

Financial Results Overview for the 1st Quarter Ended June 30, 2010

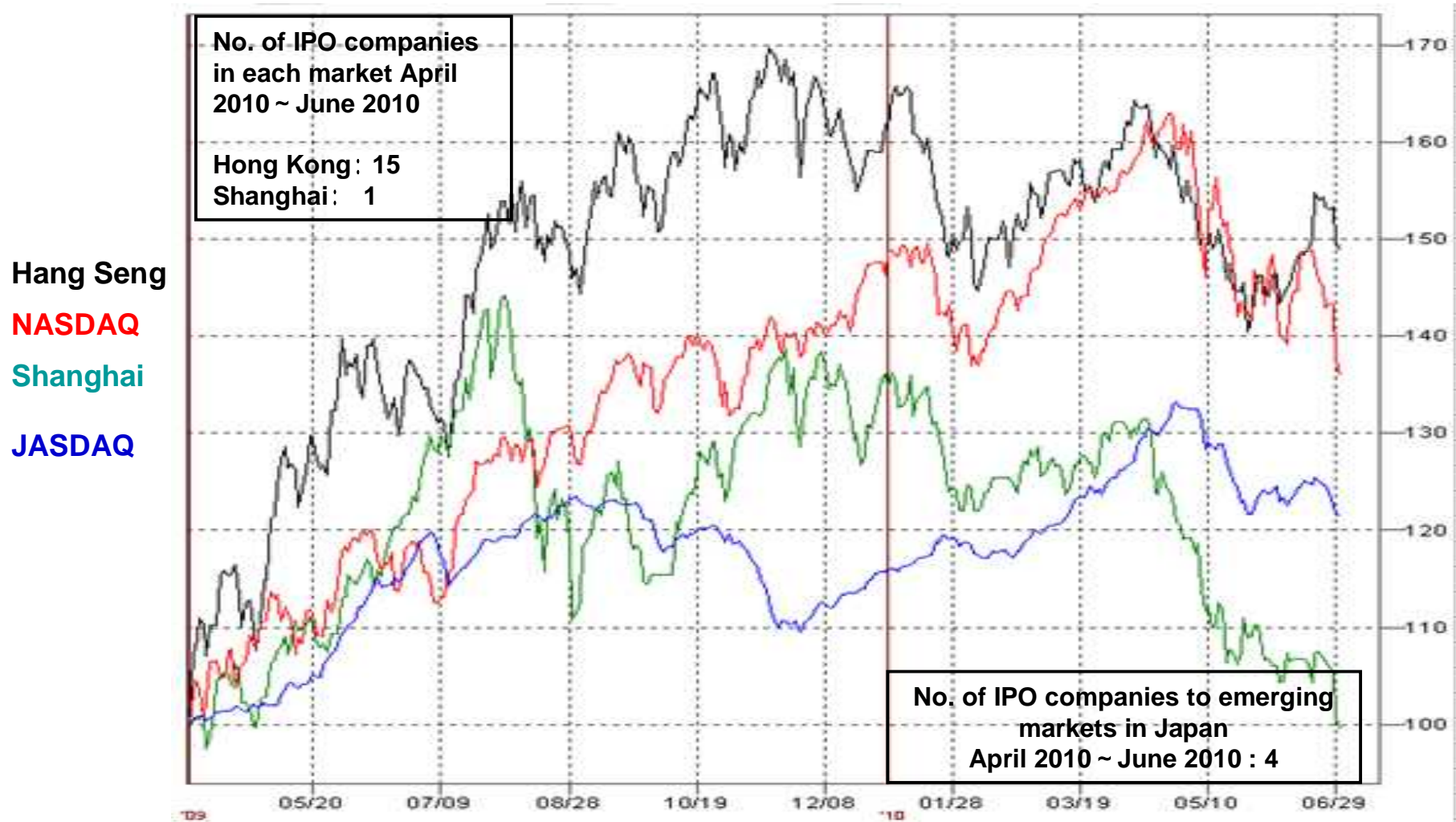
Japan Asia Investment Co., Ltd.
(TSE 8518)

Announcement: August 3rd, 2010

- 1. Management Environment**
- 2. Financial Review**
- 3. Reference**

1. Management Environment

Stock Market (April 1, 2009 ~ June 30, 2010)



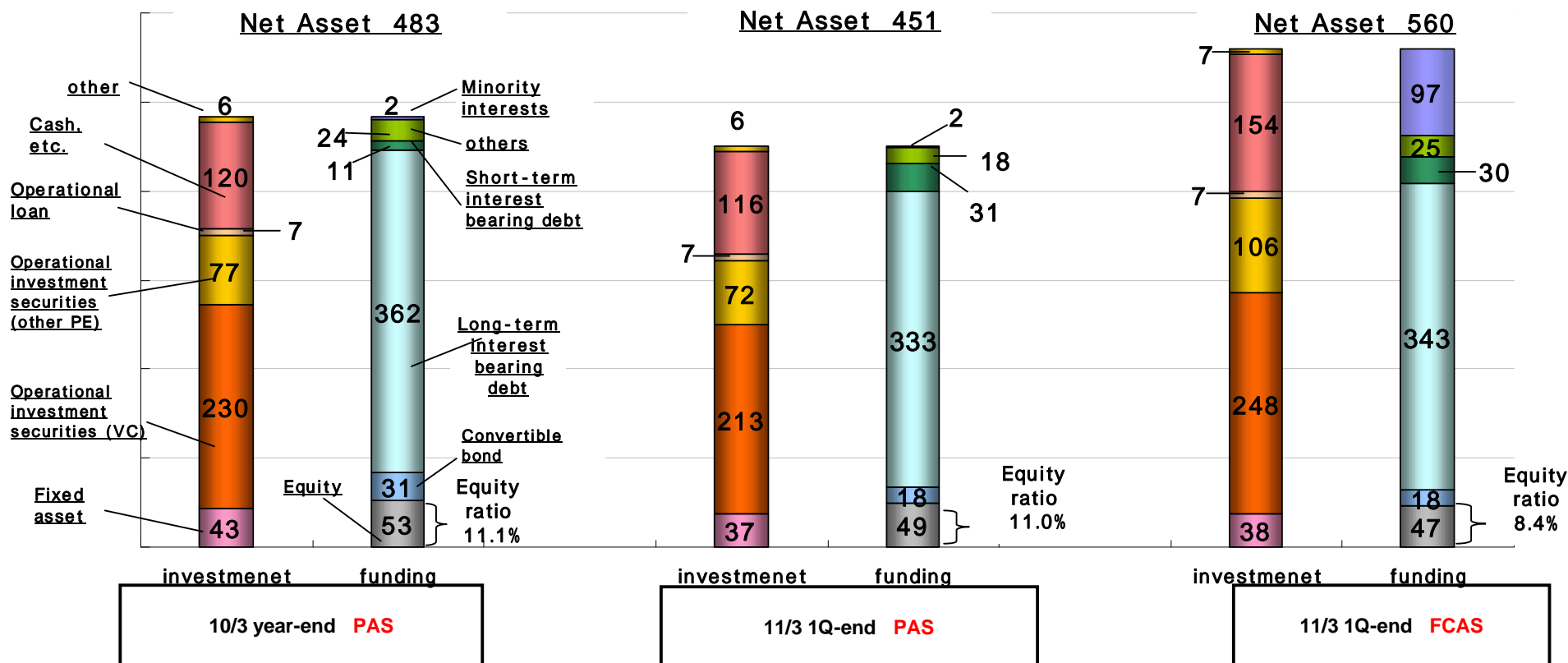
2. Financial Review

Consolidated Balance Sheet



(0.1 JPY billion)

Operational investment securities is the figure after the deduction of the allowance for possible investment losses.



