

Financial Results Overview for the 4th Quarter Ended March 31, 2011

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

Announcement: May 11th, 2011

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1. Management Environment

Management Environment



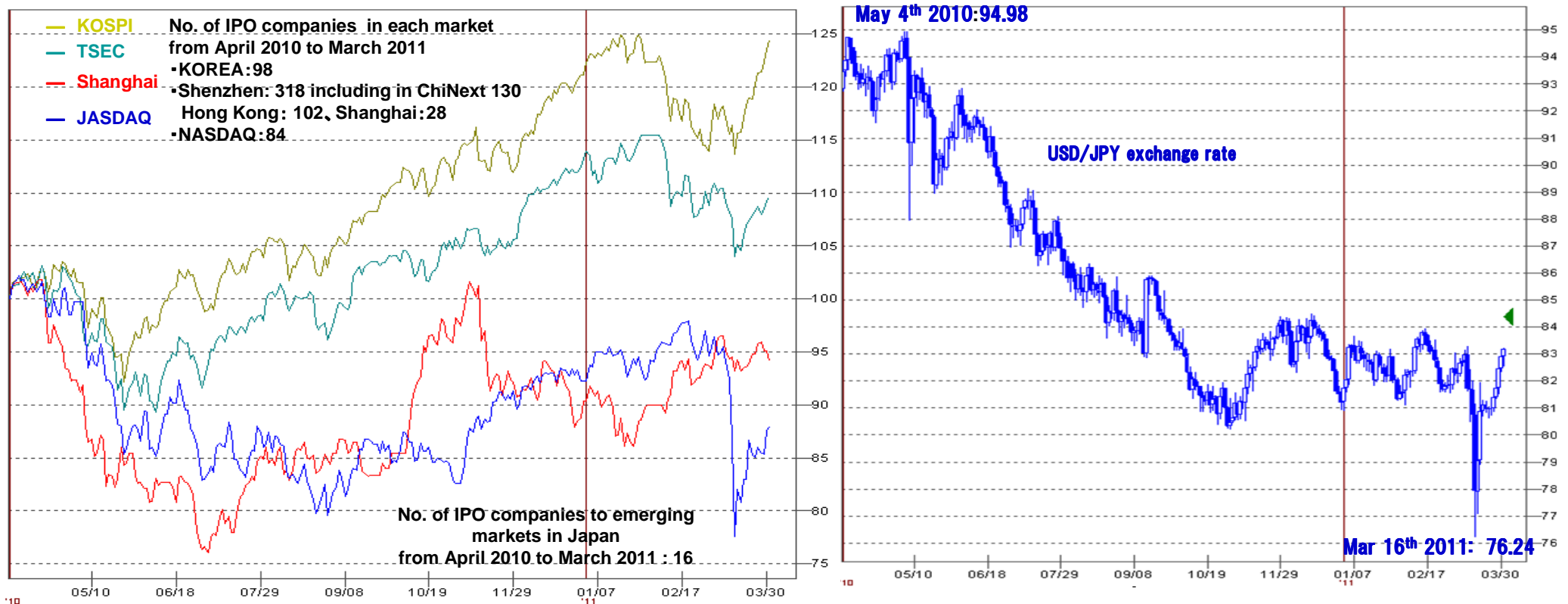
● Stock Market

After April 2010 main stock markets in Asia recovered from downswing phase in June 2010 except JASDAQ and Shanghai. JASDAQ fell down sharply by the Great East Japan Earthquake in March 2011. Japanese IPO market has been miserable for these years.

● Foreign Currency Trend

Stronger Japanese Yen caused foreign exchange losses on sales of global investment assets.

*Baseline 100:March 31,2010



2. Financial Review

Financial Review

Consolidated Business Results for the Year Ended March 31, 2011



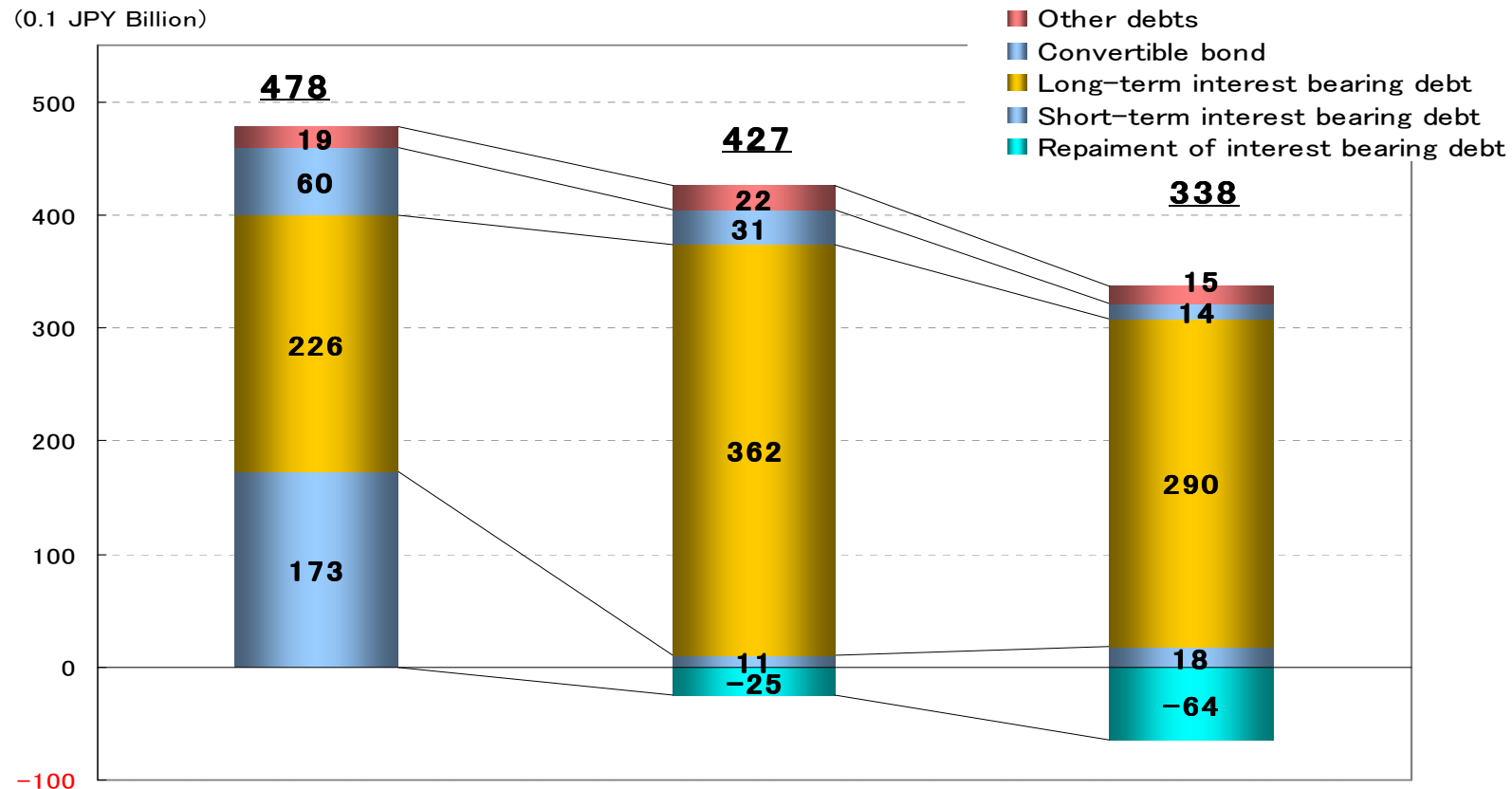
(JPY million)	10/3 PAS	11/3 PAS	Change (%)	10/3 FCAS	11/3 FCAS	Change (%)
Operating Revenues	7,414	10,979	48%	8,474	11,764	39%
Operating Cost	13,013	7,286	△ 44%	16,640	8,371	△ 50%
Operating Gross Profit	△ 5,599	3,692	-	△ 8,166	3,393	-
SG&A Expenses	3,787	2,399	△ 37%	3,544	2,239	△ 37%
Operating Income	△ 9,386	1,293	-	△ 11,710	1,154	-
Ordinary Income	△ 10,334	175	-	△ 12,679	111	-
Net Income	△ 10,903	△ 2,044	-	△ 10,889	△ 2,039	-

