

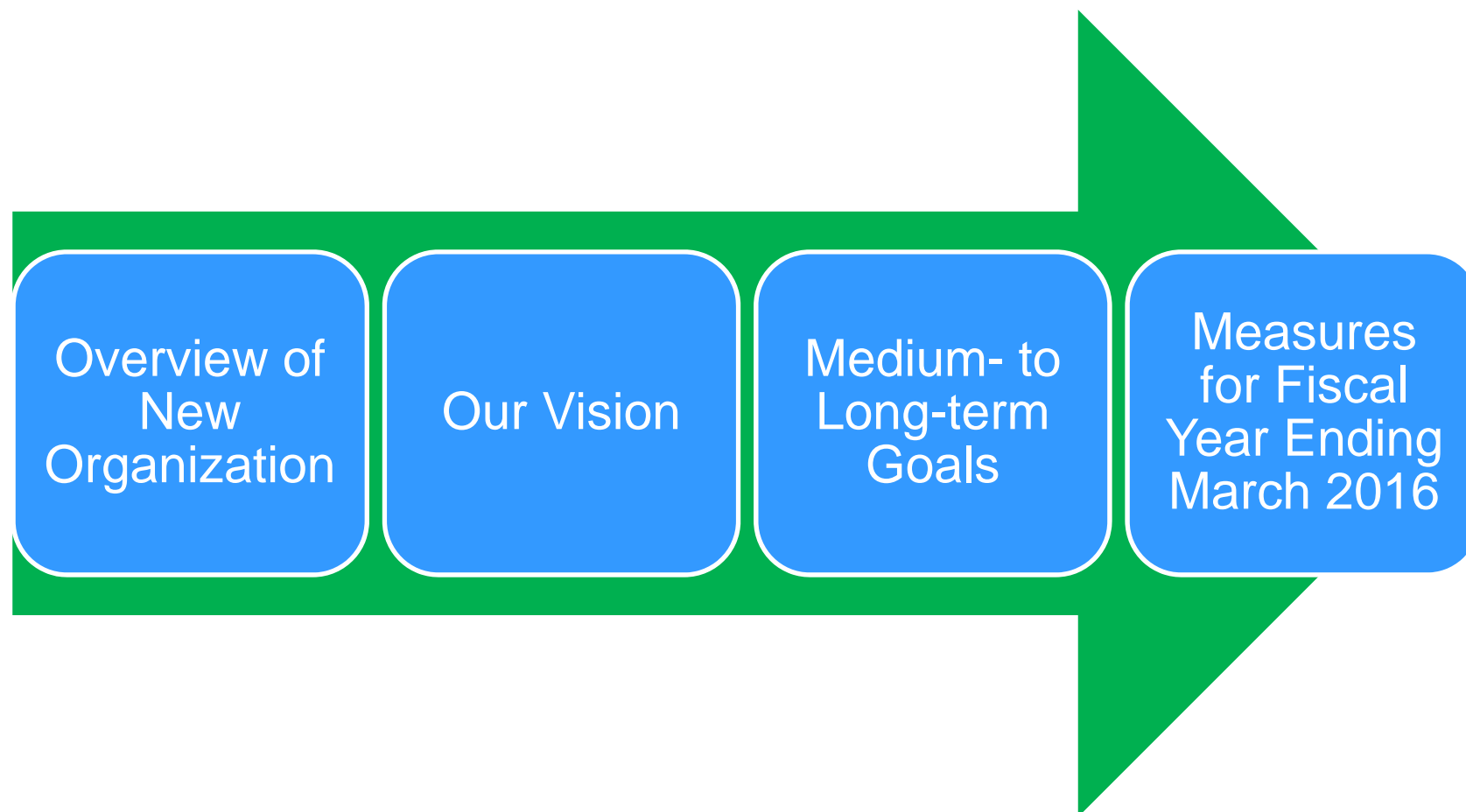
Growth Strategy of JAIC

Japan Asia Investment Co., Ltd. (JAIC)