- Operational Investment Securities: Due to steady investment exits in spite of severe IPO market and economic environment, the outstanding amount decreased.
- Interest bearing debt : Repayment goes according to plan and decreased the amount.
- Convertible bond: Due to purchase and cancellation aiming to reducing payment when the convertible bond will expire, the amount decreased to JPY1.8 billion.
- Equity : The equity ratio hardly changed from the end of FY2010.

Financial Result

Consolidated Business Results for the Three Months Ended June 30, 2010



(JPY million)	10/3 PAS	10/3(1Q) PAS	11/3(1Q) PAS	Change (%)	10/3(1Q) FCAS	11/3(1Q) PAS	Change (%)
Operating Revenues	7,414	2,689	2,688	0%	2,669	3,004	13%
Operating Cost	13,013	1,477	1,524	3%	1,863	1,817	2%
Operating Gross Profit	5,599	1,211	1,164	4%	805	1,187	47%
SG&A Expenses	3,787	1,203	624	48%	1,134	572	50%
Operating Income	9,386	7	540	6696%	328	615	-
Ordinary Income	10,334	179	442	-	521	501	-
Net Income	10,903	404	176	-	482	127	-

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

- Measures accomplished by last fiscal year, more conservative accounting estimation for operational investments, strengthened cost saving measures and planning various investment exits, resulted in returning to profitability.
- JPY 0.3 billion of gain on purchase and cancellation of convertible bond is posted as extraordinary profit.
- Due to decline in stock market prices, loss on valuation of non-operational investment securities of JPY 0.5 billion is recognized as extraordinary loss.

Consolidated Cash Flows



FCAS (JPY million)	10/3	10/3(1Q)	11/3(1Q)	Change(%)
Operating CF	4,051	1,507	1,059	30%
Investing CF	229	323	538	67%
Financing CF	4,126	13	1,910	-
Net Change of CF	171	1,883	309	-
Cash & Cash Equivalents at End of Period	8,330	10,042	8,020	20%

- Due to steady investment exits resulted in 1 billion of net cash flows provided by operating activities. Compared to the same period last fiscal year, distribution from investment funds decreased and Operating CF decreased JPY 0.5 billion.
- JPY 0.5 billion of net cash flows provided by investing activities due to divestment of non-operational investments and a subsidiary.
- JPY 1.9 billion used in financing activities for repayments of debts and purchase & cancellation of convertible bond.
- Cash and cash equivalents at end of period was JPY 8 billion.

- **Management fees**
 - **Management fees decreased compare to the same period last fiscal year as NAV of funds decreased because of steady investment exits and the write-off and the provision for allowance for possible investment losses in last financial year.**

- **Contingency fees**
 - **Steady investment exits resulted in contingency fees of ¥162 million. As some funds distributed cash at a higher rate than the hurdle rate in the same period last fiscal year, the fee decreased.**

	For three months ended June 30, 2009 (April 1, 2009, to June 30, 2009)	For three months ended June 30, 2010 (April 1, 2010, to June 30, 2010)	For the year ended March 31,2010 (April 1, 2009, to March 31, 2010)
Total fees from the investment funds	723	452	1,755
Management fees	325	290	1,294
Contingency fees	397	162	461

Highlight- Investment Exits



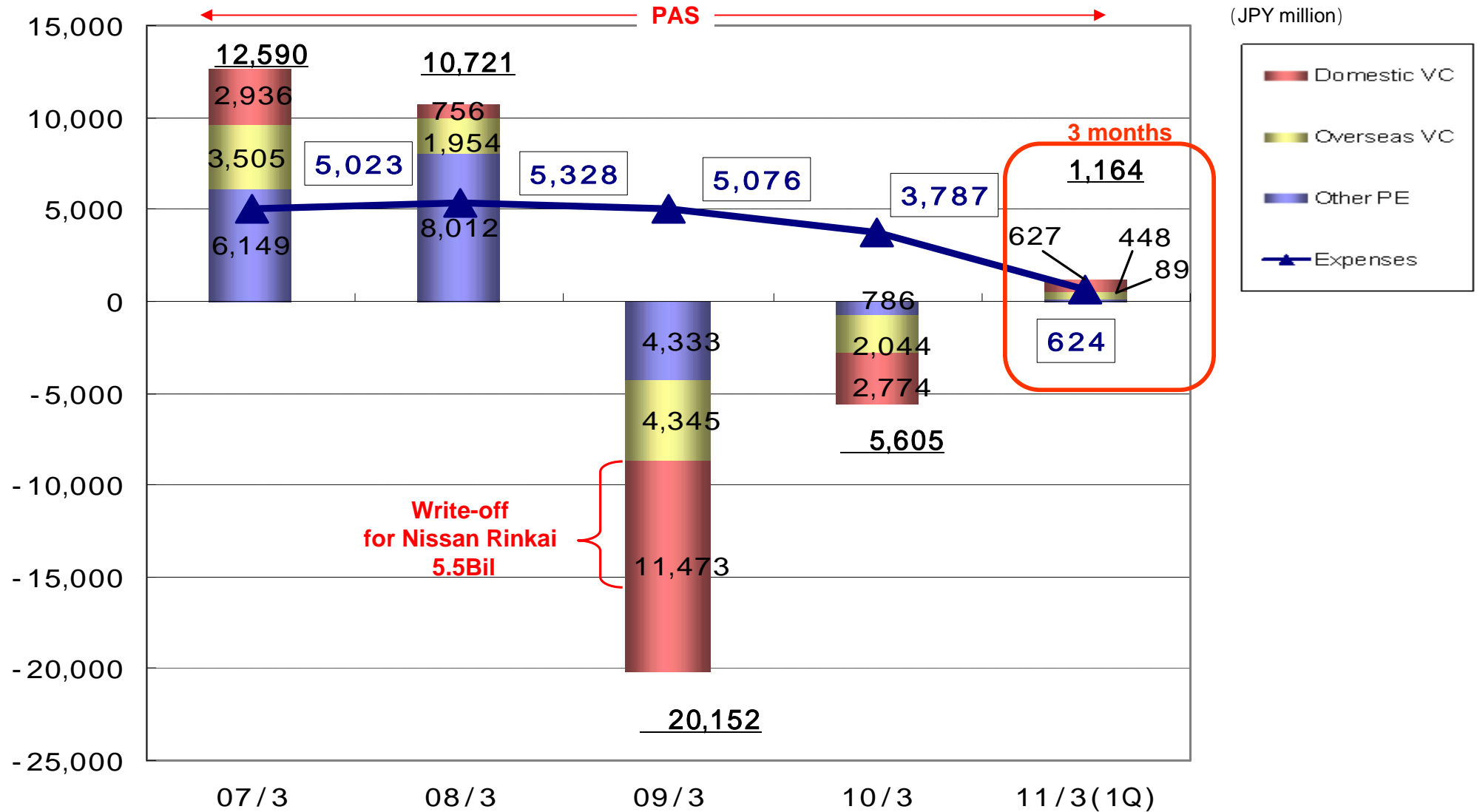
- **IPO** 2 companies and 1 company are listed in Overseas and Domestic emerging markets respectively during April 2010 –June 2010.

