

**Financial Results Overview  
for the 1st Quarter  
Ended June 30, 2009**

**Japan Asia Investment Co., Ltd.  
( TSE 8518 )**

*Announcement: July 31, 2009*

# 1. Business Environment

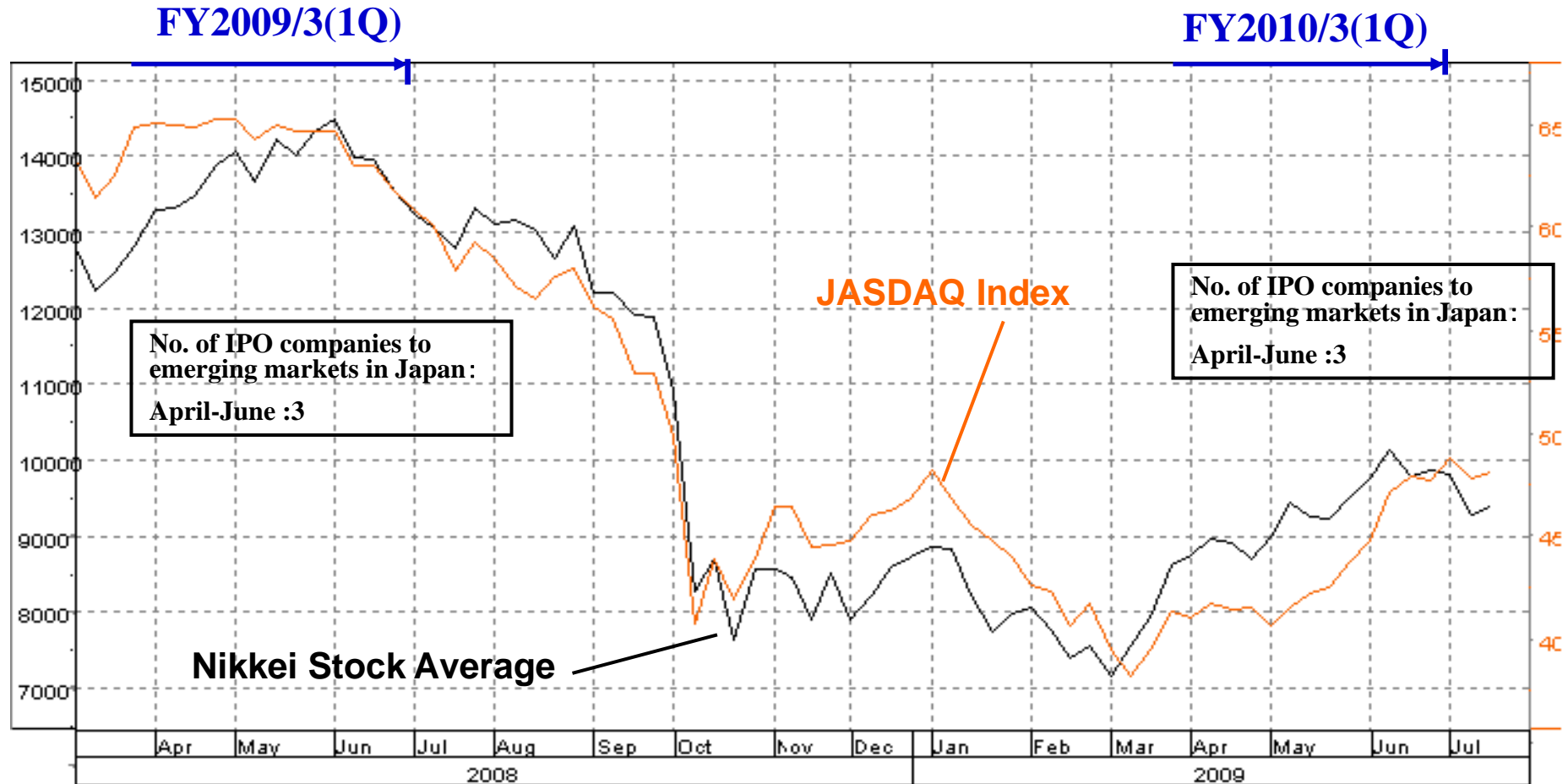
# Management Environment



Nikkei Stock Average (JPY)

## Stock Market (Apr. 2008 ~ Jun. 2009)

JASDAQ Index



Emerging markets : JASDAQ (including NEO), TSE Mothers, OSE Hercules

## **2. Investment Activities**

# Investment activities

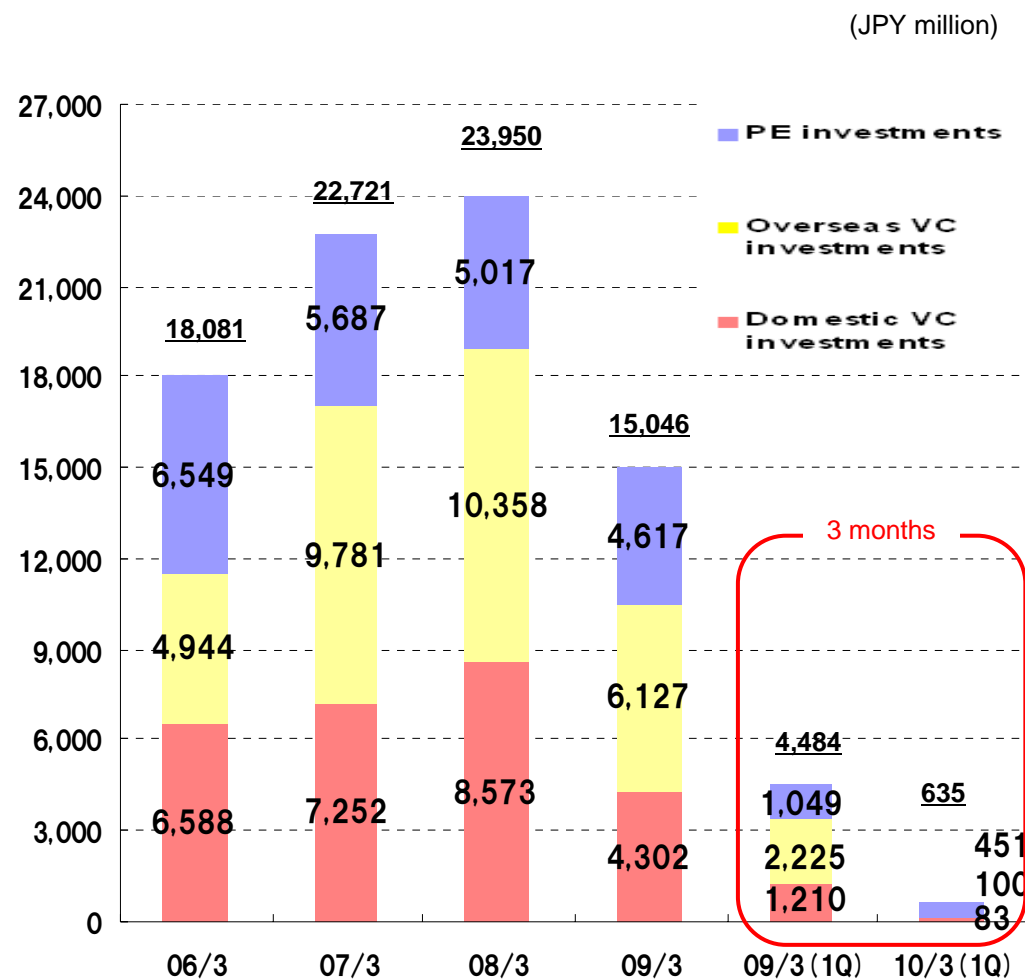


## Total new investment

(No. of Companies, JPY million)

	09/3			10/3(1Q)		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
PE	24	4,617	192	5	451	90
Overseas VC	48	6,127	127	4	100	25
Domestic VC	60	4,302	71	4	83	21
<b>Total</b>	<b>132</b>	<b>15,046</b>	<b>113</b>	<b>13</b>	<b>635</b>	<b>49</b>

(Principal + Funds)



PE : Buyout investments, Turnaround investments, Secondary investments

# Investment activities



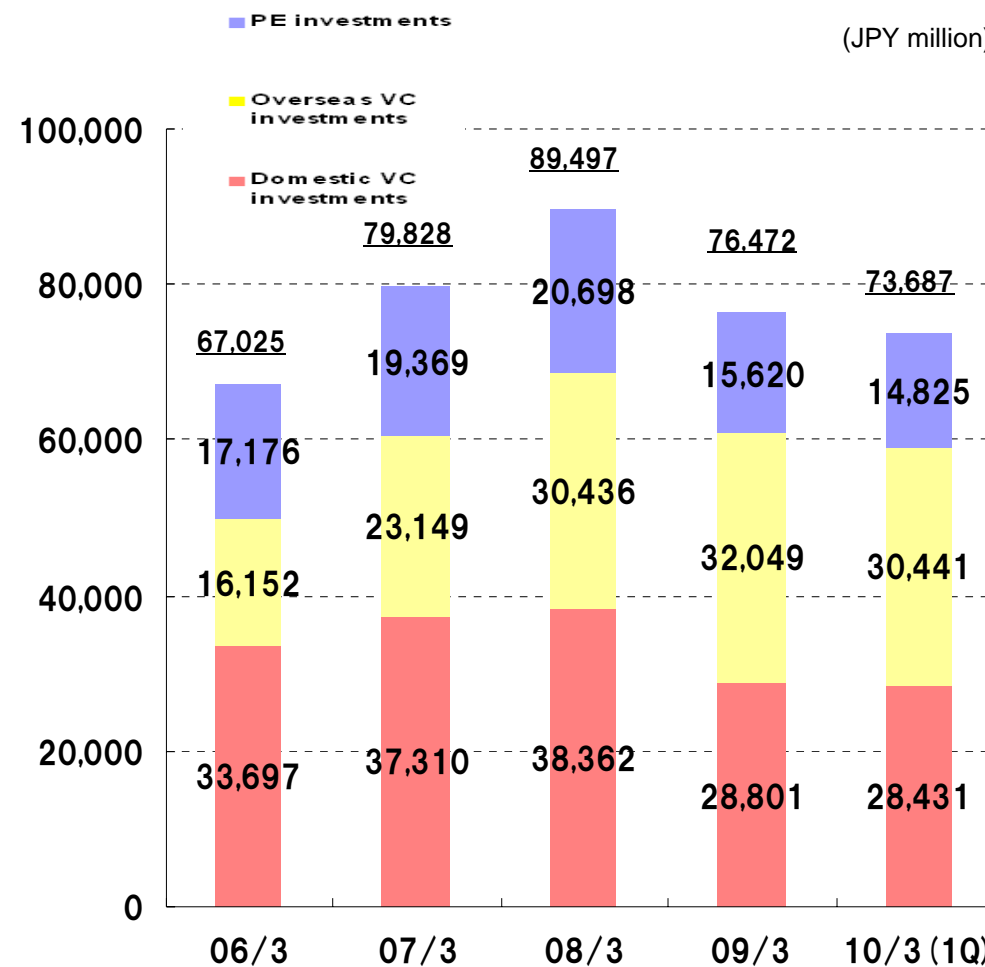
## Total investment portfolio

(No. of Companies, JPY million)