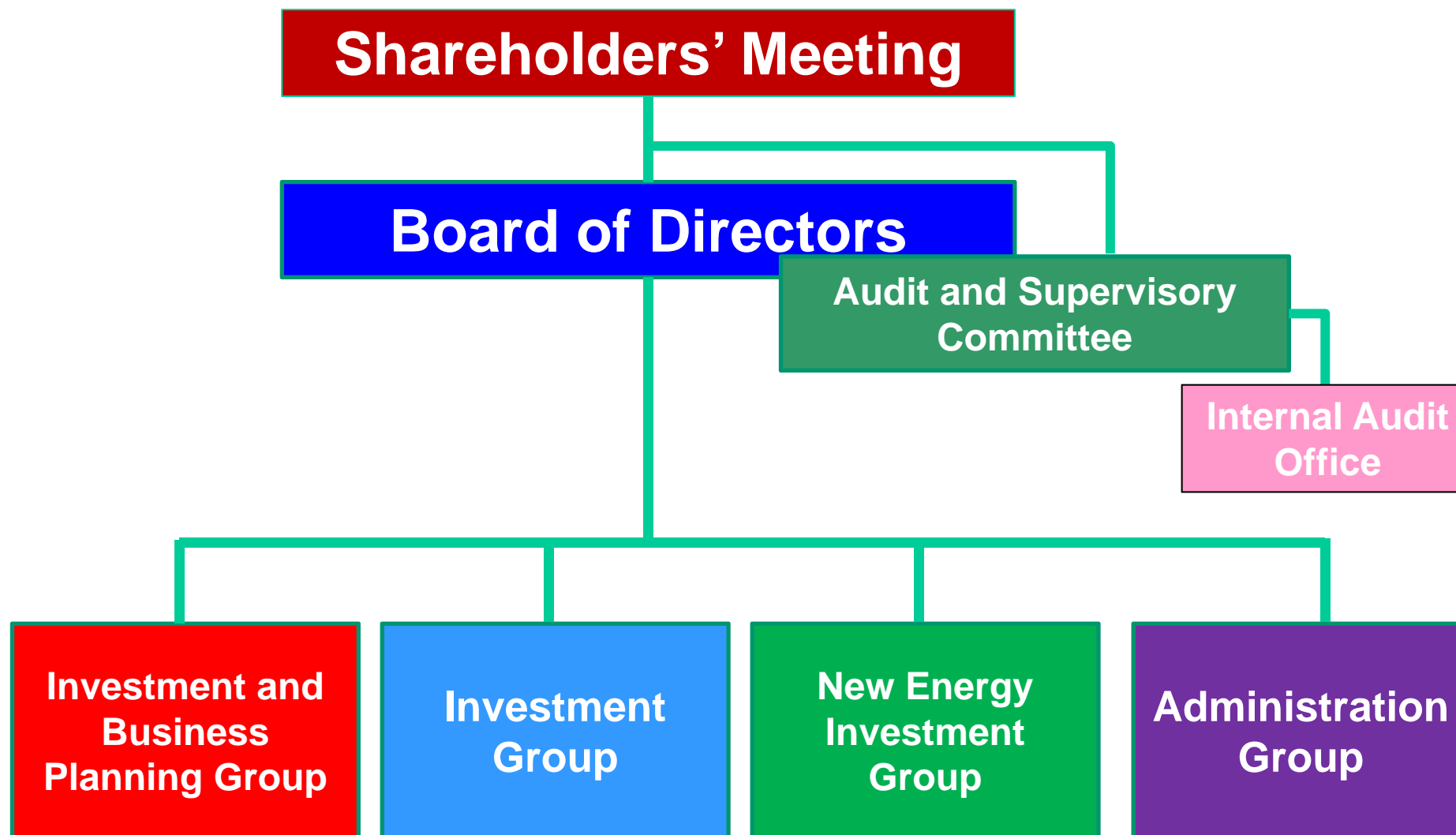
(TSE 8518)

June 25, 2015

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1. Overview of New Organization: Organization Chart



