. It is also authorised to seek any information it requires from the Manager in order to perform its duties and call on the Manager to be questioned by the Committee as and when required.

6. Duties

The Committee's duties shall be to:-

6.1 monitor the integrity of the Company's financial statements and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained therein; including:-

6.1.1 review the consistency of accounting policies on a year to year basis; and

6.1.2 review and challenge where necessary the Company's financial statements including:-
(a) decisions requiring a major element of judgement;
(b) the extent to which they are affected by any unusual transactions;
(c) the Company's investments, in particular the valuation of unquoted or other unusual investments;
(d) the clarity and completeness of disclosures;
(e) significant adjustments resulting from the audit;
(f) the going concern assumption;
(g) compliance with accounting standards and proposed changes to accounting policies;
(h) the operating and financial review (if applicable);
(i) corporate governance statements relating to audit and risk management; and
(j) compliance with stock exchange, listing, prospectus and disclosure and transparency rules and other legal requirements.

6.2 receive a report from the management company confirming that it has conducted the Company's affairs in compliance with the regulations applying to it, together with information regarding any unusual transactions or complaints relating to savings schemes or similar products;

6.3 Review the company's procedures for detecting fraud;

6.4 (a) to monitor and review the effectiveness of the internal control systems (including financial, operational and compliance controls and risk management) and discuss with the Manager the implementation of improvements and, in its duty to oversee the relationship with the external auditor, the Committee is to seek to ensure co-ordination with the activities of the internal audit function;

(b) to review the Company's statement on its system of internal controls as set out in the directors' report accompanying the Company's annual accounts prior to endorsement of that statement by the Board;

(c) to consider the Auditor's Management Letter and any major findings of the auditors pursuant to any investigations carried out by the auditors concerning the Company's financial affairs or the Manager's system of internal controls and any response of the Manager thereto.

6.5 make recommendations to the Board for it to put to the Shareholders for their approval in general meeting in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor;

6.6 review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK and international professional and regulatory requirements;

6.7 approve terms and remuneration, including reviewing the engagement letter at start of each audit and the scope of the audit;

6.8 develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and

6.9 report to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken.

7. Reporting Responsibilities

7.1 The role of the Committee is for the Board to decide. The results of work carried out for the Board should be reported to and considered by the Board. The Committee should identify matters where action or improvement is needed and recommend to the Board the steps which should be taken.

7.2 The Committee shall make whatever recommendations to the Board it deems appropriate and shall compile a report to shareholders to be included in the Company's Annual Report and Accounts.

7.3 The Committee should report to the Board where it is not satisfied with the Company's financial reporting.

8. Review

8.1 On an annual basis the Committee should review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness. Any changes should be recommended to the Board.

8.2 On an annual basis the Board should review the Committee's effectiveness.

9. Resources

9.1 The Committee should have access to sufficient resources and the services of the Secretariat.

9.2 Papers should be available to the Committee in a timely manner.

9.3 Funds to be available for professional advice (see 5.1 above).

10. Remuneration

Additional remuneration should be considered for members of the Committee. The Chairman should be paid more than other Members as he will spend more time on Committee matters.

11. Annual Audit Cycle

11.1 *Start of cycle* - ensure appropriate audit plans are in place.

11.2 *During cycle* - review:- findings with external auditors and discuss major issues arising whether resolved or not; key accounting and audit judgements; levels of errors identified; letters of representation before signature.

11.3 *On-going monitoring* - review management letter and management's responsiveness to external auditors' findings and recommendations.

11.4 *End of cycle* - assess effectiveness of audit process.

12. Communication with Shareholders

12.1 Terms of reference should be available to Shareholders. A separate section in the Annual Report should describe the work of the Committee in discharging its responsibilities (see 7.2 above).

12.2 The Committee Chairman should be present at the AGM to answer questions through Company Chairman on the Annual Report and the matters within the Committee's remit.

Approved at the meeting of the Directors held on
For adoption by the Audit Committee in