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

~Achievement of increasing operating revenues and returning to profitability of ordinary income~

- Various investment exits except IPO resulted in increasing of operating revenues and acquiring realized capital gain.
- Stabilized financial results and business recovery of portfolio companies resulted in decrease of the write-off and the provision for allowance for possible investment losses.
- Due to strengthened cost saving measures accomplished in last fiscal year, SG&A Expenses reduced by 37% from last fiscal year.
- Abrupt appreciation of the yen caused exchange foreign losses of JPY0.6 billion (PAS).
- Loss on sales of non-operational investment securities of JPY 1.0billion and Business restructuring expenses of JPY 1.2billion respectively are recognized as extraordinary loss.

Debt Outstanding



- Interest bearing debt :Steadily repayment goes according to the plan and decreased the outstanding balance. Total repayment amounts to JPY6.4billion for FY2011.
- Short-term interest bearing debt of JPY1.8billion as of Mar 2011 has already been repaid in Apr 2011.
- Convertible bond: Due to purchase and cancellation aiming to reduce payment when the convertible bond will expire, the outstanding balance decreased by half compared to beginning of FY 2011.

Consolidated Cash Flows



(FCAS)

(JPY million)	10/3	11/3	Change(%)
Operating CF	4,051	7,137	76%
Investing CF	229	2,215	863%
Financing CF	Δ 4,126	Δ 7,886	-
Net Change of CF	171	1,431	735%
Cash & Cash Equivalents at End of Period	8,330	9,762	17%

- **Steady investment exits resulted in JPY 7.1billion of net cash flows provided by operating activities. Compared to the same period in last fiscal year, Operating CF increased by 76%.**
- **JPY 2.2 billion of net cash flows provided by investing activities due to divestment of non-operational investments and PP&E.**
- **JPY 7.8 billion used in financing activities for repayments of debts and purchase & cancellation of convertible bond.**
- **Cash and cash equivalents increased JPY 1.4 billion during this fiscal year.**

- **Management fees**
 - Management fees decreased compared to last fiscal year as NAV of funds decreased because of steady investment exits, the write-off and the provision for allowance for possible investment losses.

- **Contingency fees**
 - Various investment exits resulted in contingency fees of JPY295 million.
 - As some buyout funds distributed the large amount of cash dividends in last fiscal year, the fees decreased.

(PAS)

(JPY million)	For the year ended Mar 31, 2010 (April 1, 2009, to Mar 31, 2010)	For the year ended Mar 31, 2011 (April 1, 2010, to Mar 31, 2011)
Total fees from the investment funds (A+B)	1,755	1,383
(A) Management fees	1,294	1,088
(B) Contingency fees	461	295