	09/3			10/3(1Q)		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
PE	67	15,620	233	64	14,815	231
Overseas VC	224	32,049	143	213	30,441	143
Domestic VC	507	28,801	56	488	28,431	58
<b>Total</b>	<b>798</b>	<b>76,472</b>	<b>95</b>	<b>765</b>	<b>73,687</b>	<b>96</b>

(Principal +Funds)

PE : Buyout investments, Turnaround investments, Secondary investments



# Investment Activities



## VC – New investment by country

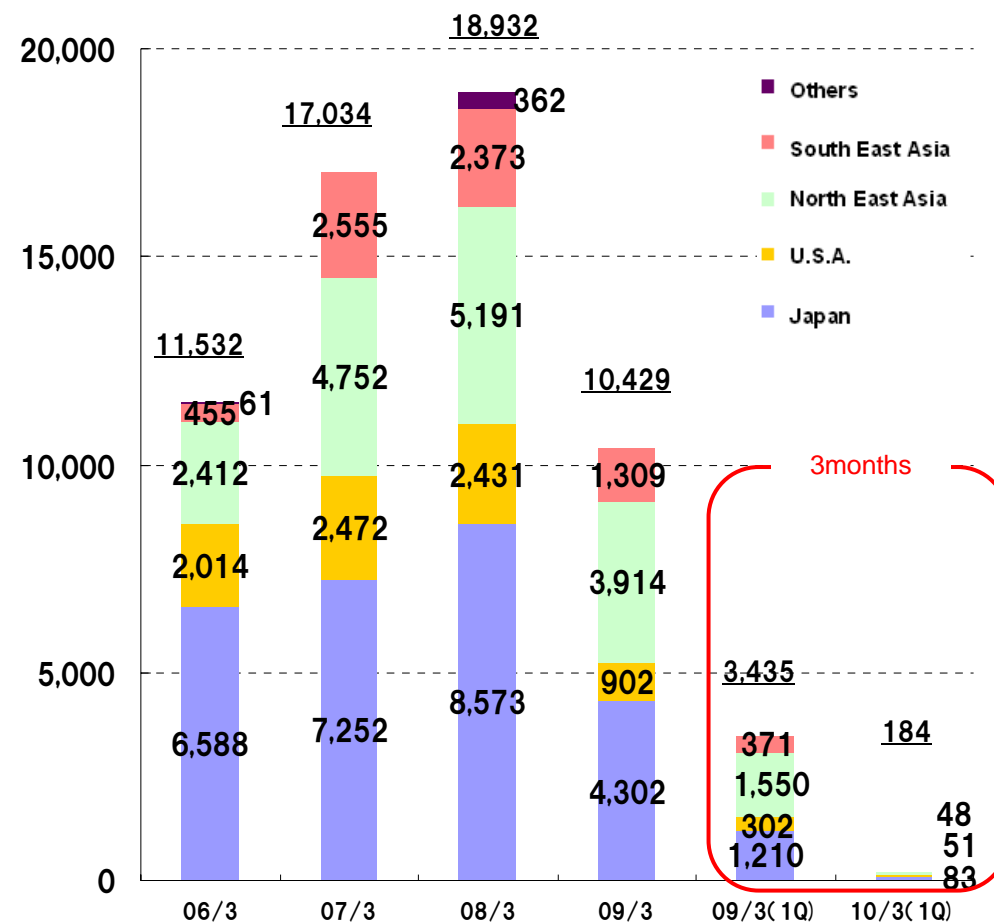
(No. of Companies, JPY million)

		09/3		10/3(1Q)	
		No. of Com.	Million	No. of Com.	Million
Others		-	-	-	-
South East Asia	Singapore	2	385	-	-
	Malaysia	2	77	-	-
	Thailand	1	115	-	-
	Indonesia	2	438	-	-
	Vietnam	2	291	-	-
North East Asia	Taiwan	2	126	-	-
	Hong Kong	1	55	-	-
	Korea	7	1,831	-	-
	China	12	1,902	1	48
U.S.A		17	902	3	51
Japan		60	4,302	4	83
<b>Total</b>		<b>108</b>	<b>10,429</b>	<b>8</b>	<b>184</b>

(Principal +Funds)

•Others(England)

(JPY million)



# Investment Activities



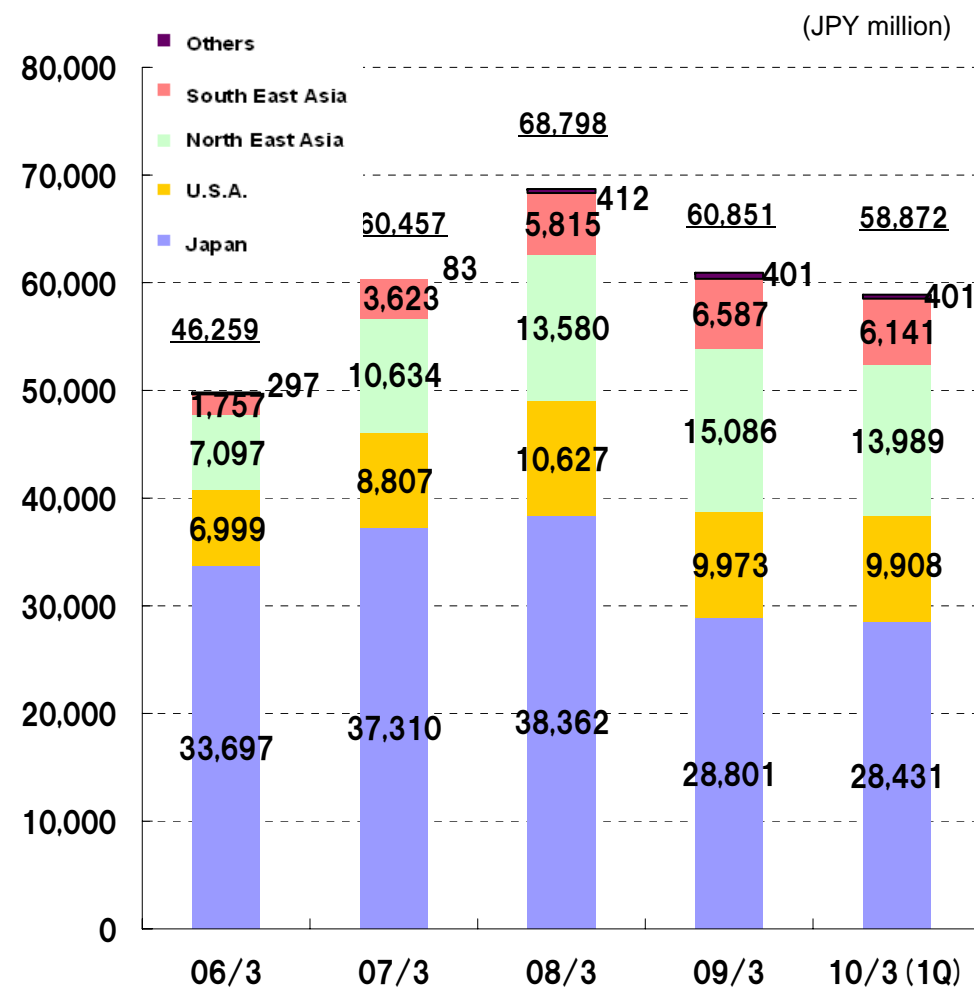
## VC – Investment portfolio by country

(No. of Companies, JPY million)

		09/3		10/3(1Q)	
		No. of Com.	Million	No. of Com.	Million
Others		4	401	4	401
South East Asia	Singapore	8	1,825	8	1,825
	Malaysia	6	734	6	734
	Thailand	11	1,234	11	1,234
	Philippines	1	140	1	140
	Indonesia	3	911	3	911
	Vietnam	9	1,741	9	1,295
North East Asia	Taiwan	28	2,458	27	2,384
	Hong Kong	5	712	5	712
	Korea	31	5,438	31	5,148
	China	35	6,476	34	5,744
U.S.A		83	9,973	74	9,908
Japan		507	28,801	488	28,431
<b>Total</b>		<b>731</b>	<b>60,851</b>	<b>701</b>	<b>58,872</b>

(Principal + Funds)

•Others(Sweden, England)