(From April 1, 2010 to June 30, 2010)

Company name	Date of IPO	Market	Business	Head quarters
Dong A Plastic Group Joint Stock Company	8-Apr-10	Ho Chi Minh	Trading and producing PVC plastic products in the field of construction and interior-exterior decoration.	Vietnam
Alphanam M&E Joint Stock Company	2-Jun-10	Hanoi	Design, manufacturing, and sales of equipment related to electric power and electricity.	Vietnam
PAPYLESS Co., Ltd.	23-Jun-10	JASDAQ	Distributor of electronic books	Japan

- **Trade Sales** Value-Add promotion and planning various investment exits resulted in earning capital gains from trade sales.

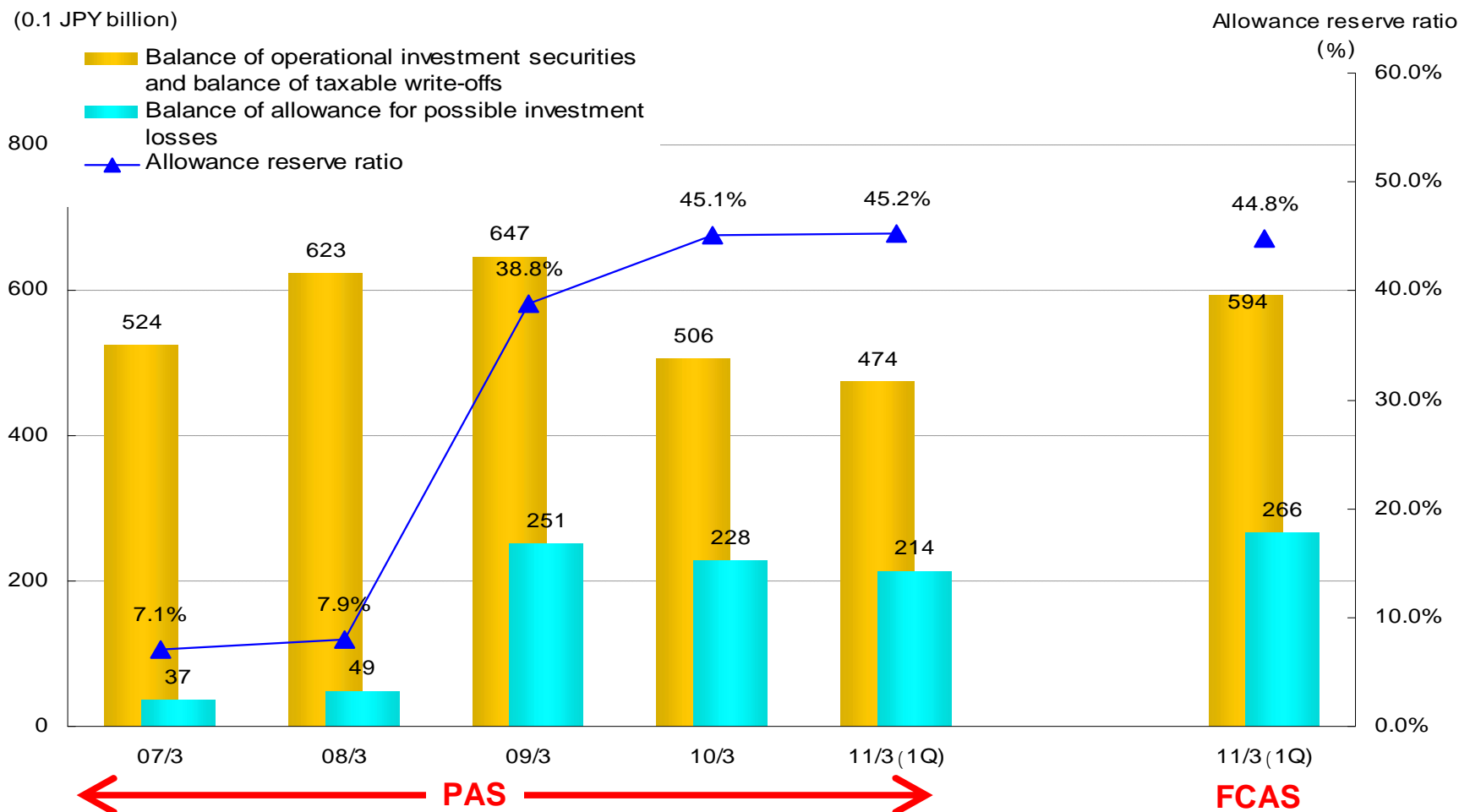
Breakdown of Gross Profit By Investment Segment



Expenses of 09/3 excludes provision for allowance for doubtful accounts and bad debt losses.