Highlight- Capital Gain

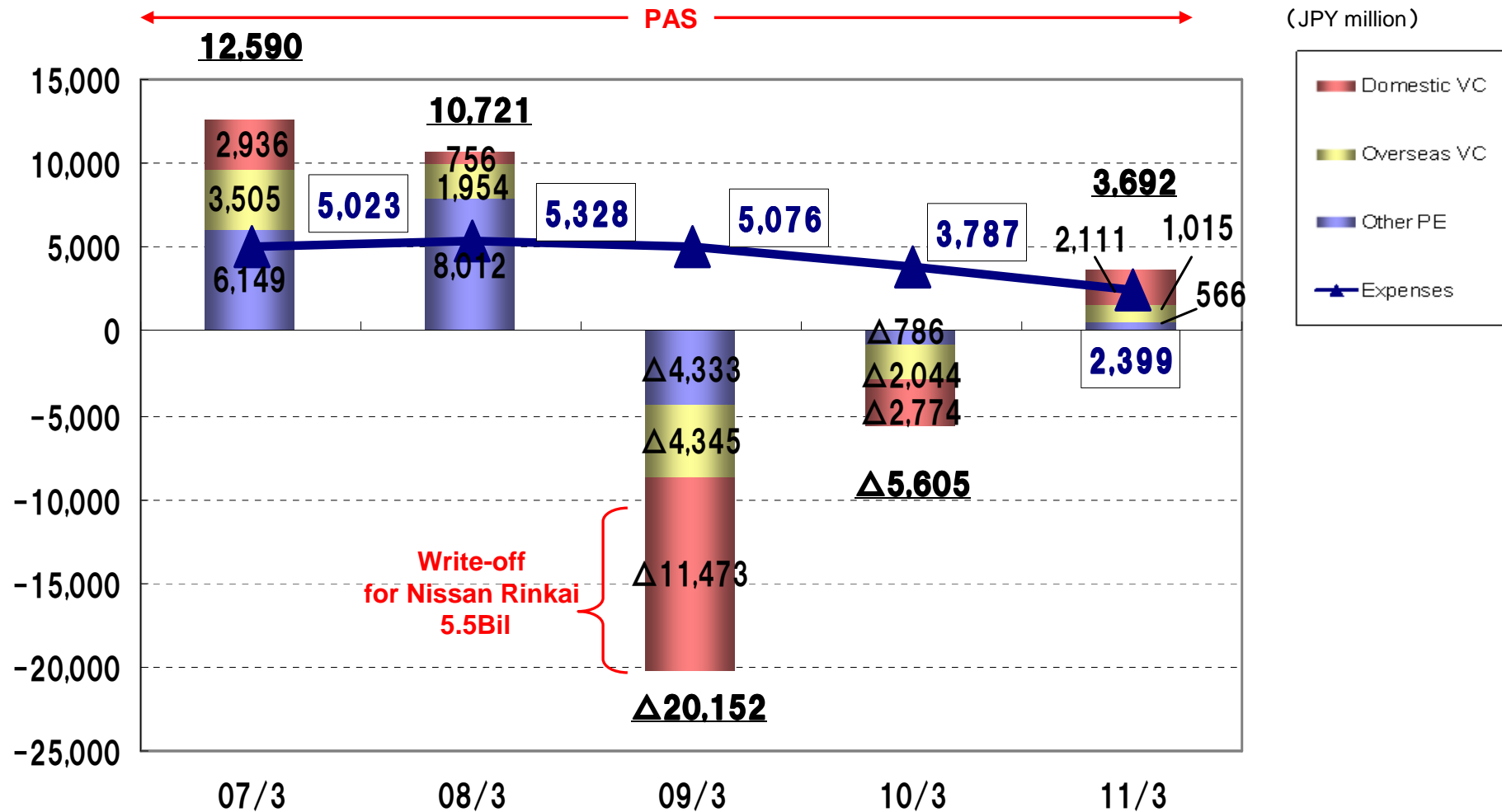


- Various investment exits except IPO resulted in increase of Proceeds of sales of operational investment securities and kept Realized capital gains.
- Stabilized financial results and business recovery of portfolio companies resulted in a decrease and reversal of the write-off and the provision for allowance for possible investment losses and turned to profitability of Investment income.

(PAS)

(JPY million)	For the year ended Mar 31, 2010 (April 1, 2009, to Mar 31, 2010)	For the year ended Mar 31, 2011 (April 1, 2010, to Mar 31, 2011)
Proceeds of sales of operational investment securities (A)	4,700	8,584
Cost of sales of operational investment securities	7,279	7,308
Cost of securities sold (B)	4,450	6,680
Investment write-offs (C)	2,829	627
Provision for allowance for possible investment losses (D)	5,151	Δ296
Realized capital gains (A)-(B)	249	1,904
Investment income (A)-(B)-(C)-(D)	Δ7,731	1,573

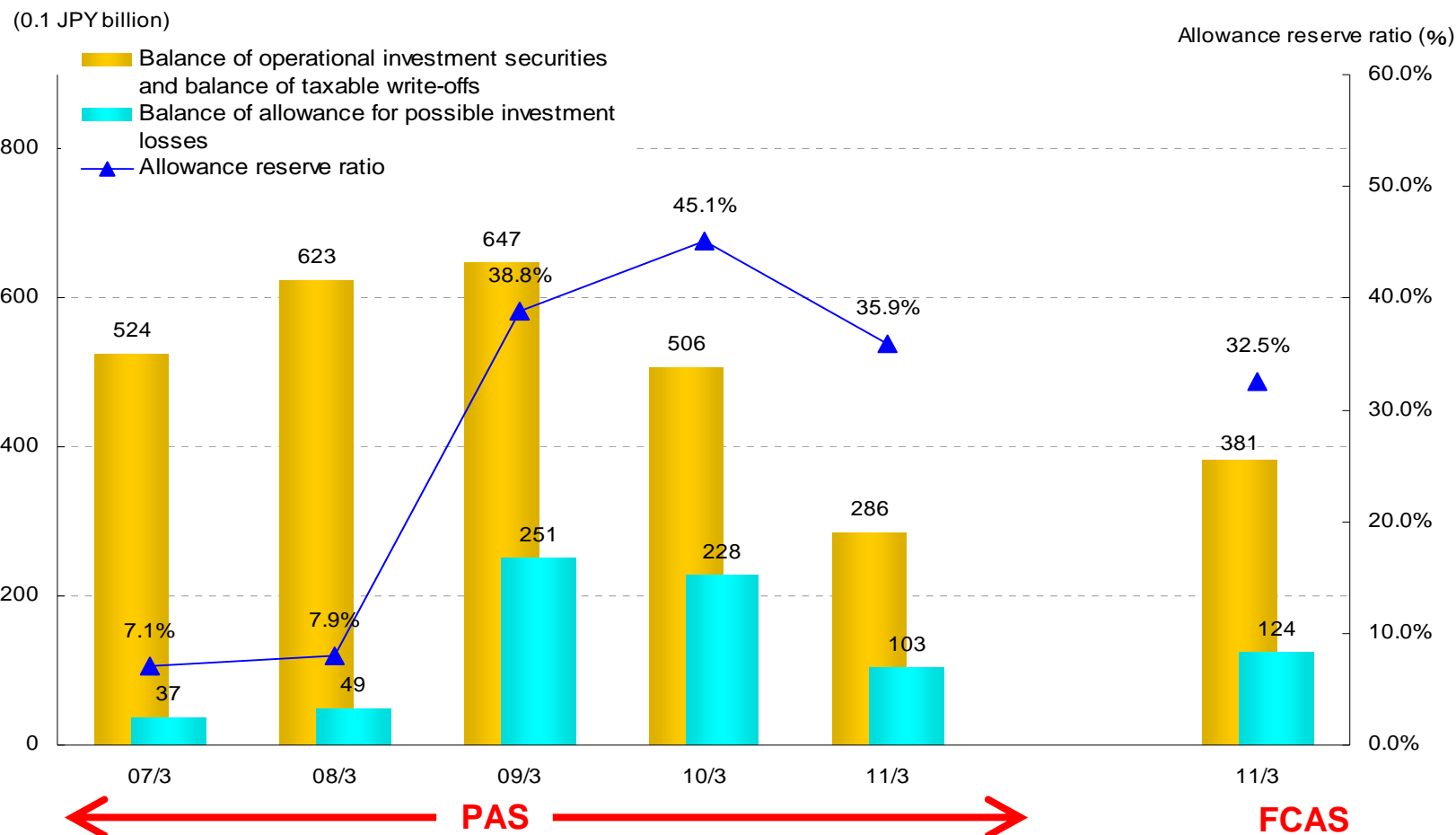
Breakdown of Gross Profit By Investment Segment