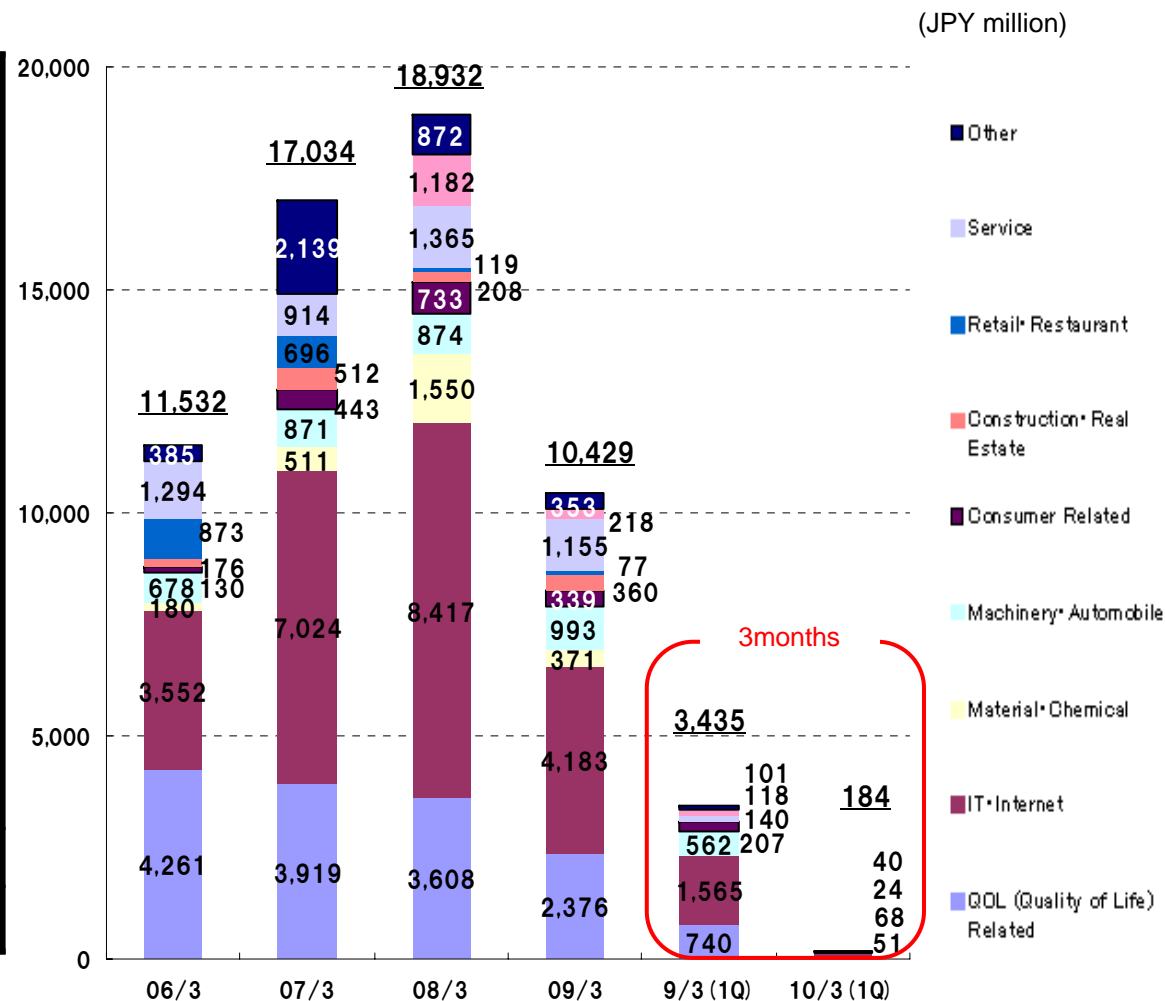
# Investment Activities



## VC – New investment by industry sector

(No. of Companies, JPY million)

	09/3			10/3(1Q)		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
Other	6	353	58	2	40	20
Finance	2	218	109	-	-	-
Service	12	1,155	96	-	-	-
Retail/ Restaurant	2	77	38	-	-	-
Construction /Real Estate	3	360	120	-	-	-
Consumer Related	3	339	113	-	-	-
Machinery /Automobile	7	993	141	1	24	24
Material /Chemical	4	371	92	-	-	-
IT/Internet	41	4,183	102	2	68	34
QOL	28	2,376	84	3	51	17
<b>Total</b>	<b>108</b>	<b>10,429</b>	<b>96</b>	<b>8</b>	<b>184</b>	<b>23</b>



(Principal +Funds, Japan+Overseas)

Note: QOL(Quality of Life) ; Biotechnology, Medical Service, Welfare Service, Medical Device, Drug Medicine, etc.

Note: IT•Internet; IT service, Software, Computer Hardware, etc.

# Investment Activities



## VC – Investment portfolio by industry sector

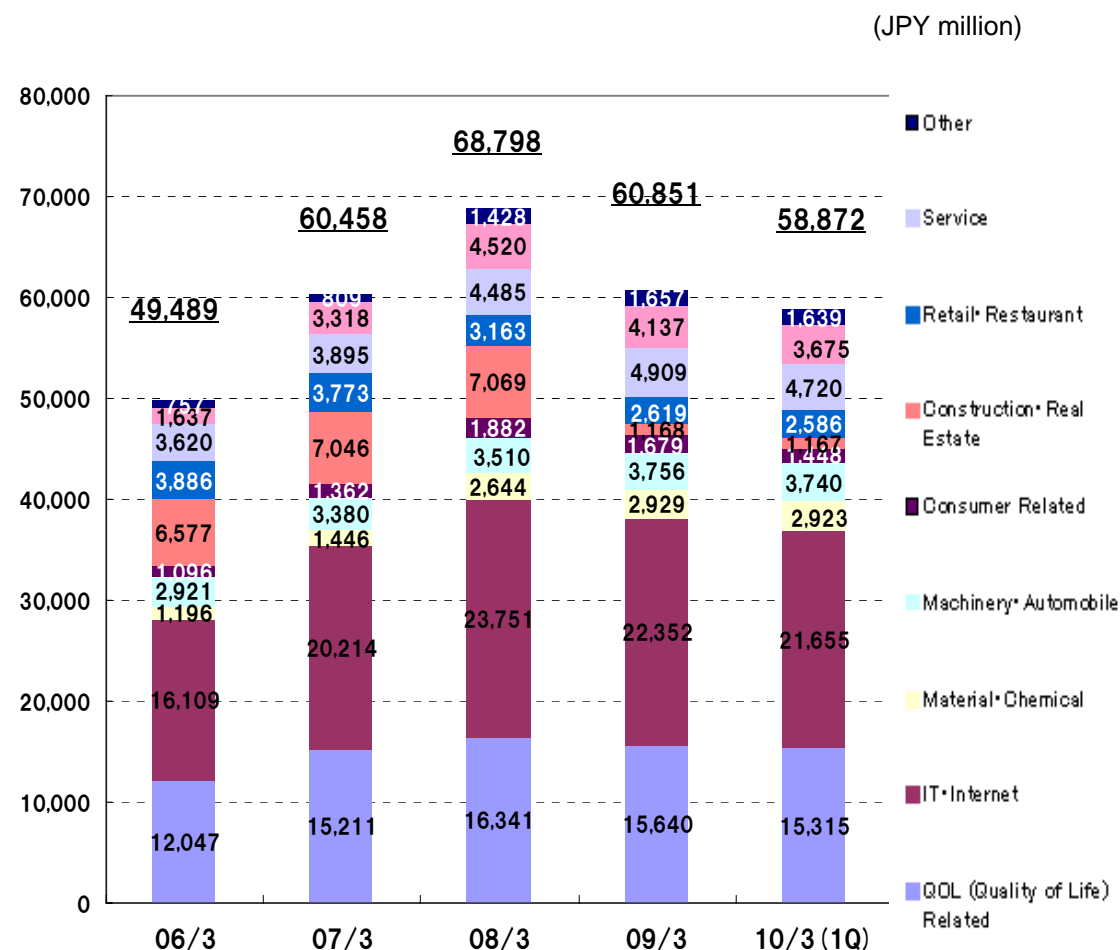
(No. of Companies, JPY million)

	09/3			10/3(1Q)		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
Other	19	1,657	87	21	1,639	78
Finance	25	4,137	165	23	3,675	159
Service	87	4,909	56	84	4,720	56
Retail/ Restaurant	34	2,619	77	31	2,586	83
Construction /Real Estate	26	1,168	44	23	1,167	50
Consumer Related	22	1,679	76	21	1,448	68
Machinery /Automobile	43	3,756	87	42	3,740	89
Material /Chemical	29	2,929	101	29	2,923	100
IT/Internet	285	22,352	78	273	21,655	79
QOL	161	15,640	97	154	15,315	99
<b>Total</b>	<b>731</b>	<b>60,851</b>	<b>83</b>	<b>701</b>	<b>58,872</b>	<b>83</b>

(Principal +Funds, Japan+Overseas)

Note: QOL(Quality of Life) ; Biotechnology, Medical Service, Welfare Service, Medical Device, Drug Medicine, etc.

Note: IT+Internet; IT service, Software, Computer Hardware, etc.