Investment Operation

- Allowance For Possible Investment Losses



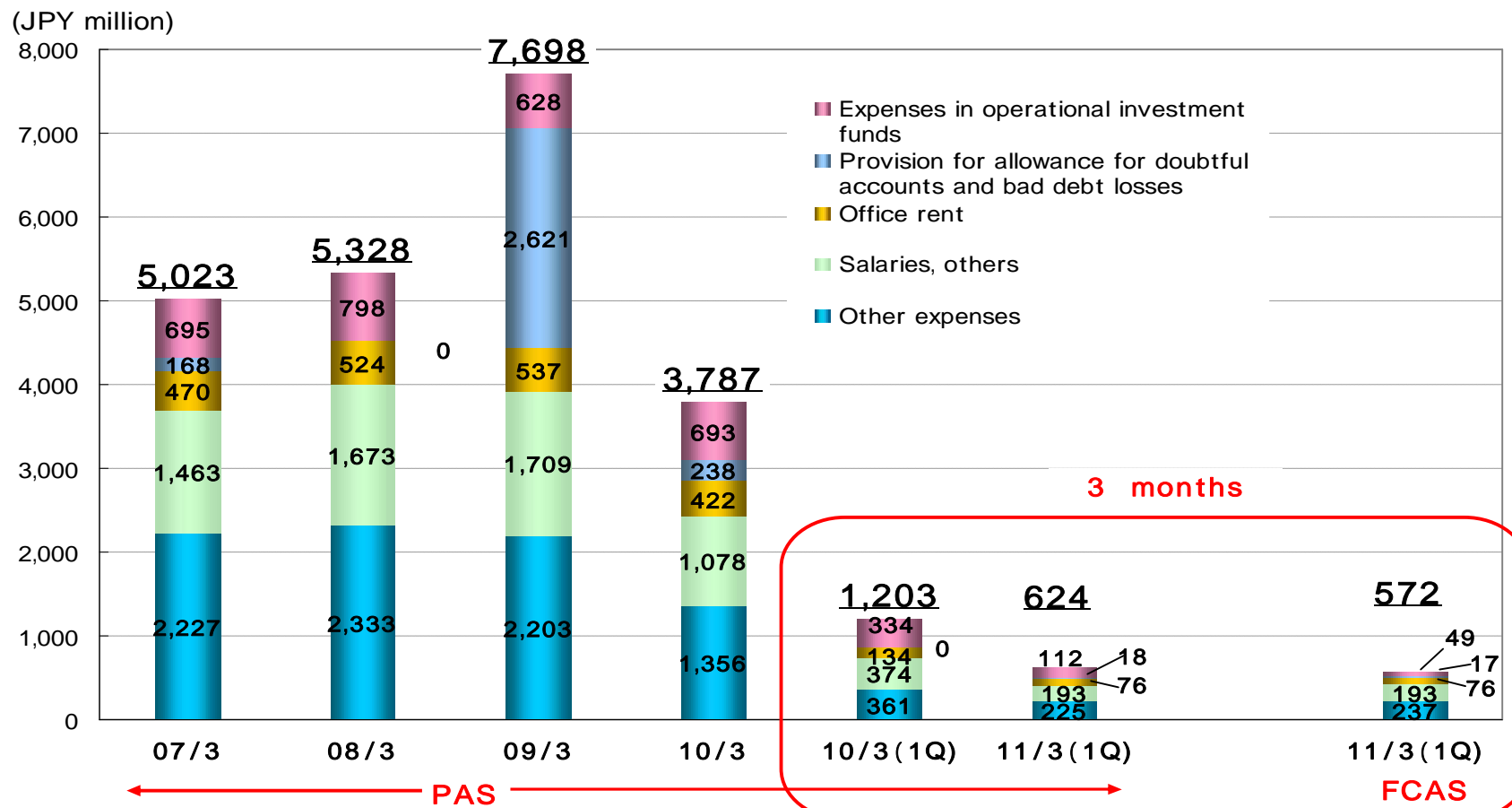
From the financial year 08/3, the part of operational investment securities with allowance for possible investment losses was considered difficult to be collected and was written off .

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

From the financial year 05/3, balance of operating investment securities are calculated including balance of operating investment funds.

The effects are 5.7billion 07/3, 4.3billion 08/3, 3.6billion 09/3, 2.7billion 10/3, 2.5 billion 11/3(1Q) of PAS and FCAS.

Selling, General and Administrative Expenses



		07/3	08/3	09/3	10/3	11/3(1Q)
SG&A expenses ratio to Gross profit		39%	49%	-	-	54%
NO.of employee	Consol	241	265	236	153	146
	Non-consol	149	159	135	95	89

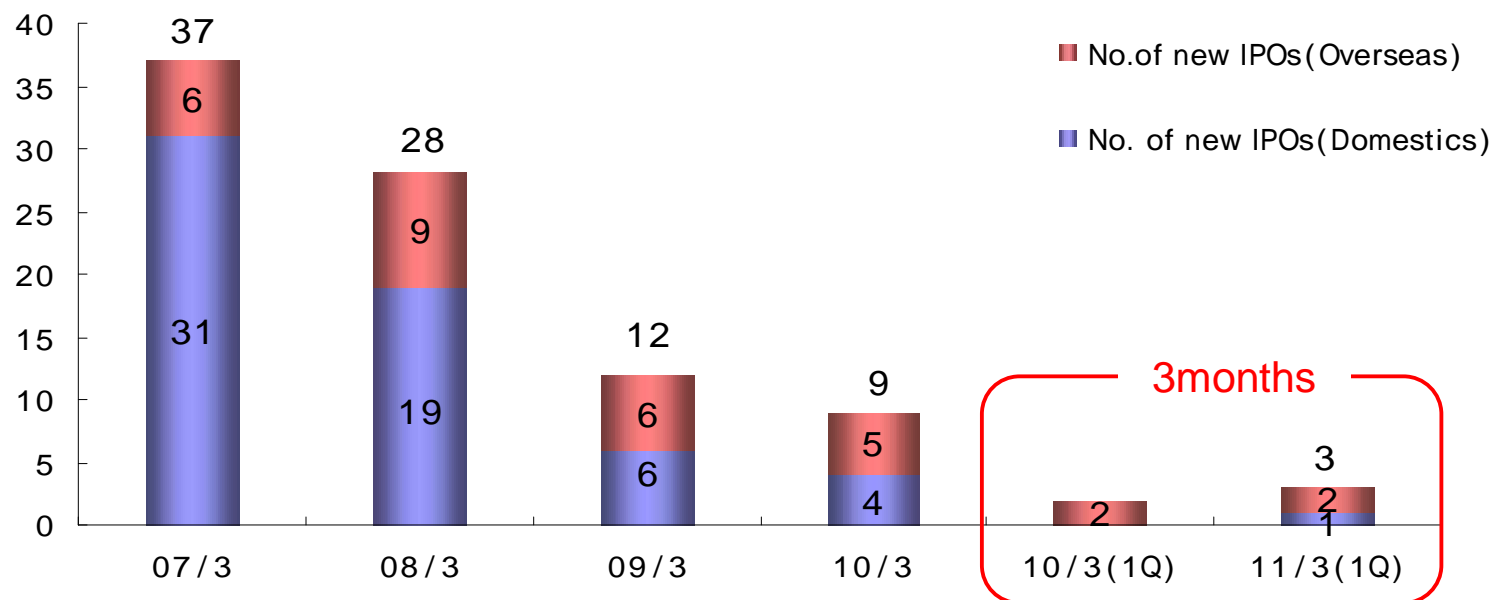
Expenses in operational investment funds includes the expenses of corporate type funds in FCAS.

3.Reference Operational Condition

JAIC-Backed IPOs



(Principal + Funds)



Investment multiple by Initial price (First price multiple)

(Investment multiple)

	07/3	08/3	09/3	10/3	10/3(1Q)	11/3(1Q)
Domestics	8.1	2.6	3.5	1.3	-	2.1
Overseas	3.2	6.2	0.9	1.6	1.4	0.4
Average	5.5	3.8	1.9	1.5	1.4	0.9

Note: IPOs include backdoor listings (3 in 2007/3, 2 in 2008/3, 3 in 2009/3, 1 in 2010/3).

Note: The above numbers include companies whose listed shares the Group acquired as a result of equity swaps between its invested companies and previously listed companies.

