

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.**

If you sell or have sold or otherwise transferred all of your Ordinary Shares you should send this document and the accompanying form of proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding, you should retain these documents.

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## **Schroder Japan Growth Fund PLC**

*(Incorporated in England and Wales under company number 02930057,  
an investment company within the meaning of Section 833 of the Companies Act 2006)*

### **Proposed amendment to Articles of Association**

#### **Circular to shareholders and Notice of General Meeting**

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Notice of a General Meeting of Schroder Japan Growth Fund plc to be held at 31 Gresham Street, London, EC2V 7QA at 3.00 p.m. on 7 November 2012 is set out at the end of this document. The form of proxy for use at the meeting accompanies this document and, to be valid, should be completed and returned in accordance with the instructions set out thereon as soon as possible but in any event so as to reach Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA not later than 3.00 p.m. on 5 November 2012. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish.

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## EXPECTED TIMETABLE

	<i>2012</i>
Latest time and date for receipt of forms of proxy .....	3.00 p.m. on 5 November
General Meeting .....	3.00 p.m. on 7 November

### **Notes:**

(1) Reference to times in this document are to London time unless otherwise stated.

## LETTER FROM THE CHAIRMAN

### SCHRODER JAPAN GROWTH FUND PLC

*(Incorporated and registered in England and Wales with No. 02930057  
an investment company within the meaning of Section 833 of the Companies Act 2006)*

*Directors:*

Jonathan Taylor (*Chairman*)  
Richard Greer  
Jan Kingzett  
Peter Lyon  
John Scott

*Registered Office:*

31 Gresham Street  
London EC2V 7QA

4 October 2012

*To Shareholders in Schroder Japan Growth Fund plc*

Dear Shareholder

#### **Introduction**

Your Board has announced today proposals to amend the Company's Articles.

These proposals are conditional upon the approval of Shareholders in a General Meeting. The purpose of this document is to provide details of these proposals and to seek the approval of Shareholders.

#### **Background**

In the Company's Half-Yearly Report to 31 January 2012 the Board announced proposals which would allow the future net revenue of the Company to be paid out to Shareholders in the form of dividends. The background to that announcement was that in recent years, the yield on the Japanese stock market, although volatile, had increased significantly and the Company was now producing revenue surpluses. However the Directors had been prevented by law from paying out this income to Shareholders as dividends, due to the accumulated loss on the revenue account brought forward from prior years.

The Directors have concluded that this situation should be rectified and future net revenue earned by the portfolio should be paid out to investors in the form of dividends. Therefore, we are seeking Shareholder approval to proposals under which the accumulated brought forward loss on revenue reserve will not inhibit the Company from paying dividends in the future.

The Company has been advised that the most efficient way of facilitating the change of dividend policy will be to remove the prohibition currently contained in the Company's Articles of Association on distributing capital profits by way of dividend or otherwise than by way of repurchase of the Company's issued share capital. Following recent changes to the tax and company law rules applicable to investment trusts that prohibition is no longer required. Its removal with effect from 7 November 2012 will enable the Company to pay out in the form of dividends to Shareholders all of its net revenue for accounting years beginning with the year to 31 July 2013. As a result of this change the Company will become legally able to distribute capital profits either in the form of dividends or in any other way.

Shareholders should note that the Directors only intend to distribute capital profits to the extent necessary to ensure that future net revenue earned by the portfolio is paid out to investors in the form of dividends in line with the new dividend policy. The Directors do not intend to distribute in the form of a final dividend for the year ended 31 July 2012 any retained income which has arisen before 1 August 2012 unless this is required by HMRC, and may choose to retain an element of net revenue in future years which could be used to part fund dividend payments in the future.

The Directors intend the Company to continue to satisfy the continuing requirements for being an investment company under the Companies Act 2006 (which no longer require the distribution of capital profits to be restricted). In addition, these changes will not affect the Company's ability to be

approved as an investment trust for UK tax purposes. However, failure to make these changes may prevent the Company from retaining its status as an investment trust.

In order better to reflect the increasing significance of income as part of total return, the Directors have, with effect from 1 August 2012, also adopted a revised allocation policy whereby management fees and finance costs are charged 70% to the capital account and 30% to the revenue account.

Shareholders should not expect future dividends to increase year on year as dividend income received from Japanese companies is expected to continue to be volatile.

There will be no change in investment policy or strategy to generate additional income.

### **General Meeting**

Set out at the end of this document is a notice convening a General Meeting of the Company to be held at 31 Gresham Street, London, EC2V 7QA at 3.00 p.m. on Wednesday 7 November 2012 at which a special resolution will be proposed to amend the Company's Articles by deleting Article 151 which contains the prohibition on distributing capital profits.

A copy of the proposed Articles showing the proposed amendments may be inspected at the Registered Office address of the Company, 31 Gresham Street, London EC2V 7QA during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) up to and including 7 November 2012 and during the General Meeting and for at least 15 minutes before its start.

### **Action to be taken**

You will find enclosed with this document a form of proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are asked to complete the form of proxy and return it to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA, so as to arrive as soon as possible, but in any event so as to be received not later than 3.00 p.m. on 5 November 2012. Completion and return of a form of proxy will not preclude you from attending and voting at the General Meeting in person if you wish.