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

Investment Operation

– Allowance For Possible Investment Losses

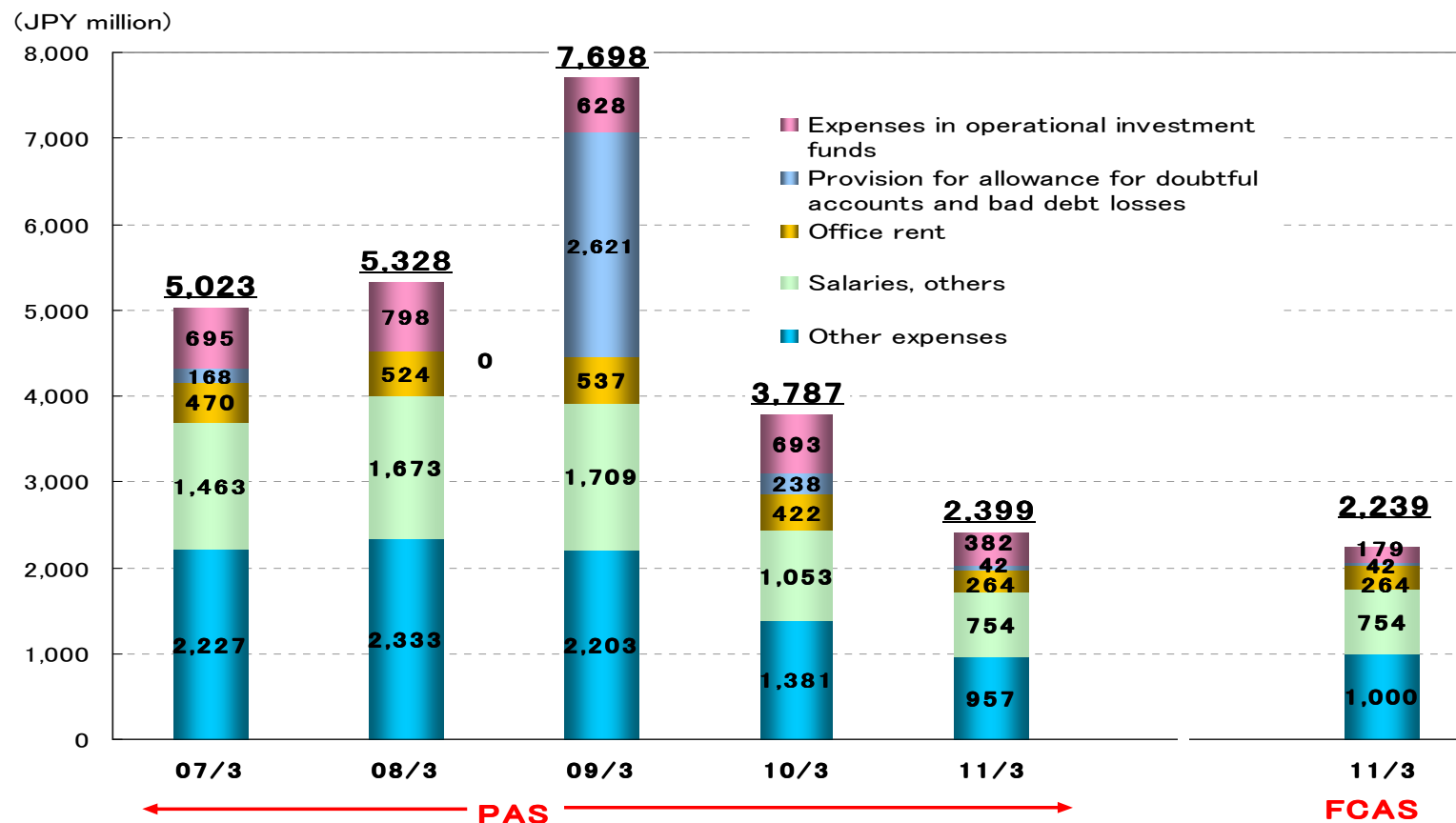


■ From the financial year 08/3, the part of operational investment securities with allowance for possible investment losses was considered difficult to be collected and was written off.

■ 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, 1.6 billion 11/3 of PAS and 1.4 billion 11/3 of FCAS.

Selling, General and Administrative Expenses

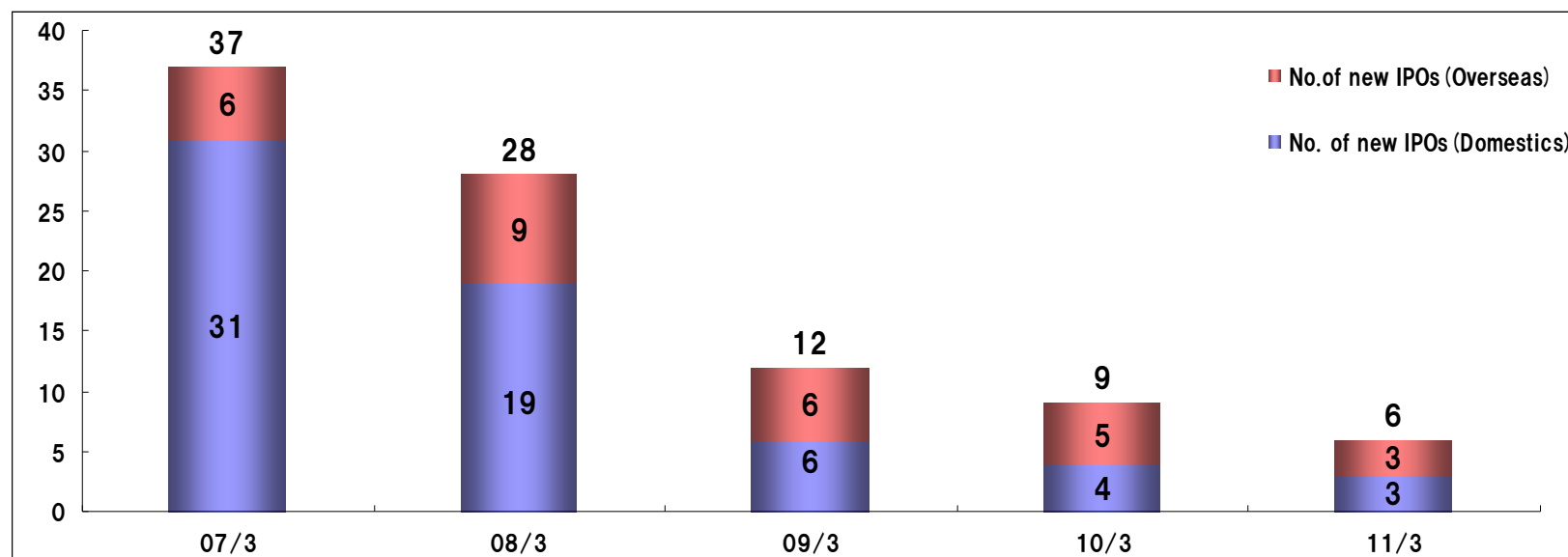


		07/3	08/3	09/3	10/3	11/3
SG&A expenses ratio to Gross profit		39%	49%	-	-	65%
NO.of employee	Consol	241	265	236	153	133
	Non-consol	149	159	135	95	80

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

(Reference) Operational Condition

(Principal + Funds)



Investment multiple by Initial price (First price multiple)

(Investment multiple)

	07/3	08/3	09/3	10/3	11/3
Domestics	8.1	2.6	3.5	1.3	1.9
Overseas	3.2	6.2	0.9	1.6	0.6

Note

1: IPOs include backdoor listings (3 in 2007/3, 2 in 2008/3, 3 in 2009/3, 1 in 2010/3 and 1 in 2011/3).