【Directors】

President & CEO Osamu Hosokubo

General management, Investment Group, Investment and Business Planning Group

Executive Managing Director Tetsuro Shimomura

New Energy Investment Group, Administration Group

Director Kazunori Omori

Outside Director Hitoshi Yasukawa

Outside Director Tadashi Nunami

Members of Audit and Supervisory Committee

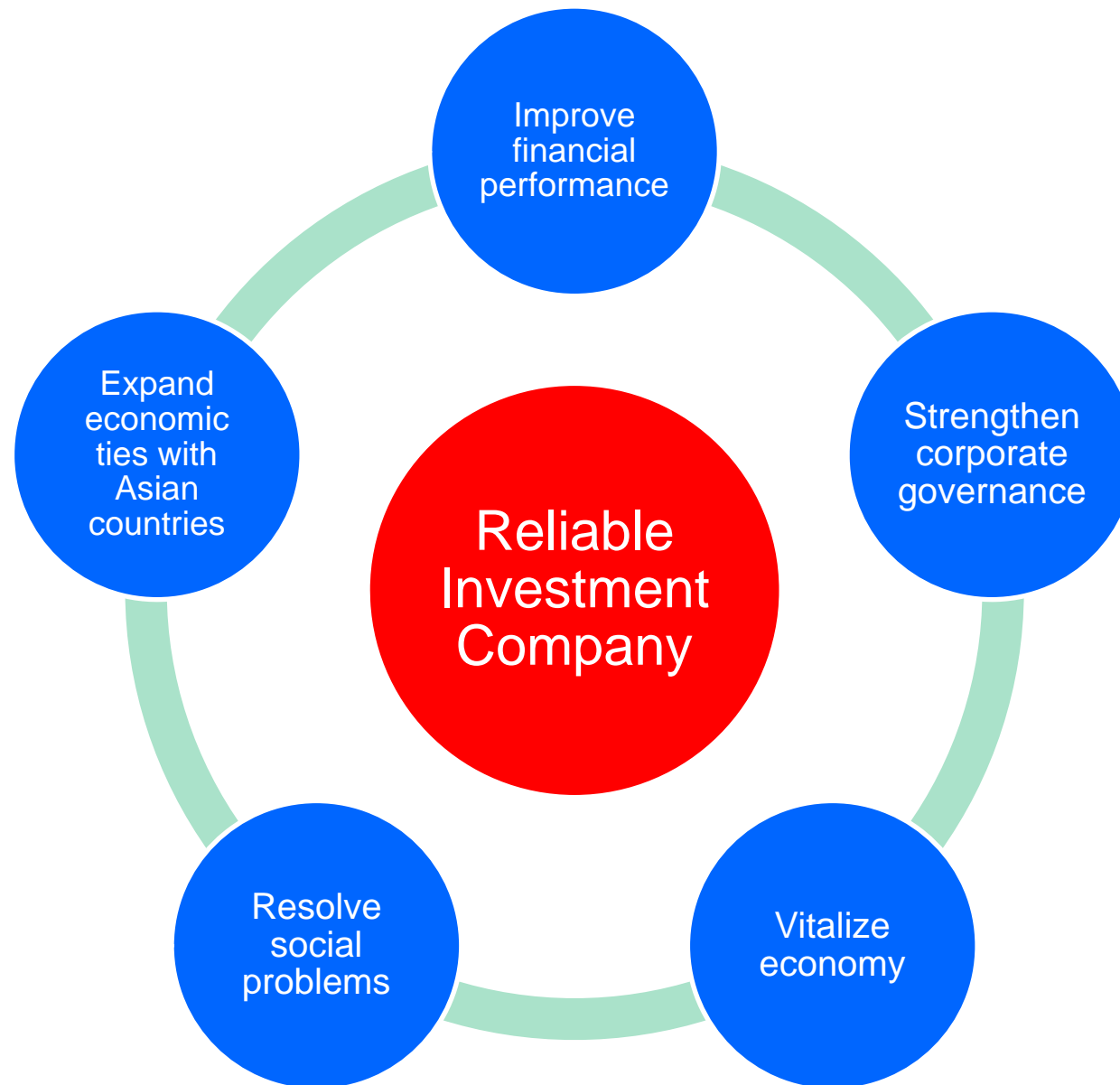
【Executive Officers】