# Investment Activities

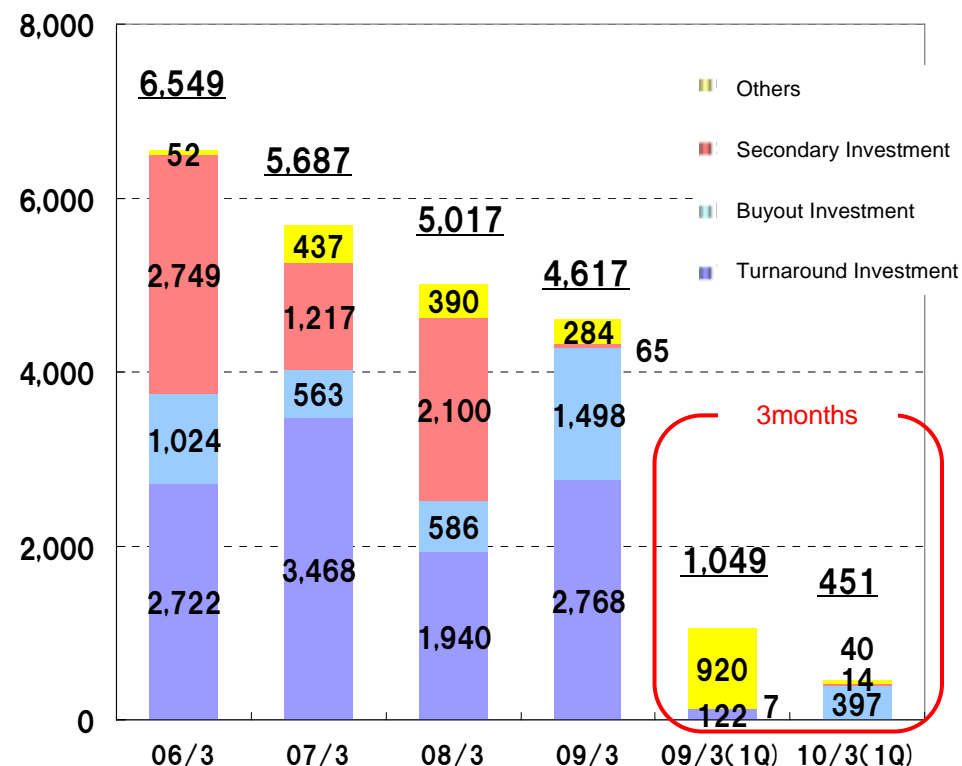


## PE investment – New investment

(JPY million)

(No. of Companies, JPY million)

	09/3			10/3(1Q)		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
Others	6	284	47	2	40	20
Secondary investment	6	65	10	2	14	7
Buyout investment	7	1,498	214	1	397	397
Turnaround investment	5	2,768	553	-	-	-
<b>Total</b>	<b>24</b>	<b>4,617</b>	<b>192</b>	<b>5</b>	<b>451</b>	<b>90</b>



(Principal +Funds, Japan+Overseas)

# Investment Activities

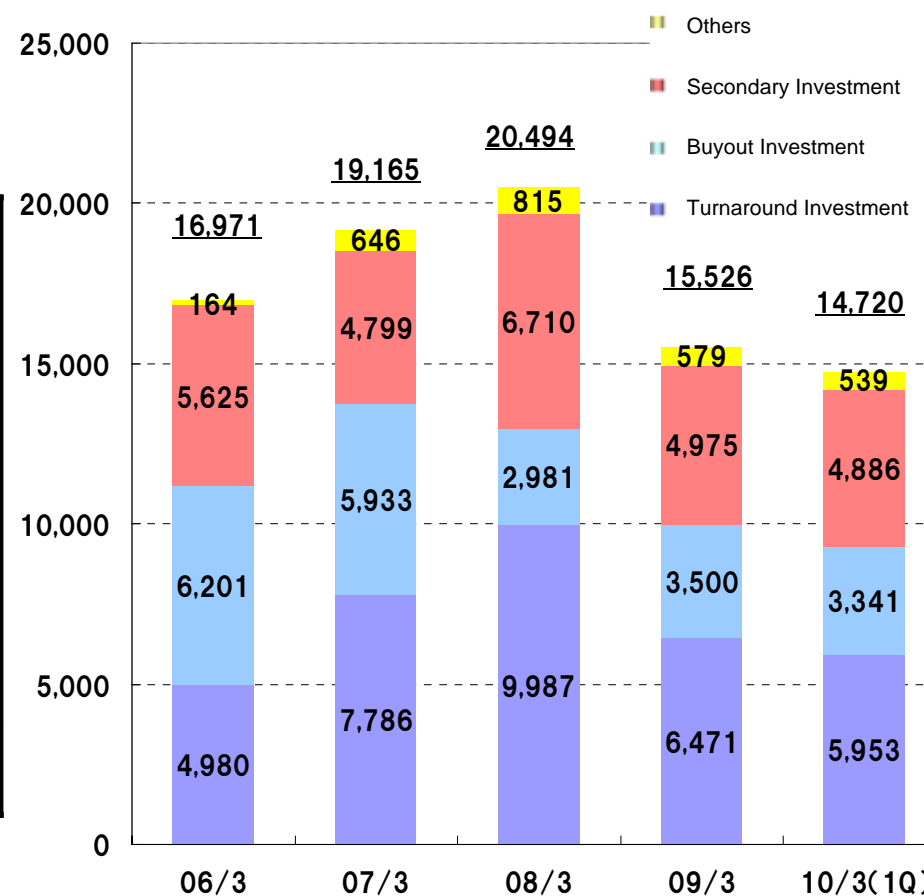


## Other PE investment – Investment portfolio

(No. of Companies, JPY million)

	09/3			10/3(1Q)		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
Others	14	579	41	15	539	36
Secondary investment	15	4,975	331	16	4,886	305
Buyout investment	13	3,500	269	13	3,341	257
Turnaround investment	24	6,471	269	19	5,953	313
<b>Total</b>	<b>66</b>	<b>15,526</b>	<b>235</b>	<b>63</b>	<b>14,720</b>	<b>233</b>

(Unit: JPY million)

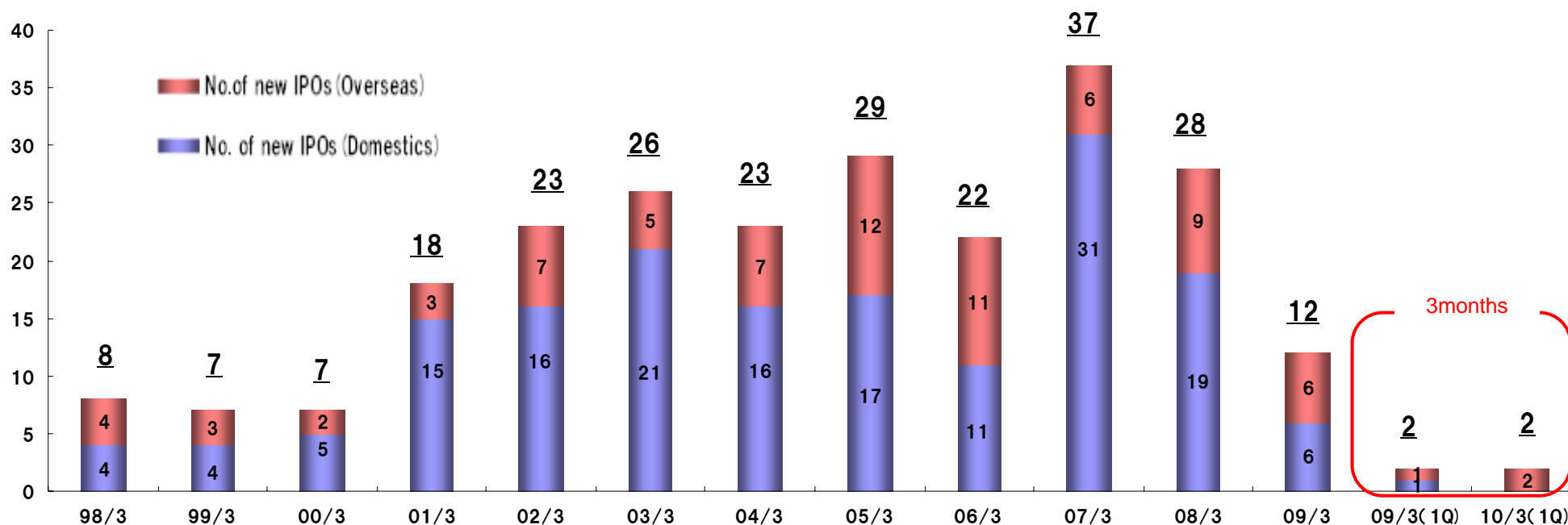


(Principal +Funds, Japan+Overseas)

# JAIC-Backed IPOs



(Principal + Funds)



## Investment multiple by Initial price

(Investment multiple)

3months

	98/3	99/3	00/3	01/3	02/3	03/3	04/3	05/3	06/3	07/3	08/3	09/3	09/3(1Q)	10/3(1Q)
Domestic	4.6	2.0	12.7	3.0	3.8	3.0	5.3	7.5	8.8	8.1	2.6	3.5	9.6	—
Overseas	2.3	1.0	8.2	1.9	2.5	1.8	1.0	1.7	2.2	3.2	6.2	0.9	1.2	1.4
Average	2.9	1.6	12.3	2.7	3.8	3.1	3.7	4.5	4.3	5.5	3.8	1.9	2.0	1.4

Note: IPOs include backdoor listings (1 in 2001/3, 5 in 2002/3, 1 in 2003/3, 1 in 2004/3, 2 in 2005/3, 6 in 2006/3, 3 in 2007/3, 2 in 2008/3, 3 in 2009/3).