2: 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.

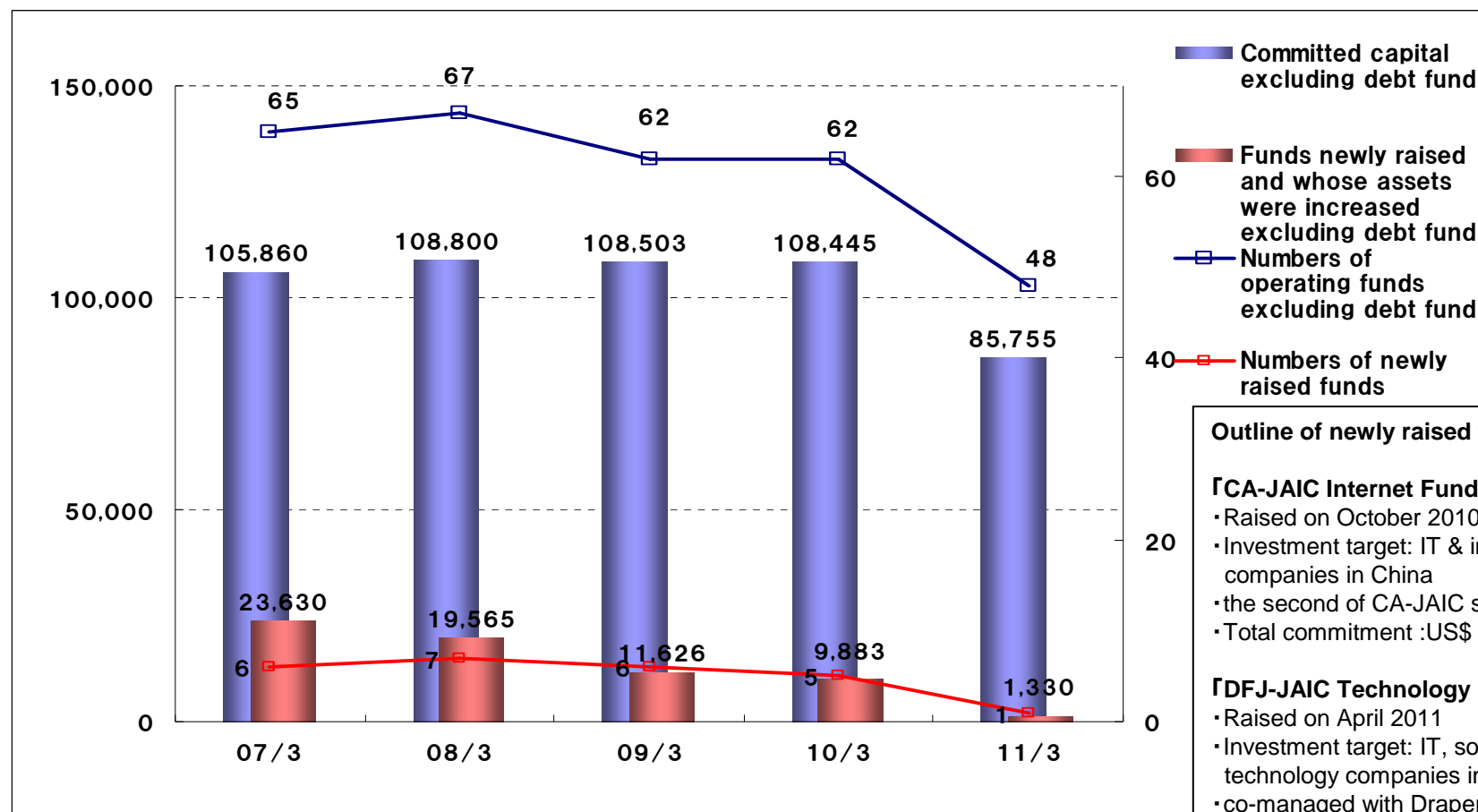
3: First price multiple = Gross market capitalization at first price/Total our acquisition cost. However, the calculation of the first price multiple does not include the number of companies whose listed shares the Group acquired as a result of equity swaps.

Fund Management



(Committed capital / JPY million)

(No. of funds)



Outline of newly raised funds;

「CA-JAIC Internet Fund II, L.P.」

- Raised on October 2010
- Investment target: IT & internet companies in China
- the second of CA-JAIC series funds
- Total commitment :US\$ 16M

「DFJ-JAIC Technology Partners, LP」

- Raised on April 2011
- Investment target: IT, software & clean technology companies in U.S. & Japan
- co-managed with Draper Fisher Jurvetson, Silicon Valley venture capital major
- Total commitment : US\$24.8M (as of today)

Note:

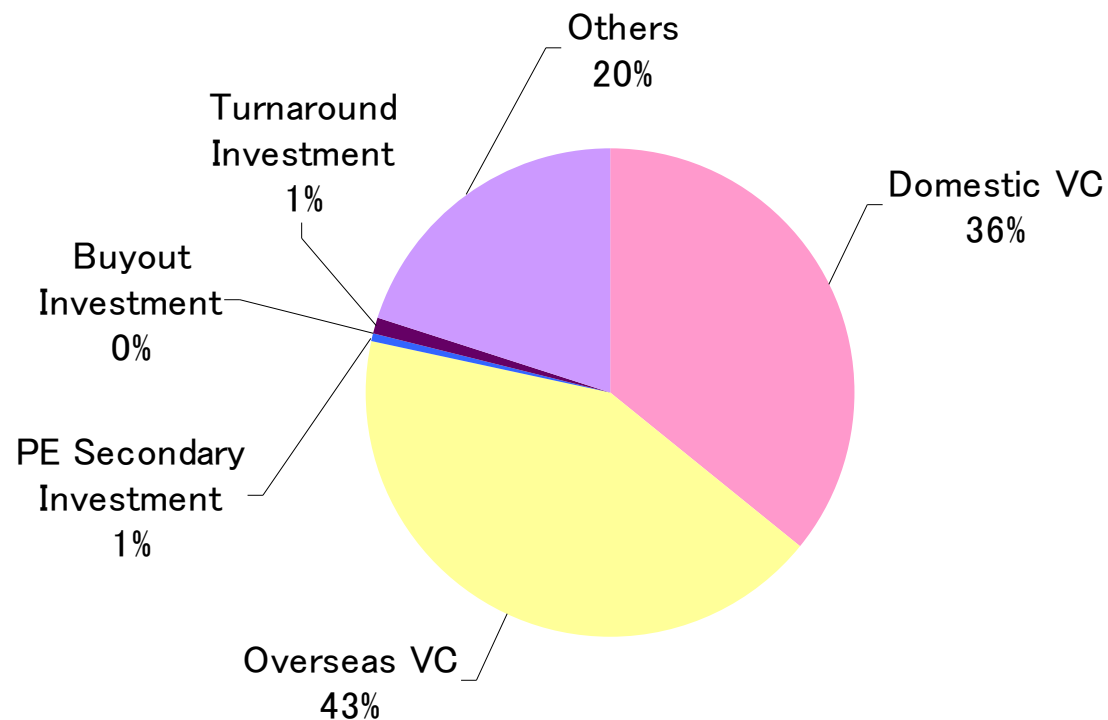
1. Japanese yen equivalent of committed capital is calculated by the exchange rate at the end of each fiscal period.
2. The funds changed the classification under process of business restructuring are excluded from this fiscal year. The effect is 11,562 millions of 9 funds as of March 31, 2011.
3. The funds with provision of the essential information for the management by the JAIC Group amount to 1,134 millions of yen of 1 fund as of March 31, 2011 and 13,909 millions of yen of 10 funds as of March 31, 2010.
4. Funds being wound up after their maturity are not included in the data above.

Investment Activities



Total new investment (from April 2010 to March 2011)

Based on the amount of investment
(Total 3,204 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	
		No. of Com.	Million	No. of Com.	Million
Japan		43	2,951	31	1,280
Greater China		6	410	8	781
Korea		2	195	2	303
U.S.A.		10	240	8	68
South East Asia	Singapore	-	-	2	76
	Thailand	-	-	1	49
	Vietnam	-	-	1	112
Others		7	204	13	531
Total		68	4,002	66	3,204

(Principal +Funds, Japan+Overseas)

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 this fiscal year. 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.

	10/3			11/3		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
QOL(Quality of life) Related	17	551	32	16	295	18
IT•Internet Related	20	855	43	16	1,098	68
Material•Chemical	3	348	116	9	729	81
Machinery•Automobile	3	42	14	1	100	100
Consumer Related	1	15	15	3	162	54
Construction•Real Estate	3	53	18	-	-	-
Retail•Restaurant	1	0	0	-	-	-
Service	3	209	70	5	98	19
Financial Related	-	-	-	-	-	-
Others	17	1,926	113	16	718	44
Total	68	4,002	59	66	3,204	48

Investment Activities



Total Investment portfolio

(No. of Companies, JPY million)

	10/3			11/3		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
Domestic VC	448	25,454	57	341	20,031	58
Overseas VC	205	24,965	121	123	13,067	106
PE	58	12,656	218	49	9,170	187
Total	711	63,076	89	513	42,268	82

(Principal +Funds)

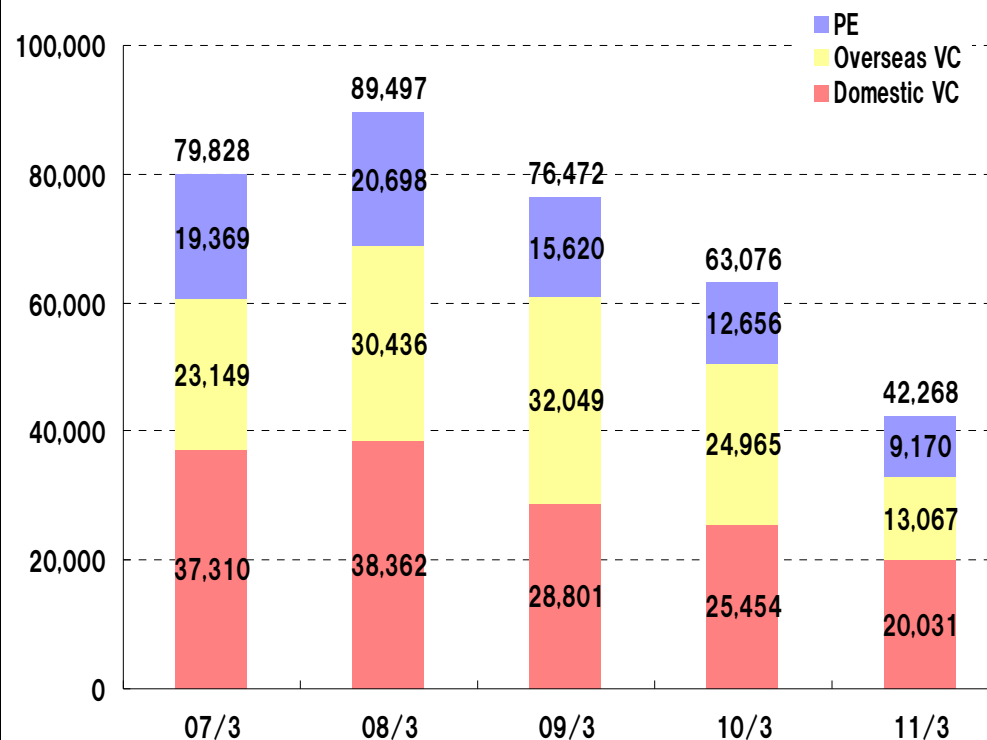
PE : Buyout investments, Turnaround investments, PE Secondary investments etc. other than VC investments

Note

1 : 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.

2 :The funds changed the classification under process of business restructuring are excluded from this fiscal year. The effect is 3,457millions of 44 companies as of March 31, 2011.