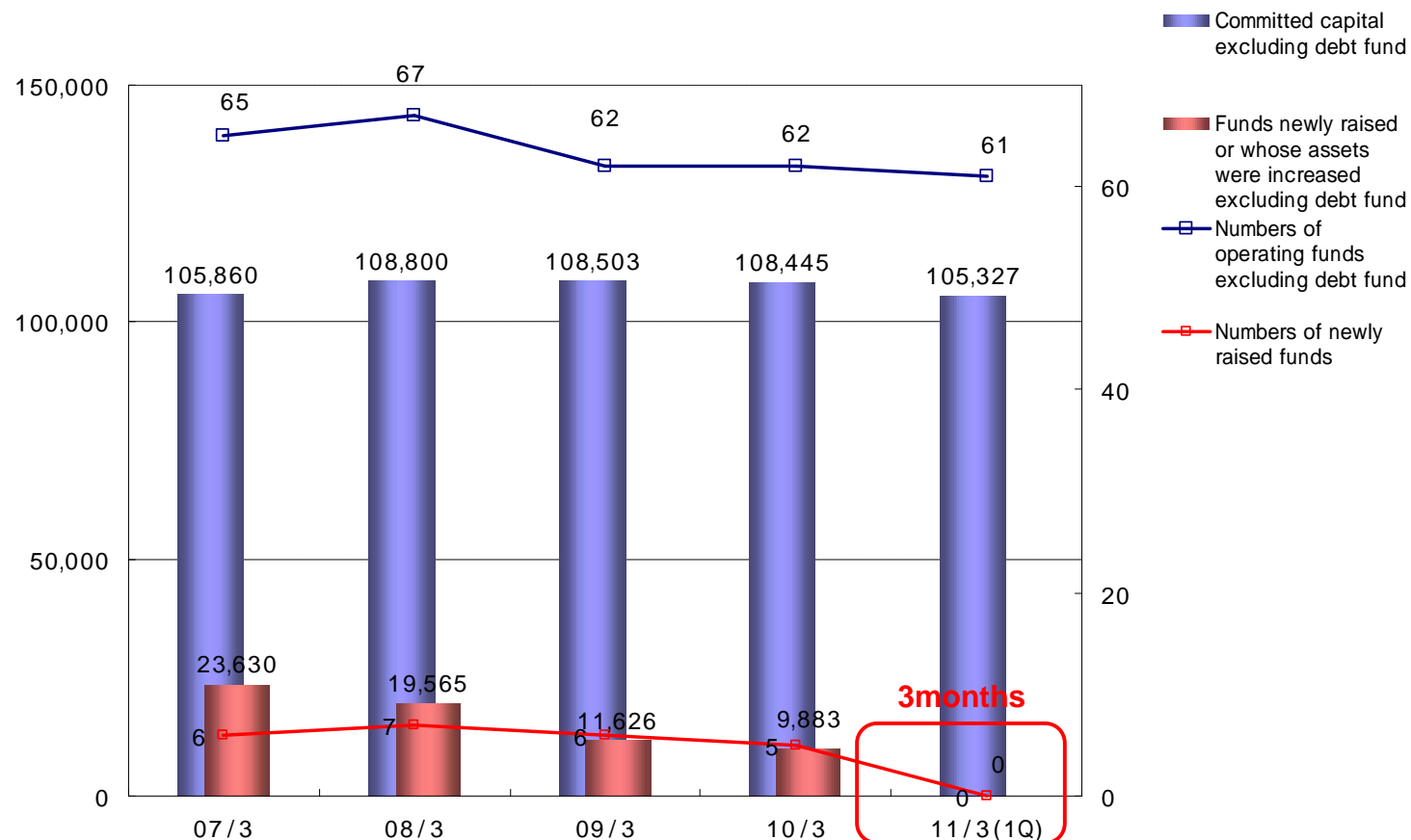
Note: First price multiple = Gross market capitalization at first price/Total our acquisition cost. However, the calculation of the first price multiple does not include the number of companies whose listed shares the Group acquired as a result of equity swaps.

Fund Management



(Committed capital / JPY million)

(No. of funds)

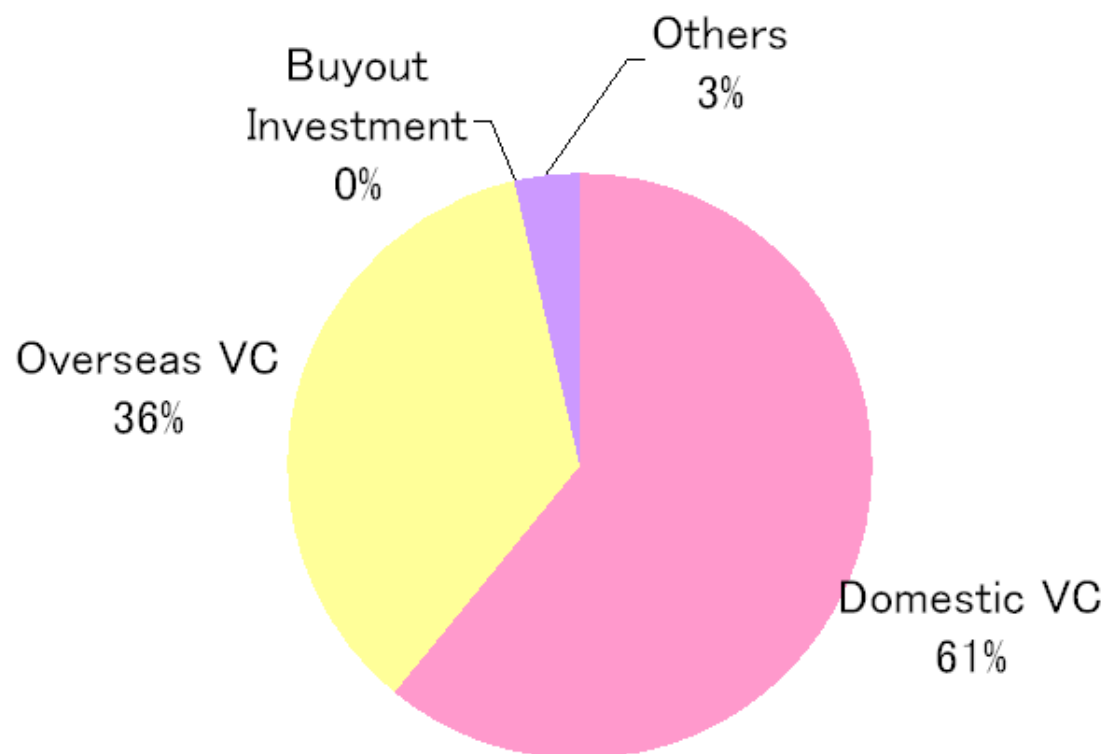


Note:

1. Japanese yen equivalent of committed capital is calculated by the exchange rate at the end of each fiscal period.
2. The open-end debt funds are described separately, as their character differs from that of long-term closed-end private equity funds.
3. The funds with provision of the essential information for the management by the JAIC Group amount to 15,432 millions of yen of 11 funds as of June 30, 2010 which include 2,624 millions of yen of the debt fund, and 19,839 millions of yen of 11 funds which include 5,929 millions of yen of the debt fund.
4. Funds being wound up at their maturity are not included in the data above.