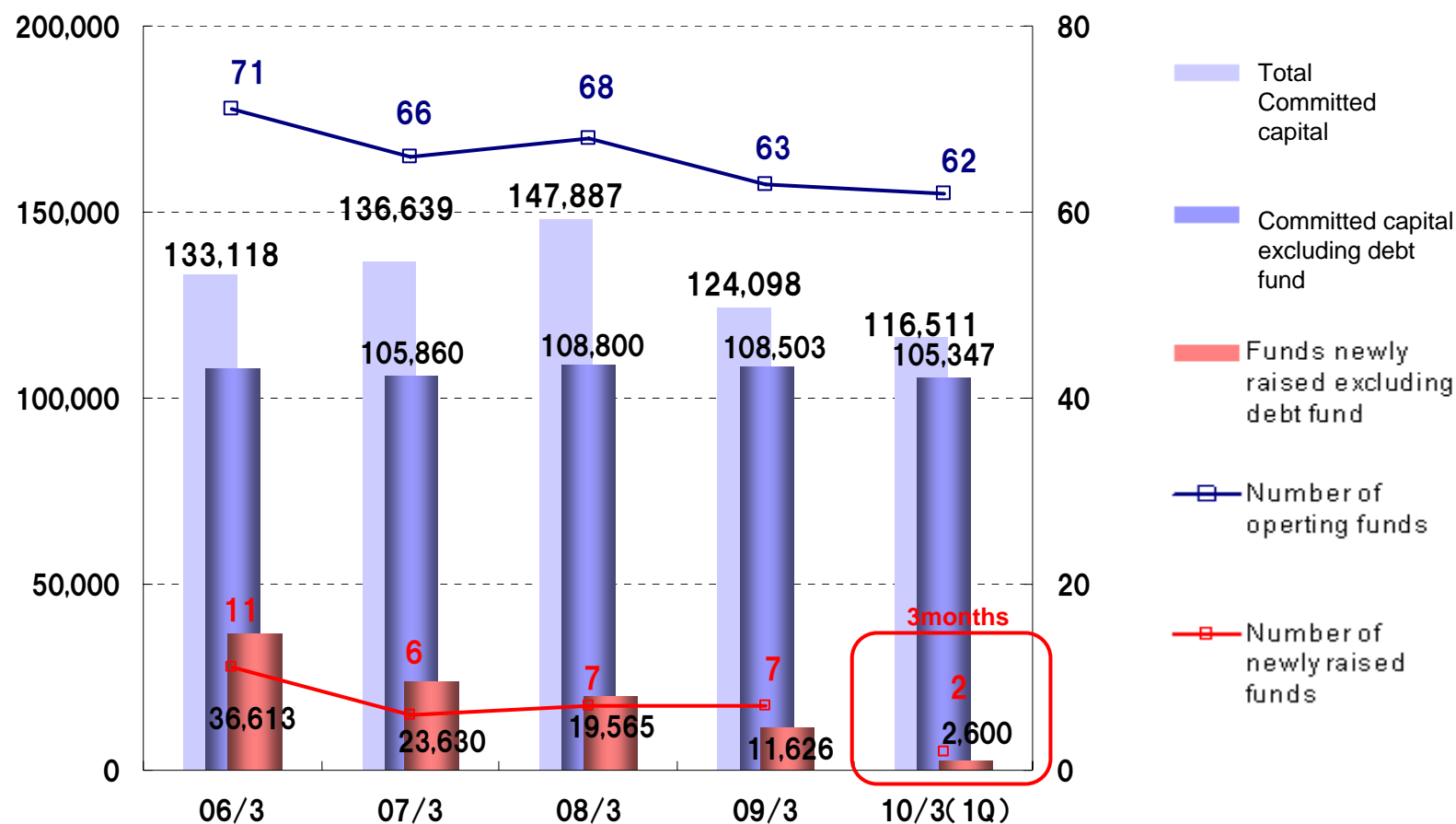
Investment multiple is calculated on initial price basis. (consolidated basis)

# Fund Management



(Committed capital / JPY million)

(No. of funds)



Note: Japanese yen equivalent of committed capital is calculated by the exchange rate at the end of each fiscal period.

### 3. Financial Review

## Financial Result

### Consolidated Business Results for the Three Months Period Ended June 30, 2009



(JPY million)	06/3 PAS	07/3 PAS	08/3 PAS	09/3 PAS	09/3(1Q) PAS	10/3(1Q) PAS	Change (%)	09/3(1Q) FCAS	10/3(1Q) FCAS	Change (%)
Operating Revenues	16,675	18,935	20,051	8,494	2,260	2,689	19%	2,252	2,669	19%
Operating Cost	6,634	6,152	9,172	28,483	2,911	1,477	Δ 49%	3,566	1,863	Δ 48%
Gross Profit	10,041	12,783	10,879	Δ 19,988	Δ 651	1,211	-	Δ 1,314	805	
SG&A Expenses	4,216	5,023	5,328	7,698	1,366	1,203	Δ 12%	1,302	1,134	Δ 13%
Operating Profit	5,824	7,760	5,550	Δ 27,686	Δ 2,017	7	-	Δ 2,616	Δ 328	-
Recurring Profit	5,709	7,460	4,796	Δ 28,950	Δ 2,231	Δ 179	-	Δ 2,861	Δ 521	-
Net Income	2,906	3,767	3,049	Δ 34,845	Δ 1,851	Δ 404	-	Δ 1,887	Δ 482	-

Note: "PAS" Previous Accounting Standards, "FCAS" Fund Consolidation Accounting Standards

● The gross profit for the period is influenced by the accelerated exit of investments and decrease of the write-off and provision for allowance for possible investment losses.

● Though cost saving measures decreased the SG&A expenses, that was not sufficient for covering interest expenses etc and resulted in the net deficit for the period.

• Due to the influence of the recovery of the stock markets overseas and the acceleration of exit of non-marketable investments, the amount of sales increased.

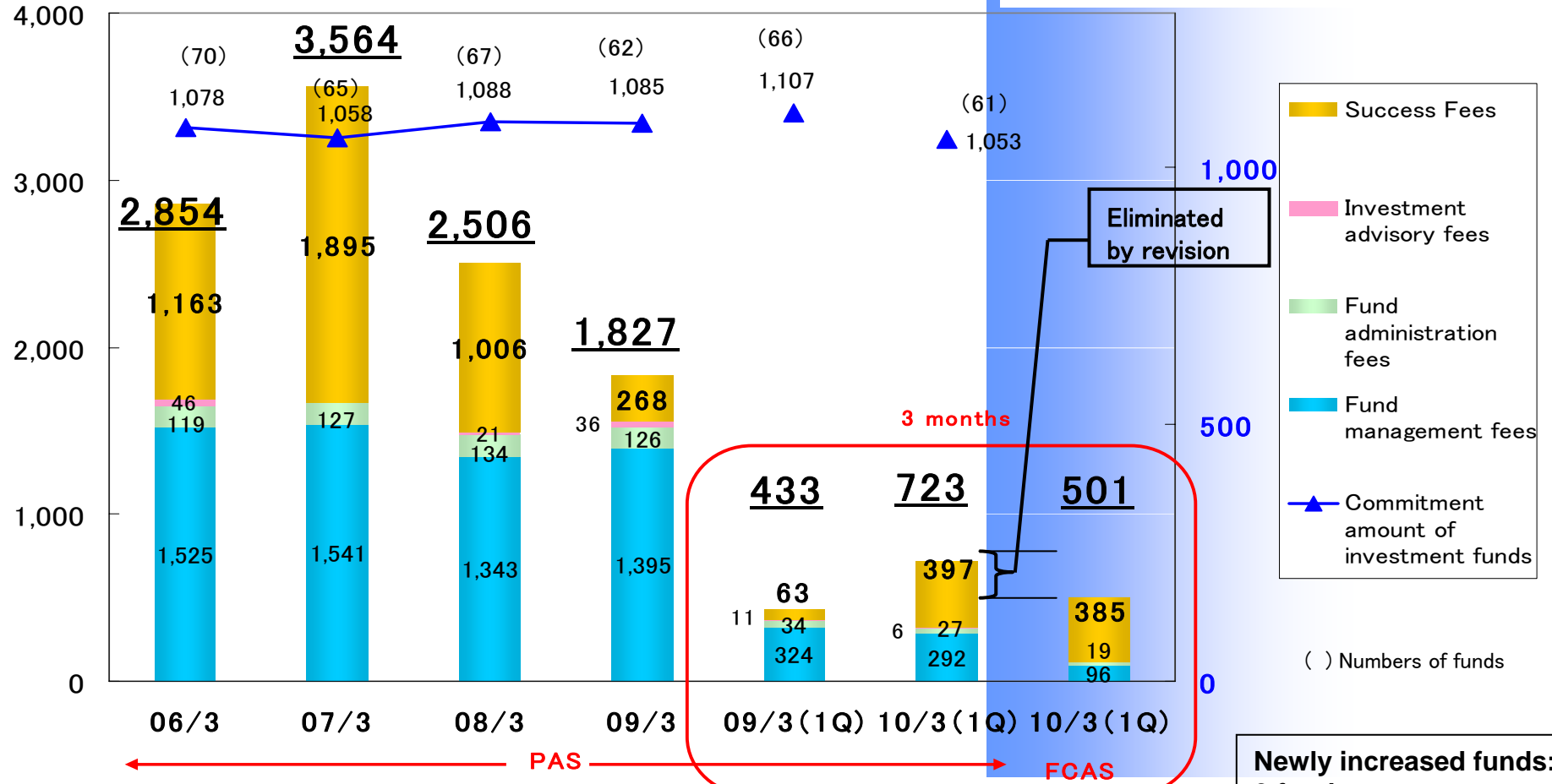
• The write-off and the provision for allowance for possible investment losses decreased by the conservative accounting estimation in the previous fiscal year and by the slowing down of downturn in economy.

• Strengthened cost saving measures decreased personnel expenses and other SG&A expenses.