(JPY million)

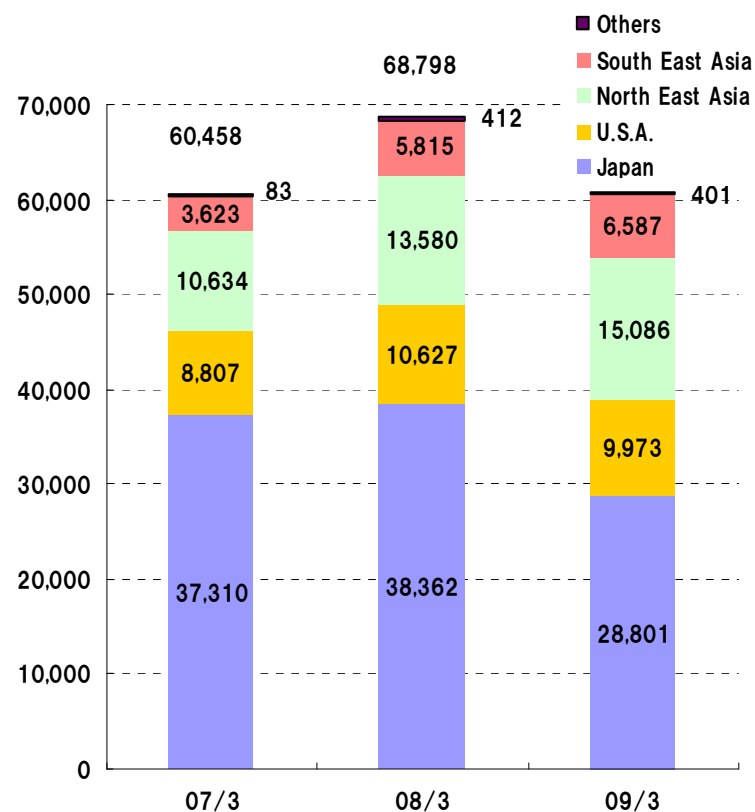


Investment Activities (Portfolio by country)



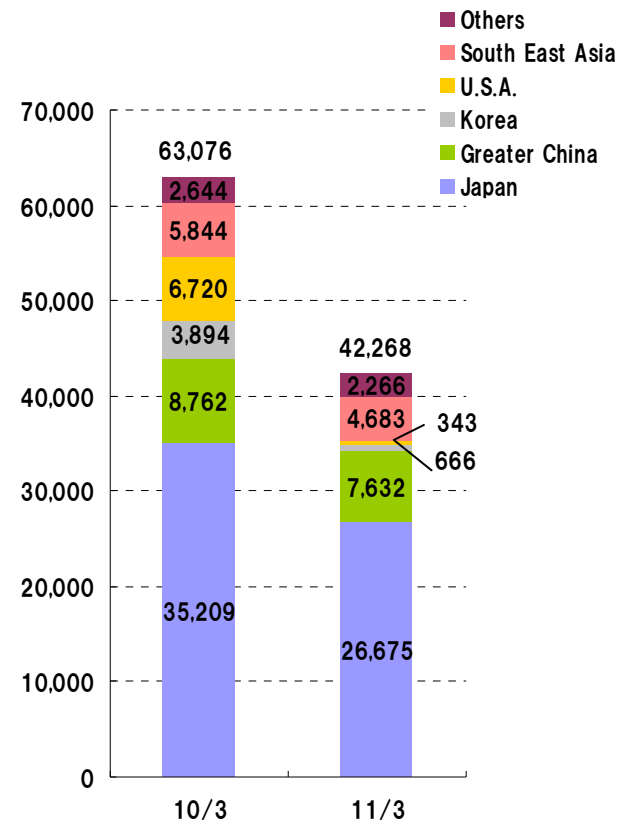
VC Investment

(JPY million)



VC + PE Investment

(JPY million)



(Principal + Funds)

Note

1: Others include PE Secondary Investments.

2: The investment balance including both VC and PE (VC+ PE Investment) is newly indicated from 10/3.

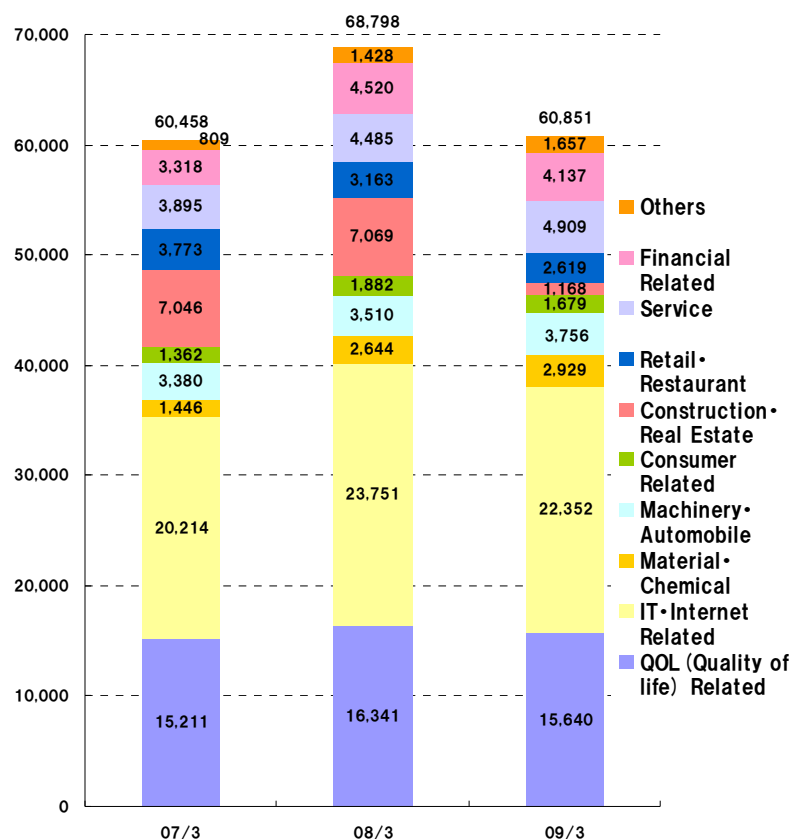
3: The funds changed the classification under process of business restructuring are excluded from 11/3. The effect is 3,457millions of 44 companies.

Investment Activities (Portfolio by industry sector)



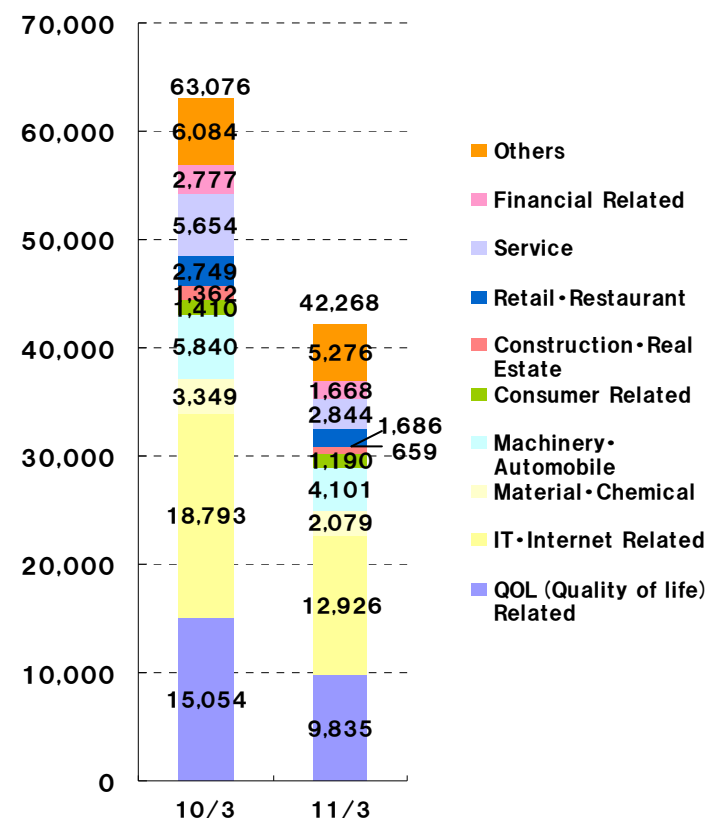
VC Investment

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



VC + PE Investment

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



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: The investment balance including both VC and PE (VC+ PE Investment) is newly indicated from 10/3.