Shigenori Takahashi, Investment and Business Planning Group

Seiichiro Shimura, Investment Group

Masafumi Hatta, New Energy Investment Group

2. Our Vision

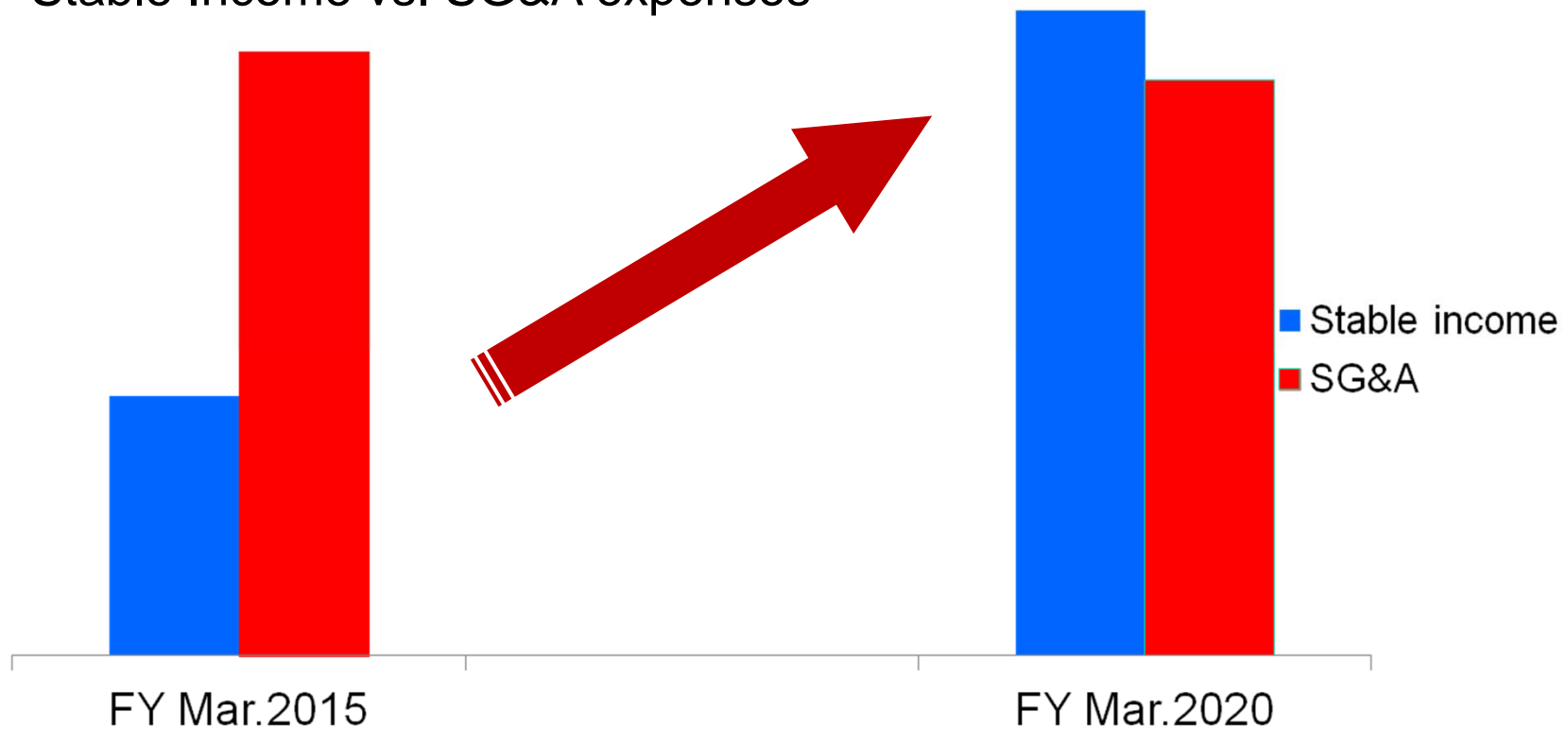


3. Medium to Long-term Goals: 3-1 Primary Balance



- Increase “Stable Income” (management fees + income gains).
- Increase Stable Income to fully cover selling, general and administrative (SG&A) expenses within 5 years.