**If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.**

### **Recommendation**

**Your Board considers the Proposal and the Resolution to be proposed at the General Meeting of the Company to be in the best interests of the Company and its Shareholders as a whole.**

**Accordingly your Directors unanimously recommend that Shareholders vote in favour of the Resolution set out in the notice of General Meeting at the end of this document, as they intend to do in respect of their own beneficial holdings which amount to 36,953 Ordinary Shares (representing 0.0296 per cent. of the existing issued ordinary share capital of the Company as at 4 October 2012, the last practicable day prior to publication of this document).**

Yours sincerely

**Jonathan Taylor**  
*Chairman*

## DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Articles”	The articles of association of the Company
“Board” or “Directors”	the board of directors of the Company
“Company”	Schroder Japan Growth Fund plc
“General Meeting”	the general meeting of the Company to be held on 7 November 2012, notice of which is set out at the end of this document
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company
“Proposal”	the proposal to change the Articles as set out in this document
“Resolution”	the special resolution set out in the notice of General Meeting at the end of this document
“Shareholders”	holders of Ordinary Shares

## SCHRODER JAPAN GROWTH FUND PLC

(Incorporated in England and Wales under company number 02930057)

### NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of the Company will be held at 31 Gresham Street, London, EC2V 7QA at 3.00 p.m. on 7 November 2012 for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

### SPECIAL RESOLUTION

#### Amendment of Articles of Association

THAT the Articles of Association of the Company be amended by deleting Article 151 without renumbering the other Articles.

Dated: 4 October 2012

*Registered Office:*  
31 Gresham Street  
London EC2V 7QA

By order of the Board  
Schroder Investment Management Limited  
*Company Secretary*

#### Notes:

1. Ordinary shareholders are entitled to attend and vote at the meeting and to appoint one or more proxies, who need not be a Shareholder, as their proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting.

A proxy form is enclosed. If you wish to appoint a person other than the Chairman as your proxy, please insert the name of your chosen proxy holder in the space provided at the top of the form. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a Shareholder, the full voting entitlement for that designated account). Additional proxy forms can be obtained by contacting the Company's Registrars, Equiniti Limited, on 0800 032 0641 (or +44 121 415 0207 for overseas shareholders), or you may photocopy the attached proxy form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. Completion and return of a form of proxy will not preclude a member from attending the General Meeting and voting in person.

On a vote by show of hands, every Ordinary Shareholder who is present in person has one vote and every duly appointed proxy who is present has one vote. On a poll vote, every Ordinary Shareholder who is present in person or by way of a proxy has one vote for every share of which he/she is a holder.

The "Vote Withheld" option on the proxy form is provided to enable you to abstain on any particular resolution. However it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

A proxy form must be signed and dated by the Shareholder or his or her attorney duly authorised in writing. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder and for this purpose seniority will be determined by the order in which the names appear on the Register of Members in respect of the joint holding. To be valid, proxy form(s) must be completed and returned to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, in the enclosed envelope together with any power of attorney or other authority under which it is signed or a copy of such authority certified notarially, to arrive no later than 48 hours before the time fixed for the meeting, or an adjourned meeting. Shareholders may also appoint a proxy to vote on the resolutions being put to the meeting electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk). Shareholders who are not registered to vote electronically, will need to enter the Voting ID and Shareholder Reference ID set out in their personalised proxy form. Alternatively, shareholders who have already registered with Equiniti's Shareview service can appoint a proxy by logging onto their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on the link to vote under your Schroder Japan Growth Fund plc holding details. The on-screen instructions give details on how to complete the appointment process. Please note that to be valid, your proxy instructions must be received by Equiniti no later than 3.00 p.m. on 5 November 2012. If you have any difficulties with online voting, you should contact the shareholder helpline on 0800 032 0641 (or +44 121 415 0207 for overseas shareholders).

If an ordinary shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for receipt of proxies will take precedence.

Shareholders may not use any electronic address provided either in this Notice of General Meeting or any related documents to communicate with the Company for any purposes other than expressly stated.

Representatives of Shareholders that are corporations will have to produce evidence of their proper appointment when attending the General Meeting.

2. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the Shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. The statement of the rights of Ordinary Shareholders in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by Ordinary Shareholders of the Company.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those Shareholders registered in the Register of members of the Company at 6.00 p.m. on 5 November 2012, or 6.00 p.m. two days prior to the date of an adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the Register of Members after 6.00 p.m. on 5 November 2012 shall be disregarded in determining the right of any person to attend and vote at the meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. The CREST manual can be viewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). A CREST message appointing a proxy (a "CREST proxy instruction") regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction previously given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments.
5. As at 4 October 2012, 125,008,200 Ordinary Shares of 10 pence each were in issue (no shares were held in treasury). The total number of voting rights of the Company as at 4 October 2012 is 125,008,200.
6. A copy of this Notice of meeting, which includes details of Shareholder voting rights, together with any other information as required under Section 311A of the Companies Act 2006, is available to download from the Company's website, [www.schroderjapangrowthfund.com](http://www.schroderjapangrowthfund.com).
7. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.
8. Copies of the proposed new Articles of Association are available from the Company Secretary and will be on display at the registered office of the Company during normal business hours on any weekday (English public holidays excepted). They will also be available for inspection by any person attending the General Meeting for at least 15 minutes prior to, and during the meeting.