4: The funds changed the classification under process of business restructuring are excluded from 11/3. The effect is 3,457millions of 44 companies.

Investment Activities

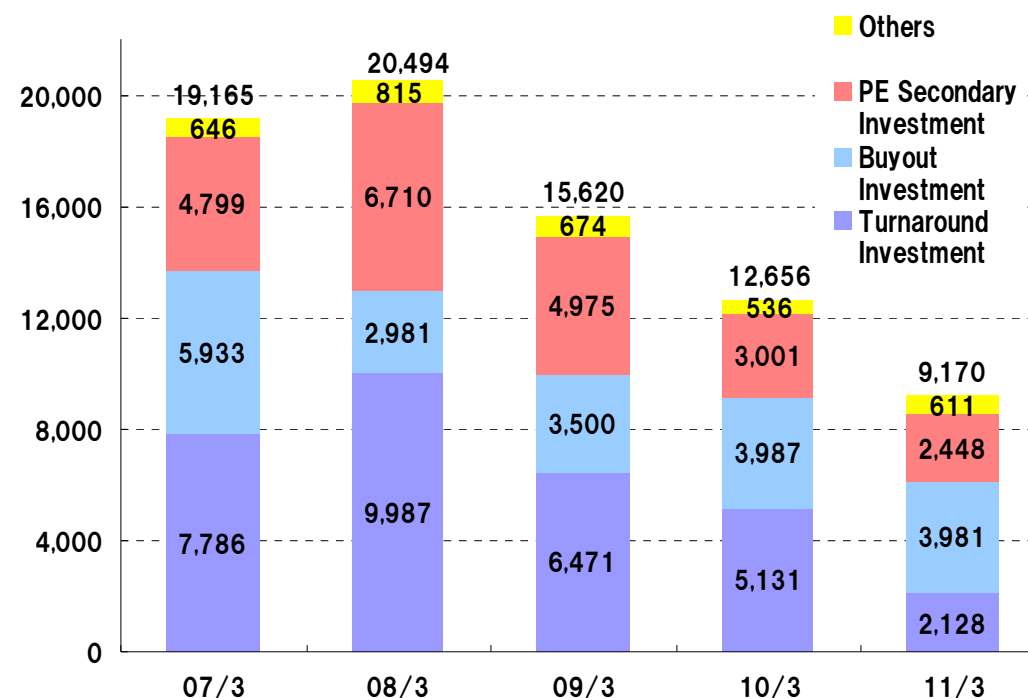


Other PE investment – Investment portfolio

(No. of Companies, JPY million)

	10/3			11/3		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
Turnaround Investment	15	5,131	342	7	2,128	304
Buyout Investment	12	3,987	332	12	3,981	331
PE Secondary Investment	15	3,001	200	13	2,448	188
Others	16	536	34	17	611	35
Total	58	12,656	218	49	9,170	187

(JPY million)



(Principal +Funds, Japan+Overseas)

Note: The funds changed the classification under process of business restructuring are excluded from this fiscal year.

The effect is 618 millions of 7 companies as of March 31, 2011.

(Reference) Details of Income Statement



(JPY : million)

	07/3 PAS	08/3 PAS	09/3 PAS	10/3 PAS	11/3 PAS	Change (%)	10/3 FCAS	11/3 FCAS	Change (%)
1. Fundmanagement operation									
<i>Fund management fees and others</i>	1,668	1,501	1,559	1,294	1,088	△ 16%	456	480	5%
<i>Success Fees</i>	1,895	1,006	268	461	295	△ 36%	449	248	△ 45%
Operating Revenue	3,564	2,508	1,827	1,755	1,383	△ 21%	905	729	△ 19%
Operating Cost	-	2	-	-	-	-	-	-	-
Gross profit	3,564	2,506	1,827	1,755	1,383	△ 21%	905	729	△ 19%
2. Investment operations									
<i>Sales of operational investment securities</i>	10,331	14,547	5,203	4,700	8,584	83%	6,511	9,929	52%
<i>Operational interest and dividend income</i>	3,778	1,988	814	673	776	15%	761	859	13%
Operating Revenue	14,109	16,535	6,018	5,373	9,360	74%	7,273	10,788	48%
<i>Cost of operational investment securities</i>	3,218	5,960	5,022	4,450	6,680	50%	6,432	7,461	16%
<i>Loss on devaluation</i>	141	1,665	15,069	2,829	627	△ 78%	3,390	892	△ 74%
<i>Provision for allowance for possible investment losses</i>	1,624	467	7,615	5,151	-296	-	6,193	-377	-
<i>Profit and losses from LP funds and Others</i>	350	540	509	398	191	△ 52%	440	311	△ 29%
Operating Cost	5,335	8,632	28,217	12,829	7,203	△ 44%	16,456	8,287	△ 50%
Gross profit	8,774	7,902	△ 22,199	△ 7,456	2,157	-	△ 9,182	2,500	-
3. Others									
Operating Revenue	1,261	1,008	649	285	234	△ 18%	294	246	△ 16%
Operating Cost	817	537	266	183	83	△ 55%	183	83	△ 55%
Gross profit	444	470	382	101	151	49%	110	163	47%
Total									
Consolidated Operating Profit	18,935	20,051	8,494	7,414	10,979	48%	8,474	11,764	39%
Consolidated Operating Cost	6,152	9,172	28,483	13,013	7,286	△ 44%	16,640	8,371	△ 50%
Consolidated Gross profit	12,783	10,879	△ 19,988	△ 5,599	3,692	-	△ 8,166	3,393	-
SG&A Expenses	5,023	5,328	7,698	3,787	2,399	△ 37%	3,544	2,239	△ 37%
Operating Profit	7,760	5,550	△ 27,686	△ 9,386	1,293	-	△ 11,710	1,154	-
Recurring Profit	7,460	4,796	△ 28,950	△ 10,334	175	-	△ 12,679	111	-
Net Income	3,767	3,049	△ 34,845	△ 10,903	△ 2,044	-	△ 10,889	△ 2,039	-

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

JAIC

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