Total new investment (from April 2010 to June 2010)

Based on the amount of investment
(Total 574 millions of yen)



(Principal + Funds)

Note : Investments in funds managed by third parties other than the Company in which the JAIC Group is not involved in the management, are not included.

Investment Activities



New investment by country, and industry sector

(No. of Companies, JPY million)

		10/3		11/3(1Q)	
		No. of Com.	Million	No. of Com.	Million
Japan		43	2,951	11	348
Greater China		6	410	-	-
Korea		2	195	1	83
U.S.A.		10	240	2	9
South East Asia	Singapore	-	-	-	-
	Malaysia	-	-	-	-
	Thailand	-	-	-	-
	Indonesia	-	-	-	-
	Vietnam	-	-	1	112
Others		7	204	1	20
Total		68	4,002	16	574

(Principal + Funds, Japan + Overseas)

	10/3			11/3(1Q)		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
QOL(Quality of life) Related	17	551	32	6	43	7
IT·Internet Related	20	855	43	2	150	75
Material·Chemical	3	348	116	1	83	83
Machinery·Automobile	3	42	14	1	100	100
Consumer Related	1	15	15	2	142	71
Construction·Real Estate	3	53	18	-	-	-
Retail·Restaurant	1	0	0	-	-	-
Service	3	209	70	2	12	6
Financial Related	-	-	-	-	-	-
Others	17	1,926	113	2	41	21
Total	68	4,002	59	16	574	36

Note:

- 1.QOL (Quality of Life) ; Biotechnology, Medical Service, Welfare Service, Medical Device, Drug Medicine, etc.
2. IT·Internet ; IT service, Software, Computer Hardware, etc.
3. Other private equity investments are included above breakdown from June 2010. In this connection, above figures of March 2010 are different from figures disclosed before.
- 4.“Others” includes the PE secondary investments.On the PE secondary investments, the number of companies represents the number of funds.

Investment Activities

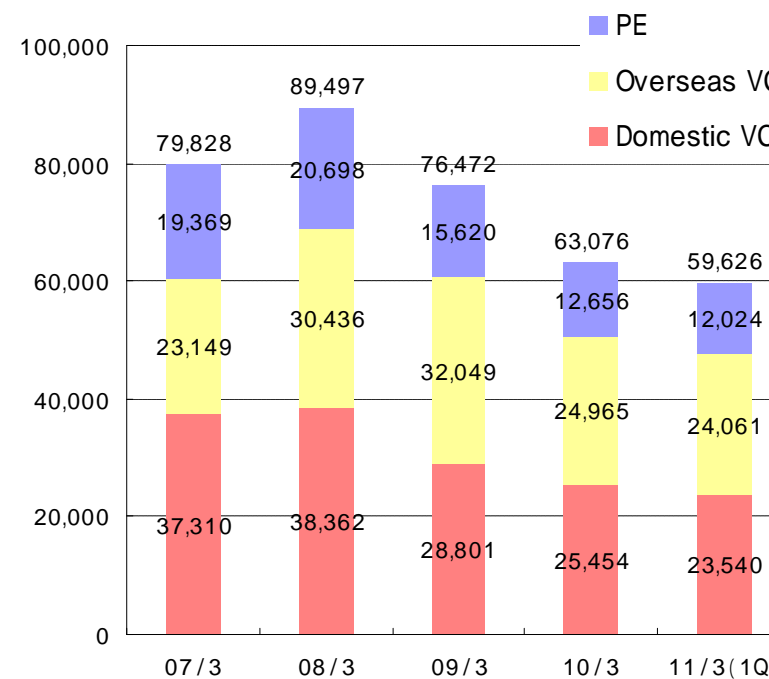


Total Investment portfolio

(No. of Companies, JPY million)

	10/3			11/3(1Q)		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
<i>Domestic VC</i>	448	25,454	57	425	23,540	55
<i>Overseas VC</i>	205	24,965	121	200	24,061	120
PE	58	12,656	218	42	12,024	260
Total	711	63,076	89	673	59,626	89

(JPY million)



(Principal + Funds)

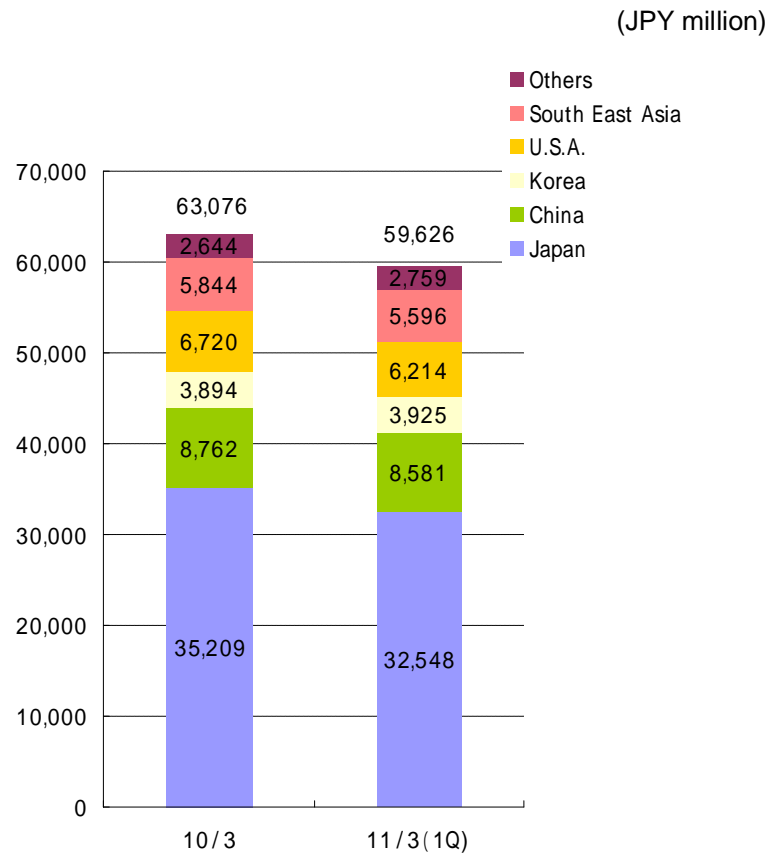
PE : Buyout investments, Turnaround investments, PE Secondary investments

Note : Investments in funds managed by third parties other than the Company in which the JAIC Group is not involved in the management, are not included.