# (Investment Segment) Management Business Such As The Limited Partnership For Investment

(Gross profit / JPY million)

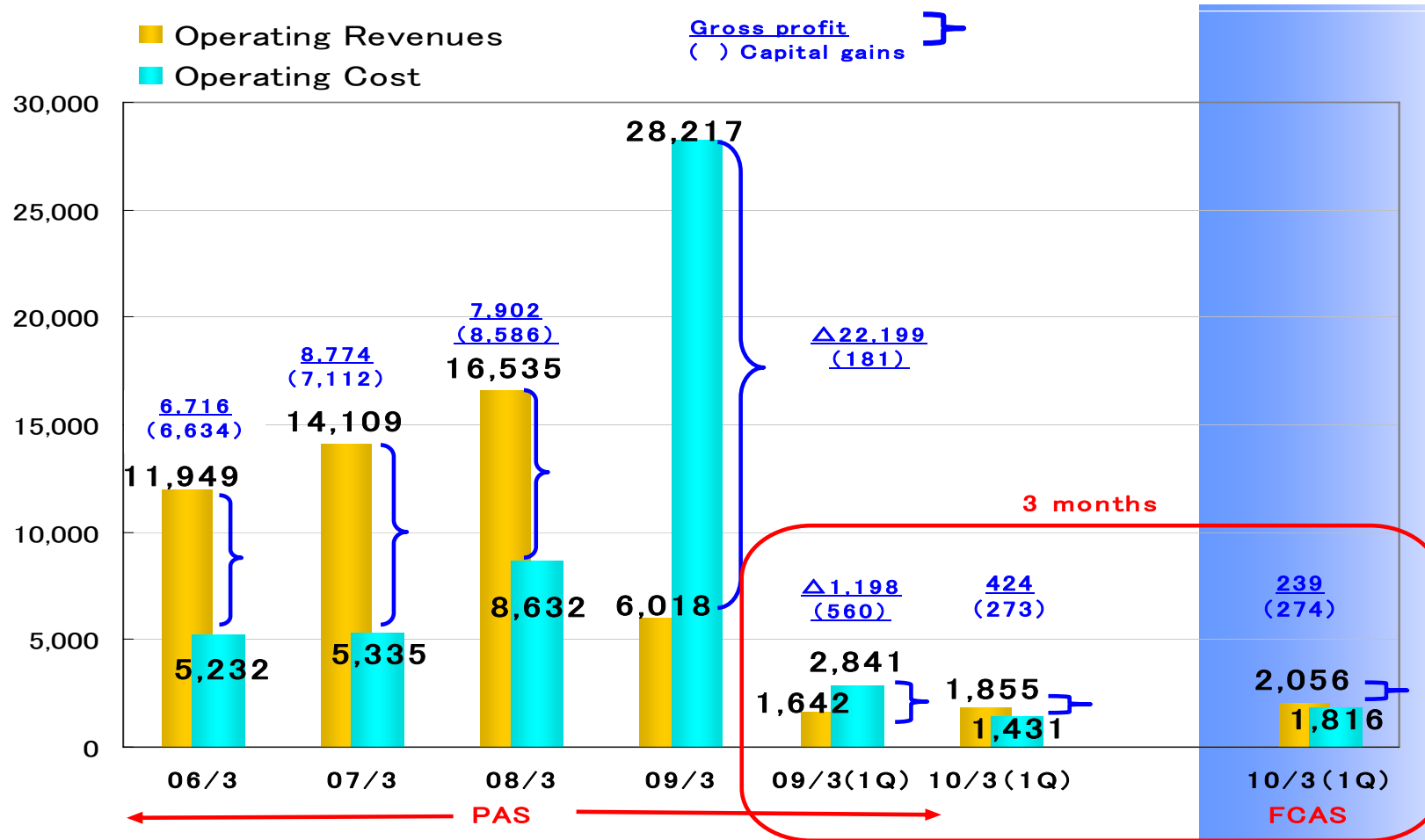
(Committed capital of investment funds / 0.1 JPY billion)



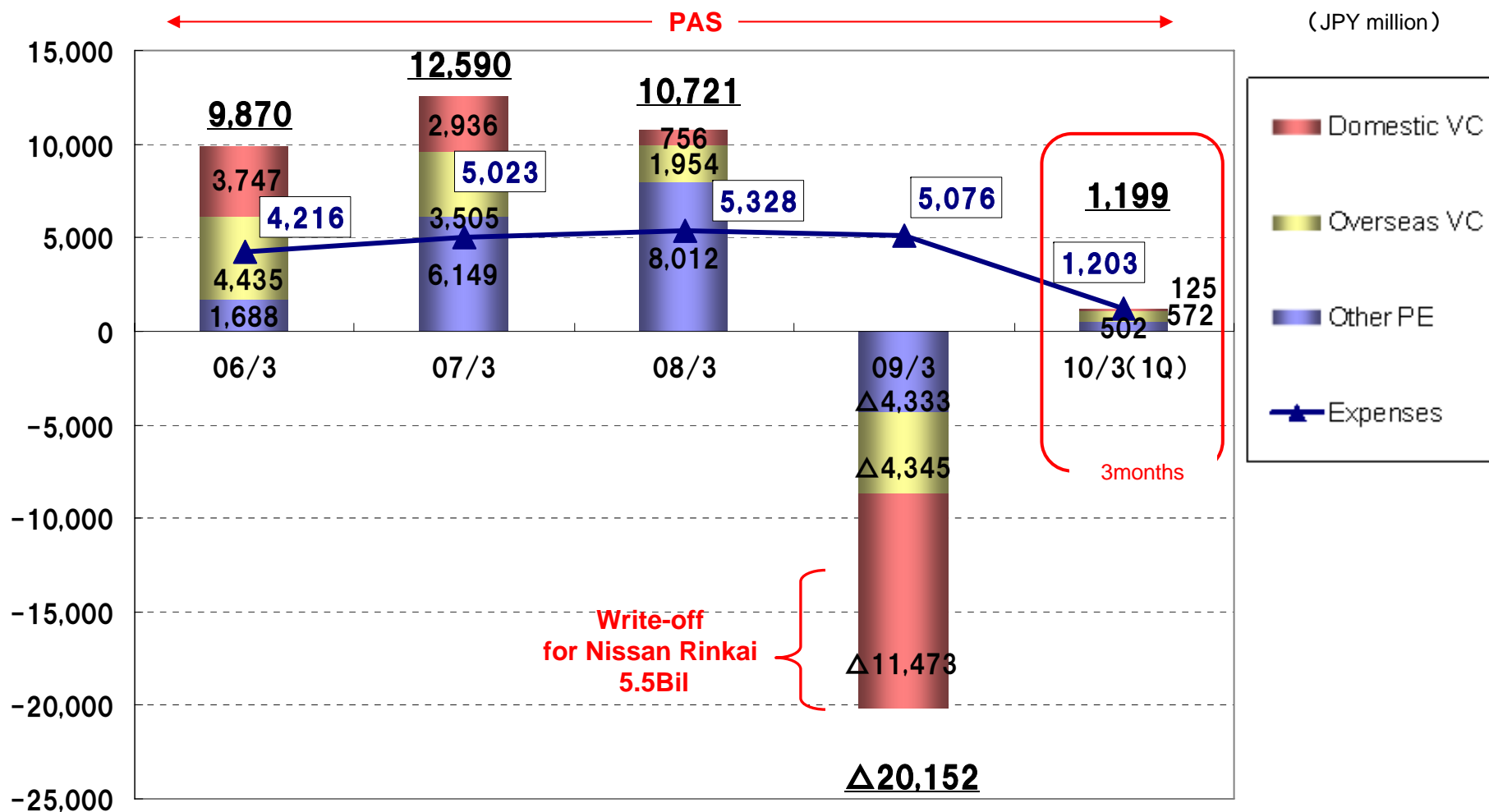
**Newly increased funds:  
2 funds ,  
JPY2.6billion**

■ Amounts of committed capital and numbers of funds do not include debt fund.

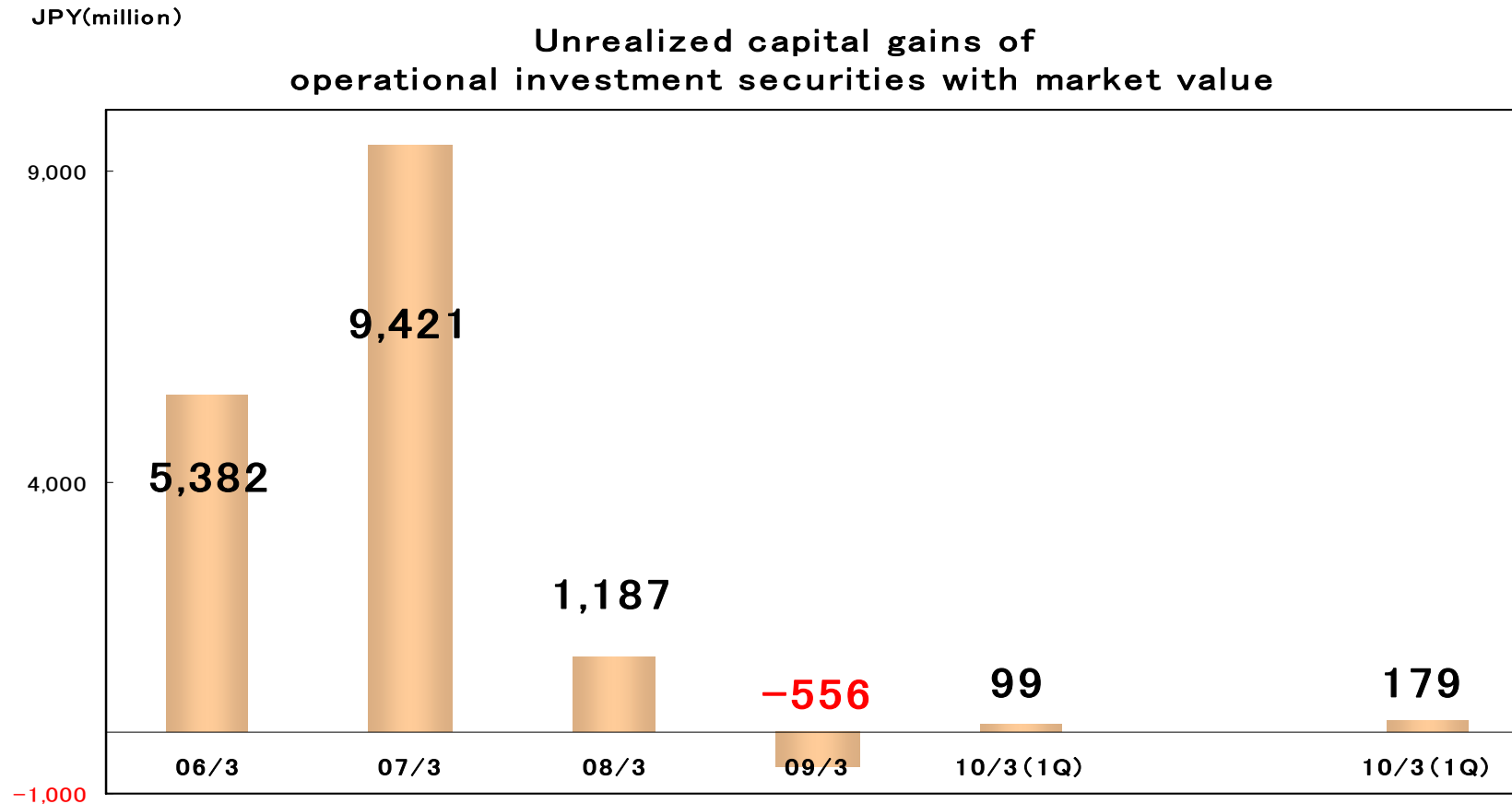
■ Cost of fund management operation is deducted from the gross profit of Investment advisory fees. The amount of influence is 08/3 JPY2M.



# (Investment Segment) Breakdown of Gross Profit By Investment



(Note)Gross profit : fees from fund management operation, investment operation (capital gains, income gains, losses), consulting Expenses of 09/3 excludes provision for allowance for doubtful accounts and bad debt losses.



← PAS →

FCAS

**09/3(1Q)**  
 No. of IPOs : 2 Companies  
 Multiple (first price) : 2.0 ×

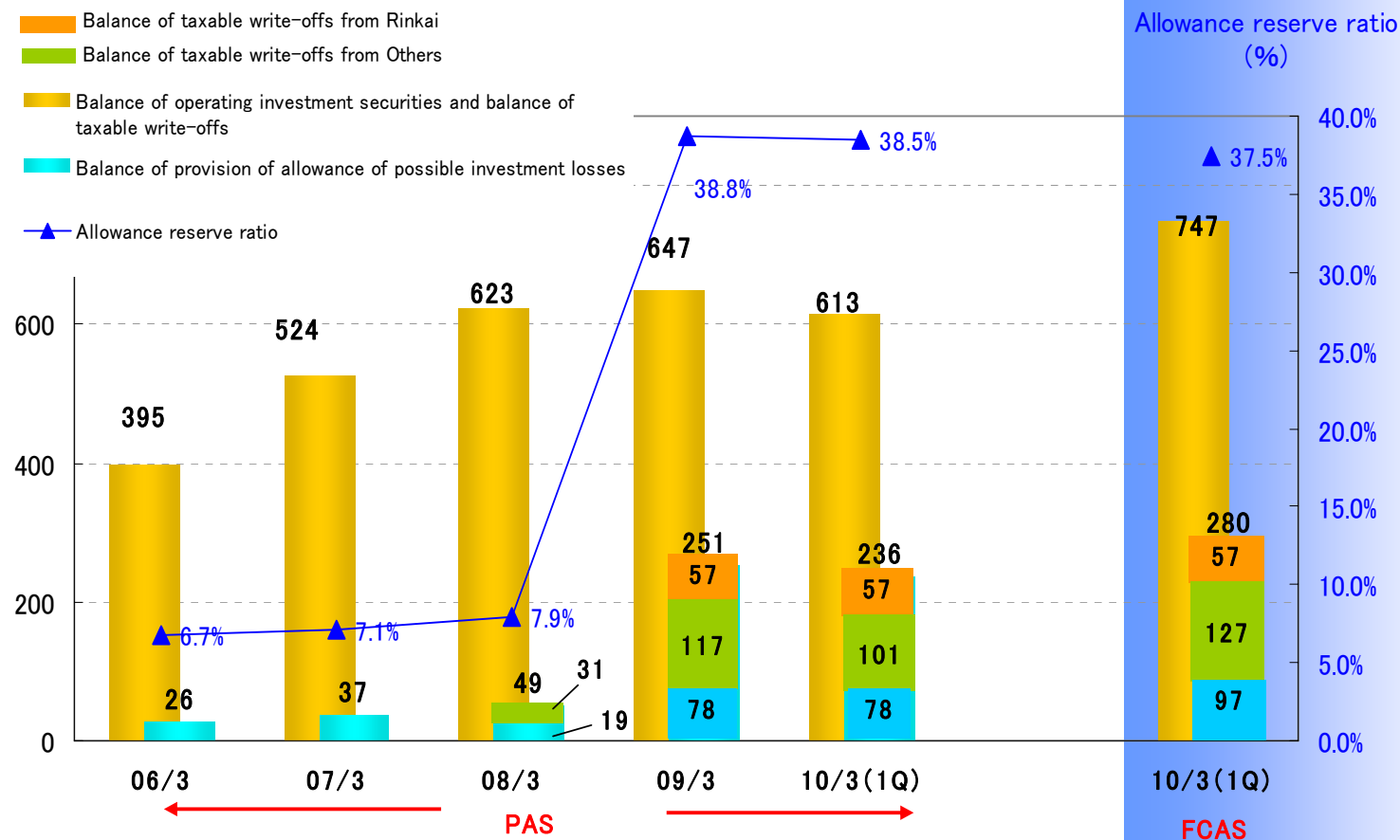


**10/3(1Q)**  
 No. of IPOs : 2 Companies  
 Multiple (first price) : 1.4 ×

# (Investment Segment) Investment Operation – Allowance For Possible Investment Losses



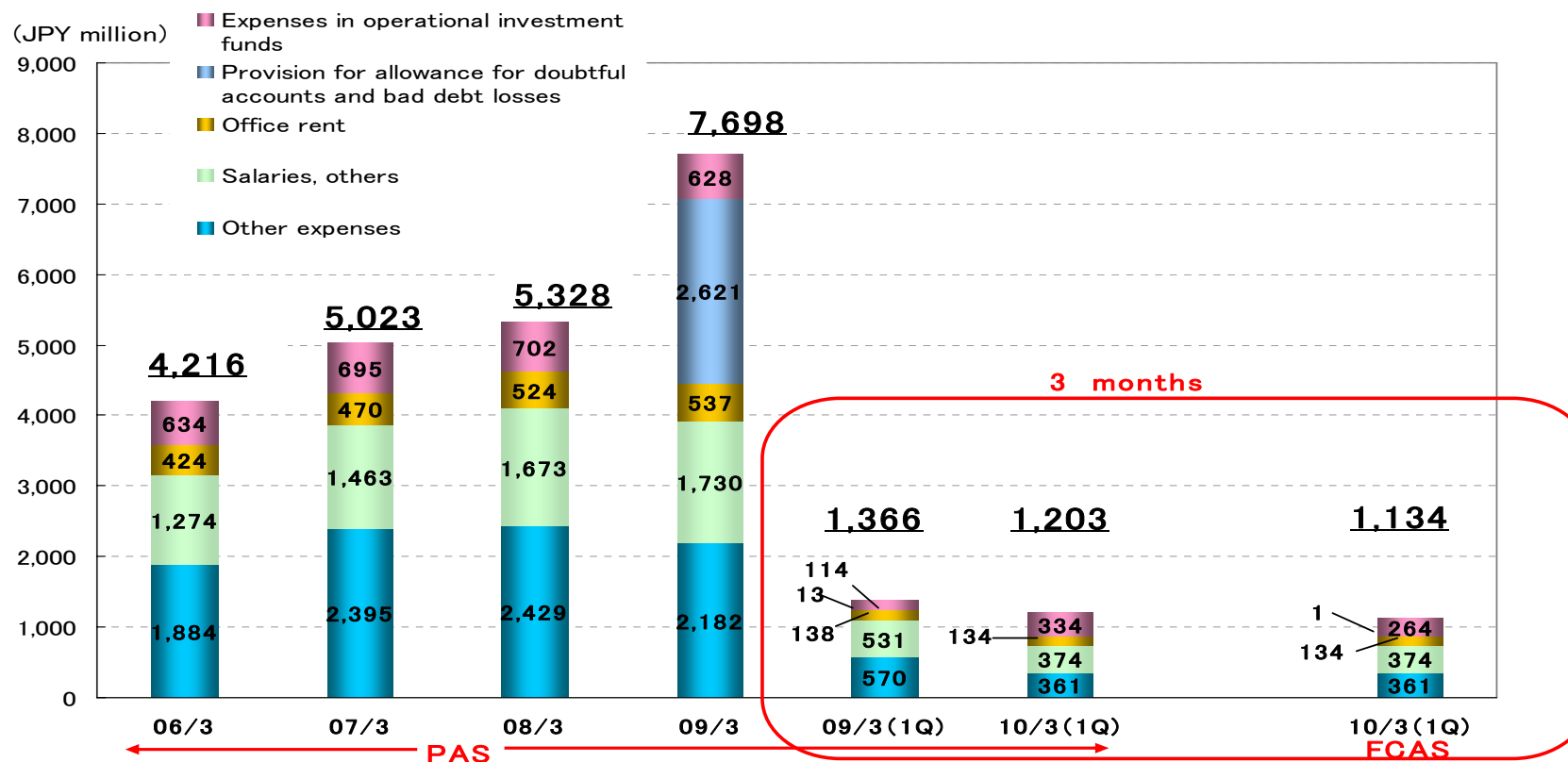
(0.1 JPY billion)



■ From the financial year 08/3, the part of operating investment securities with allowance for possible investment losses was considered difficult to be collected and was written off.

■ From the financial year 08/3, the allowance ratios are calculated including the taxable write-offs.

# Selling, General and Administrative Expenses



		06/3	07/3	08/3	09/3	10/3(1Q)
NO.of employee	Consol	209	241	265	236	235
	Non-consol	123	149	159	135	152

■ Expenses in operational investment funds includes the expenses of corporate type funds in FCAS.