Investment Activities (Portfolio by country)



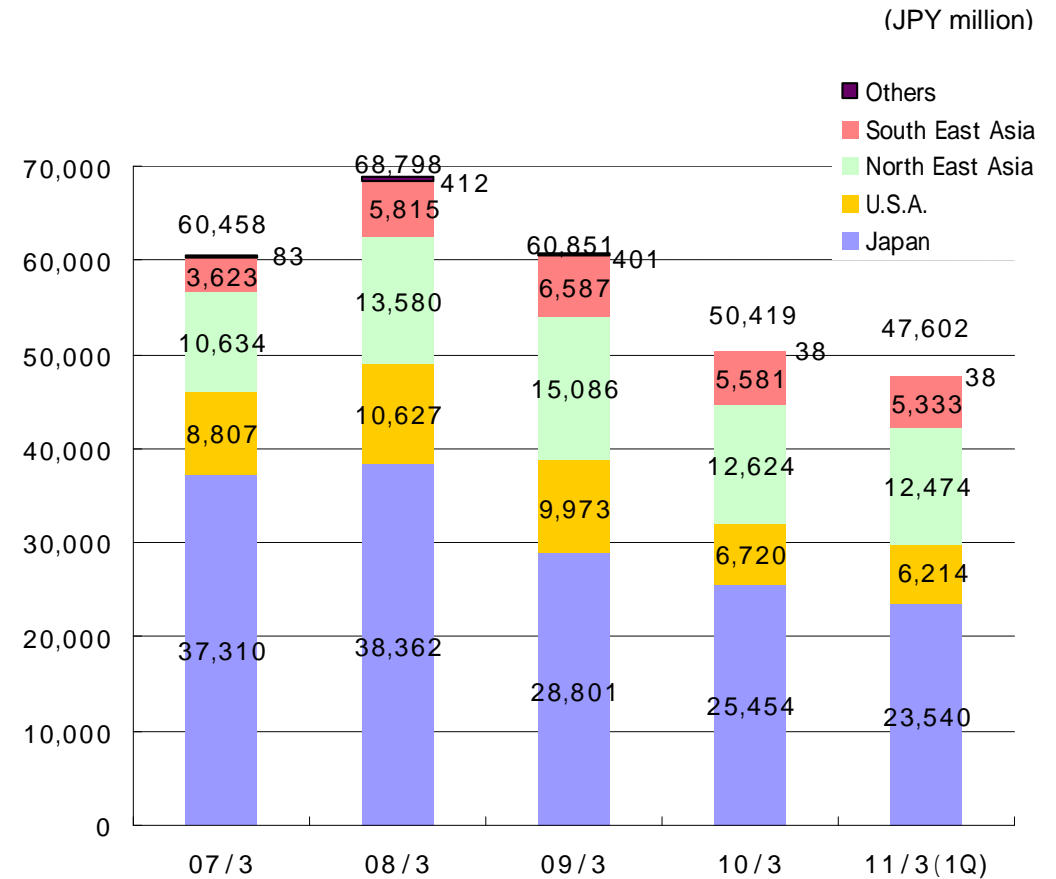
VC + PE Investment



(Principal + F)

- Others include PE Secondary Investment.
- The investment balance (VC+ PE Investment) is newly indicated from June 2010.

VC Investment

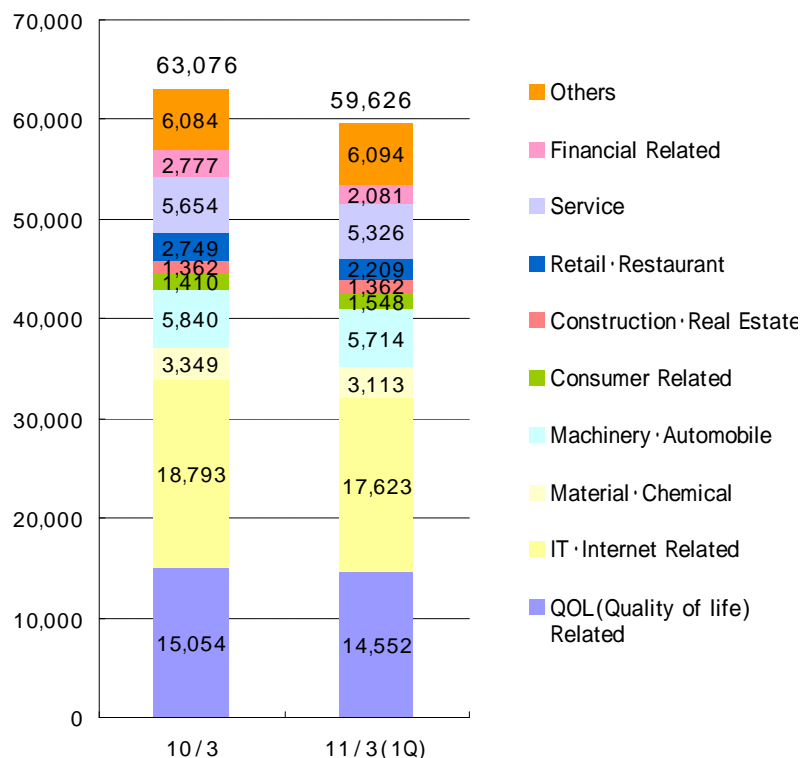


Investment Activities (Portfolio by industry sector)



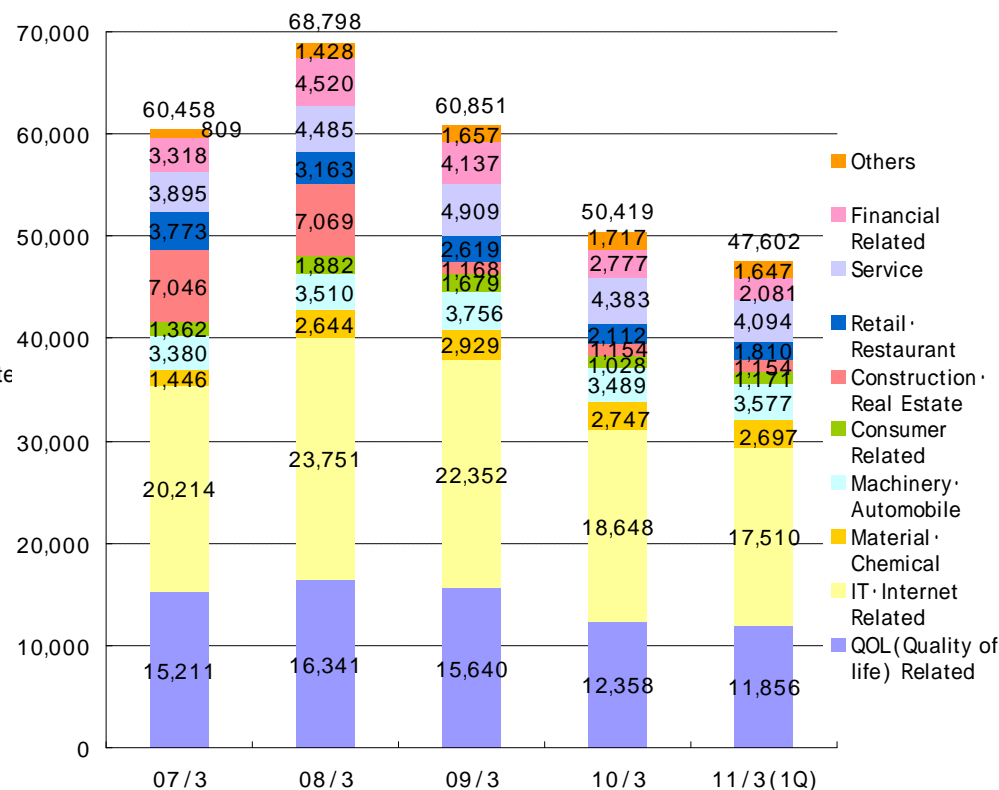
VC + PE Investment

(Principal + Funds, Japan + Overseas)
(JPY million)



VC Investment

(Principal + Funds, Japan + Overseas)
(JPY million)



Note:

- QOL (Quality of Life) ; Biotechnology, Medical Service, Welfare Service, Medical Device, Drug Medicine, etc.
- IT · Internet ; IT service, Software, Computer Hardware, etc.
- The investment balance (VC+ PE Investment) is newly indicated from June 2010.