(Reference)  
Operational Condition by Business Segments

## (Reference) Operational Condition by Business Segments/Gross Profit Breakdown



(JPY million)	06/3 PAS	07/3 PAS	08/3 PAS	09/3 PAS	09/3(1Q) PAS	10/3(1Q) PAS	Change (%)	09/3(1Q) FCAS	10/3(1Q) FCAS	Change (%)
<b>Investment segment</b>										
Fund management operation	2,854	3,564	2,506	1,827	433	723	67%	189	501	164%
Investment operation	6,716	8,774	7,902	△ 22,199	△ 1,198	424	-	△ 1,610	239	-
Consulting, others	298	251	313	219	66	51	△ 22%	66	52	△ 21%
<b>Gross profit</b>	<b>9,869</b>	<b>12,590</b>	<b>10,721</b>	<b>△ 20,152</b>	<b>△ 699</b>	<b>1,199</b>	<b>-</b>	<b>△ 1,354</b>	<b>793</b>	<b>-</b>
<b>Financial segment</b>										
Financing	23	147	130	122	34	7	△ 78%	26	7	△ 72%
Leasing, installment finance	49	39	26	9	2	1	△ 49%	2	1	△ 49%
Other financing	99	6	0	31	11	3	△ 71%	11	3	△ 71%
<b>Gross profit</b>	<b>171</b>	<b>193</b>	<b>157</b>	<b>163</b>	<b>48</b>	<b>12</b>	<b>△ 75%</b>	<b>40</b>	<b>12</b>	<b>△ 70%</b>
<b>Total consolidated gross profit</b>	<b>10,041</b>	<b>12,783</b>	<b>10,879</b>	<b>△ 19,988</b>	<b>△ 651</b>	<b>1,211</b>	<b>-</b>	<b>△ 1,314</b>	<b>805</b>	<b>-</b>

■ These amounts are before elimination as of '08/3. The amounts of influence are 04/3: JPY 1M, 05/3: JPY 2M, 06/3: JPY 3M, 07/3: —M

(Reference) Operational Condition by Business Segments (Investment Segment 1/2)



(JPY: million)

	06/3 PAS	07/3 PAS	08/3 PAS	09/3 PAS	09/3(1Q) PAS	10/3(1Q) PAS	Change (%)	09/3(1Q) FCAS	10/3(1Q) FCAS	Change (%)
Investment segment										
<b>1. Fundmanagement operation</b>										
<i>Fund management fees</i>	1,525	1,541	1,343	1,395	324	292	△ 10%	95	96	2%
<i>Fund administration fees</i>	119	127	134	126	34	27	△ 20%	24	19	△ 20%
<i>Investment advisory fees</i>	46	0	23	36	11	6	△ 47%	11	0	△ 100%
<i>Success Fees</i>	1,163	1,895	1,006	268	63	397	527%	59	385	553%
<b>Operating Revenue</b>	<b>2,854</b>	<b>3,564</b>	<b>2,508</b>	<b>1,827</b>	<b>433</b>	<b>723</b>	<b>67%</b>	<b>189</b>	<b>501</b>	<b>164%</b>
<i>Cost of fund management operation</i>	-	-	2	-	-	-	-	-	-	-
<b>Operating Cost</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gross profit</b>	<b>2,854</b>	<b>3,564</b>	<b>2,506</b>	<b>1,827</b>	<b>433</b>	<b>723</b>	<b>67%</b>	<b>189</b>	<b>501</b>	<b>164%</b>
<b>2. Investment operations</b>										
<i>Sales of operational investment securities</i>	10,894	10,331	14,547	5,203	1,475	1,506	2%	1,702	1,668	△ 2%
<i>Operational interest and dividend income</i>	1,055	3,778	1,988	814	166	348	109%	183	387	111%
<b>Operating Revenue</b>	<b>11,949</b>	<b>14,109</b>	<b>16,535</b>	<b>6,018</b>	<b>1,642</b>	<b>1,855</b>	<b>13%</b>	<b>1,886</b>	<b>2,056</b>	<b>9%</b>
<i>Cost of operational investment securities</i>	4,259	3,218	5,960	5,022	915	1,233	35%	1,027	1,394	36%
<i>Loss on devaluation</i>	357	141	1,665	15,069	707	33	△ 95%	1,019	139	△ 86%
<i>Provision for allowance for possible investment losses</i>	486	1,624	467	7,615	1,131	115	△ 90%	1,438	194	△ 86%
<i>Profit and losses from LP funds and Others</i>	128	350	540	509	87	48	△ 45%	11	88	661%
<b>Operating Cost</b>	<b>5,232</b>	<b>5,335</b>	<b>8,632</b>	<b>28,217</b>	<b>2,841</b>	<b>1,431</b>	<b>△ 50%</b>	<b>3,496</b>	<b>1,816</b>	<b>△ 48%</b>
<b>Gross profit</b>	<b>6,716</b>	<b>8,774</b>	<b>7,902</b>	<b>△ 22,199</b>	<b>△ 1,198</b>	<b>424</b>	<b>-</b>	<b>△ 1,610</b>	<b>239</b>	<b>-</b>

■ These amounts are before elimination as of '08/3. The amounts of influence are 04/3: JPY 1M, 05/3: JPY 2M, 06/3: JPY 3M, 07/3: —M

(Reference) Operational Condition by Business Segments (Investment Segment 2/2)



(JPY : million)

	06/3 PAS	07/3 PAS	08/3 PAS	09/3 PAS	09/3(1Q) PAS	10/3(1Q) PAS	Change (%)	09/3(1Q) FCAS	10/3(1Q) FCAS	Change (%)
<b>3. Consulting, Others</b>										
<i>Consulting Fees</i>	275	207	226	173	53	31	△41%	53	32	△40%
<i>Others</i>	55	64	100	64	17	19	12%	17	19	11%
Operating Revenue	331	271	327	237	71	51	△28%	71	52	△27%
<i>Others</i>	32	20	14	18	5	-	△100%	5	-	△100%
Operating Cost	32	20	14	18	5	-	△100%	5	-	△100%
Gross profit	298	251	313	219	66	51	△22%	66	52	△21%
<b>4. Total Investment segment</b>										
Total Operating Revenue	15,135	17,946	19,371	8,083	2,147	2,630	22%	2,147	2,610	22%
Total Operating Cost	5,265	5,355	8,649	28,235	2,847	1,431	△50%	3,502	1,816	△48%
Total Gross profit	9,869	12,590	10,721	△ 20,152	△ 699	1,199	-	△ 1,354	793	-

■ These amounts are before elimination as of '08/3. The amounts of influence are 04/3: JPY 1M, 05/3: JPY 2M, 06/3: JPY 3M, 07/3: —M

(Reference) Operational Condition by Business Segments (Financial Segment 1/2)



(JPY : million)

	06/3 PAS	07/3 PAS	08/3 PAS	09/3 PAS	09/3(1Q) PAS	10/3(1Q) PAS	Change (%)	09/3(1Q) FCAS	10/3(1Q) FCAS	Change (%)
Financial segment										
<b>1. Financing</b>										
<i>Commercial Loans Interest</i>	363	106	39	30	8	0	△ 91%	8	0	△ 91%
<i>DIP finance, Others</i>	275	250	239	237	60	34	△ 44%	52	34	△ 35%
Operating Revenue	638	356	278	267	69	34	△ 49%	61	34	△ 43%
<i>Financially Cost</i>	615	209	147	144	34	27	△ 21%	34	27	△ 21%
Operating Cost	615	209	147	144	34	27	△ 21%	34	27	△ 21%
Gross profit	23	147	130	122	34	7	△ 78%	26	7	△ 72%
<b>2. Leasing, installment finance</b>										
<i>Lease Revenue</i>	411	283	154	65	21	10	△ 49%	21	10	△ 49%
<i>Installment Revenue</i>	313	249	98	41	11	7	△ 31%	11	7	△ 31%
Operating Revenue	725	532	253	106	32	18	△ 43%	32	18	△ 43%
<i>Lease Cost</i>	379	259	142	58	18	9	△ 48%	18	9	△ 48%
<i>installment Cost</i>	296	232	84	38	10	7	△ 31%	10	7	△ 31%
Operating Cost	676	492	227	97	29	16	△ 42%	29	16	△ 42%
Gross profit	49	39	26	9	2	1	△ 49%	2	1	△ 49%

■ These amounts are before elimination as of '08/3. The amounts of influence are 04/3: JPY 1M, 05/3: JPY 2M, 06/3: JPY 3M, 07/3: —M

(Reference) Operational Condition by Business Segments (Financial Segment 2/2)



(JPY: million)

	06/3 PAS	07/3 PAS	08/3 PAS	09/3 PAS	09/3(1Q) PAS	10/3(1Q) PAS	Change (%)	09/3(1Q) FCAS	10/3(1Q) FCAS	Change (%)
<b>3. Other financing</b>										
Operating Revenue	176	100	149	37	11	5	△50%	11	5	△50%
Operating Cost	77	94	148	5	0	2	3205%	0	2	3205%
Gross profit	99	6	0	31	11	3	△71%	11	3	△71%
<b>4. Total Financing profit</b>										
Total Operating Revenue	1,540	989	680	411	112	58	△48%	104	58	△44%
Total Operating Cost	1,368	796	523	247	64	46	△27%	64	46	△27%
Total Gross profit	171	193	157	163	48	12	△75%	40	12	△70%

■ These amounts are before elimination as of '08/3. The amounts of influence are 04/3: JPY 1M, 05/3: JPY 2M, 06/3: JPY 3M, 07/3: —M

(Reference) Operational Condition by Business Segments (Total Segment)



(JPY: million)

	06/3 PAS	07/3 PAS	08/3 PAS	09/3 PAS	09/3(1Q) PAS	10/3(1Q) PAS	Change (%)	09/3(1Q) FCAS	10/3(1Q) FCAS	Change (%)
Investment and Financial										
Consolidated Operating Profit	16,675	18,935	20,051	8,494	2,260	2,689	19%	2,252	2,669	19%
Consolidated Operating Cost	6,634	6,152	9,172	28,483	2,911	1,477	Δ 49%	3,566	1,863	Δ 48%
Consolidated Gross profit	10,041	12,783	10,879	Δ 19,988	Δ 651	1,211	-	Δ 1,314	805	-

■ These amounts are before elimination as of '08/3. The amounts of influence are 04/3: JPY 1M, 05/3: JPY 2M, 06/3: JPY 3M, 07/3: —M

# JAIC

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