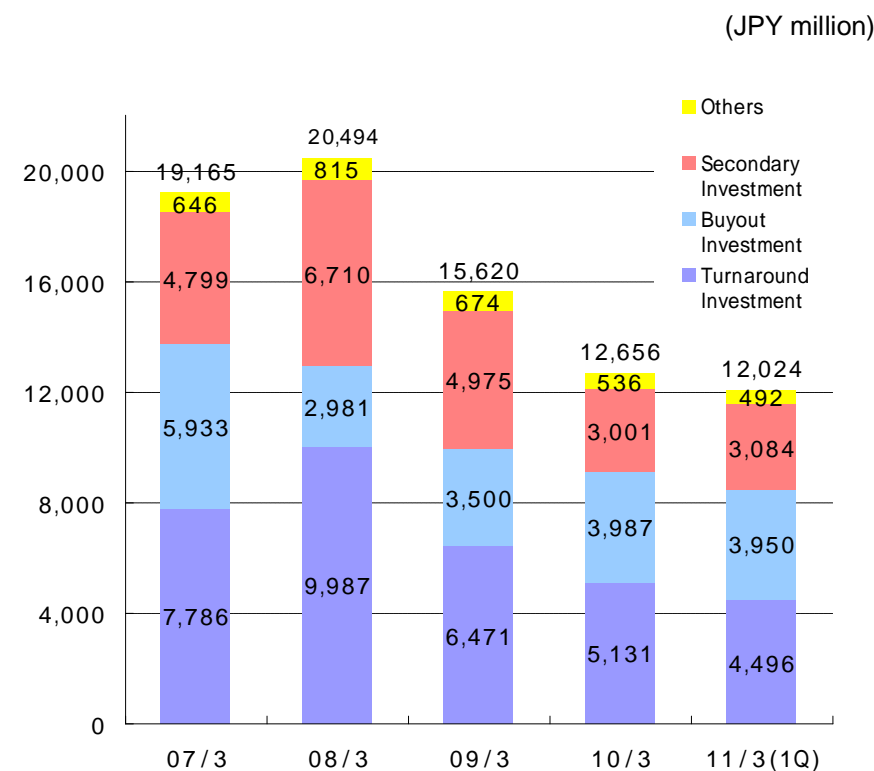
Investment Activities



Other PE investment - Investment portfolio

(No. of Companies, JPY million)

	10/3			11/3 (1Q)		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
Turnaround Investment	15	5,131	342	9	4,496	500
Buyout Investment	12	3,987	332	11	3,950	359
PE Secondary Investment	15	3,001	200	12	3,084	237
Others	16	536	34	16	492	30
Total	58	12,656	218	48	12,024	260



(Principal + Funds, Japan + Overseas)

(Reference) Details of Income Statement



		(JPY: million)									
		07/3	08/3	09/3	10/3	10/3(1Q)	11/3(1Q)	Change	10/3(1Q)	11/3(1Q)	Change
		PAS	PAS	PAS	PAS	PAS	PAS	(%)	FCAS	FCAS	(%)
Investment segment											
1.	Fundmanagement operation										
	<i>Fund management fees and others</i>	1,668	1,501	1,559	1,294	325	290	11%	116	119	3%
	<i>Success Fees</i>	1,895	1,006	268	461	397	162	59%	385	119	69%
	Operating Revenue	3,564	2,508	1,827	1,755	723	452	38%	501	239	52%
	Operating Cost	-	2-	-	-	-	-	-	-	-	-
	Gross profit	3,564	2,506	1,827	1,755	723	452	38%	501	239	52%
2.	Investment operations										
	<i>Sales of operational investment securities</i>	10,331	14,547	5,203	4,700	1,506	2,068	37%	1,668	2,567	54%
	<i>Operational interest and dividend income</i>	3,778	1,988	814	673	348	59	83%	387	86	78%
	Operating Revenue	14,109	16,535	6,018	5,373	1,855	2,128	15%	2,056	2,654	29%
	<i>Cost of operational investment securities</i>	3,218	5,960	5,022	4,450	1,233	1,139	8%	1,394	1,344	4%
	<i>Loss on devaluation</i>	141	1,665	15,069	2,829	33	217	550%	139	255	83%
	<i>Provision for allowance for possible investment losses</i>	1,624	467	7,615	5,151	115	117	1%	194	138	29%
	<i>Profit and losses from LP funds and Others</i>	350	540	509	398	48	24	49%	88	53	40%
	Operating Cost	5,335	8,632	28,217	12,829	1,431	1,498	5%	1,816	1,791	1%
	Gross profit	8,774	7,902	22,199	7,456	424	629	48%	239	862	260%
3.	Others										
	Operating Revenue	1,261	1,008	649	285	110	107	2%	111	111	0%
	Operating Cost	817	537	266	183	46	25	45%	46	25	45%
	Gross profit	444	470	382	101	63	82	29%	64	86	34%
Total											
	Consolidated Operating Profit	18,935	20,051	8,494	7,414	2,689	2,688	0%	2,669	3,004	13%
	Consolidated Operating Cost	6,152	9,172	28,483	13,013	1,477	1,524	3%	1,863	1,817	2%
	Consolidated Gross profit	12,783	10,879	19,988	5,599	1,211	1,164	4%	805	1,187	47%
	SG&A Expenses	5,023	5,328	7,698	3,787	1,203	624	48%	1,134	572	50%
	Operating Profit	7,760	5,550	27,686	9,386	7	540	6696%	328	615	-
	Recurring Profit	7,460	4,796	28,950	10,334	179	442	-	521	501	-
	Net Income	3,767	3,049	34,845	10,903	404	176	-	482	127	-

These amounts are before elimination as of '08/3. The amounts of influence are 06/3: JPY 3M, 07/3: - M

JAIC

Japan Asia Investment Co., Ltd.

Seiko-Takebashi-Kyodo Bldg., 3-11 Kandnishiki-cho, Chiyoda-ku, Tokyo 101-8570

TEL +81-3-3259-8518 Fax +81-3-3259-8511

<http://www.jaic-vc.co.jp/>

Contact to:

Tetsuro Shimomura, Director

Business Administration Group

Chiaki Yamamoto, Department Manager

Business Administration Department

Miyuki Maruyama, General Manager

Business Administration Department

TEL: +81-3-3259-8518 / IR e-mail : ir@jaic-vc.co.jp