Stable Income vs. SG&A expenses



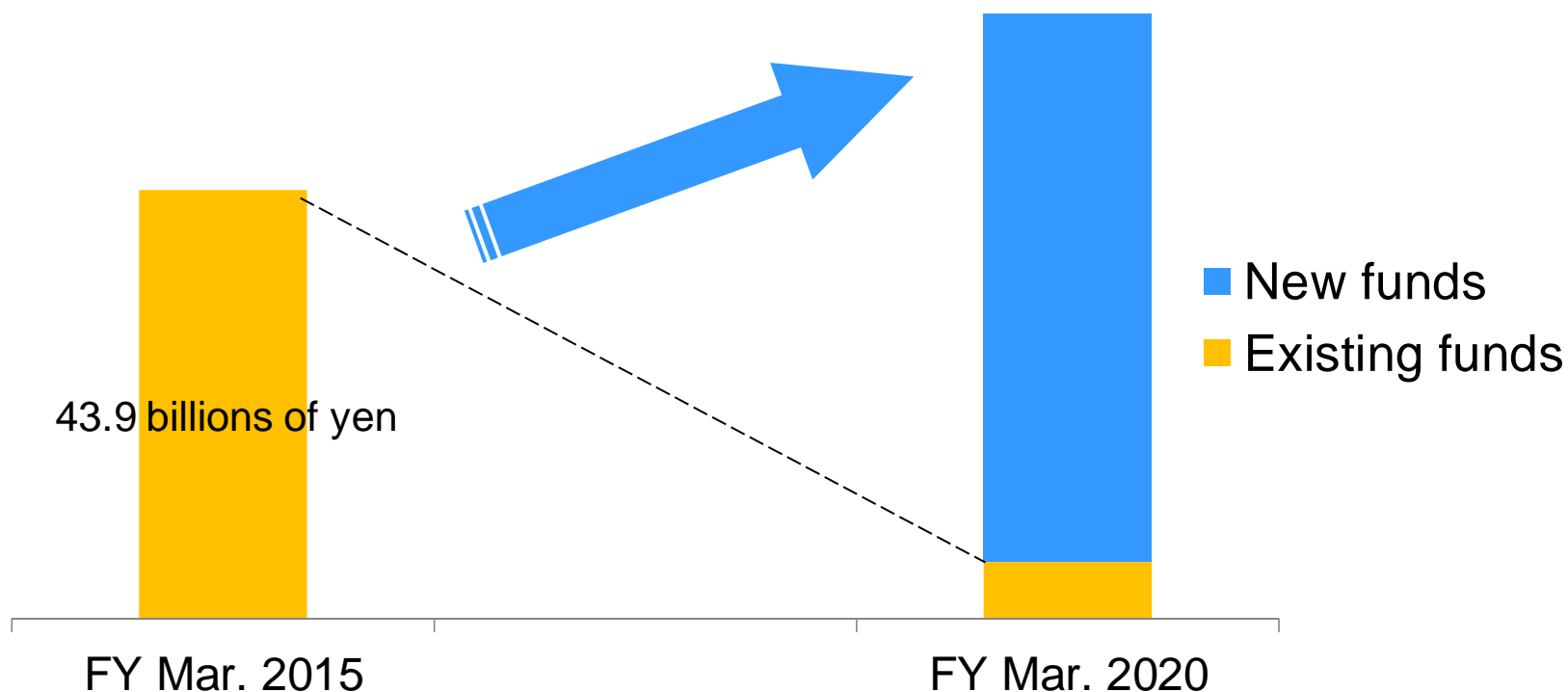
3. Medium to Long-term Goals:

3-2 Outstanding Balance of Fund Assets Managed by JAIC



- Actively promote creation of new funds for VC/PE.
- Also set up a fund investing in mega-solar power projects.
- Increase total fund assets further than current level within 5 years.

Growth of outstanding balance of total fund assets



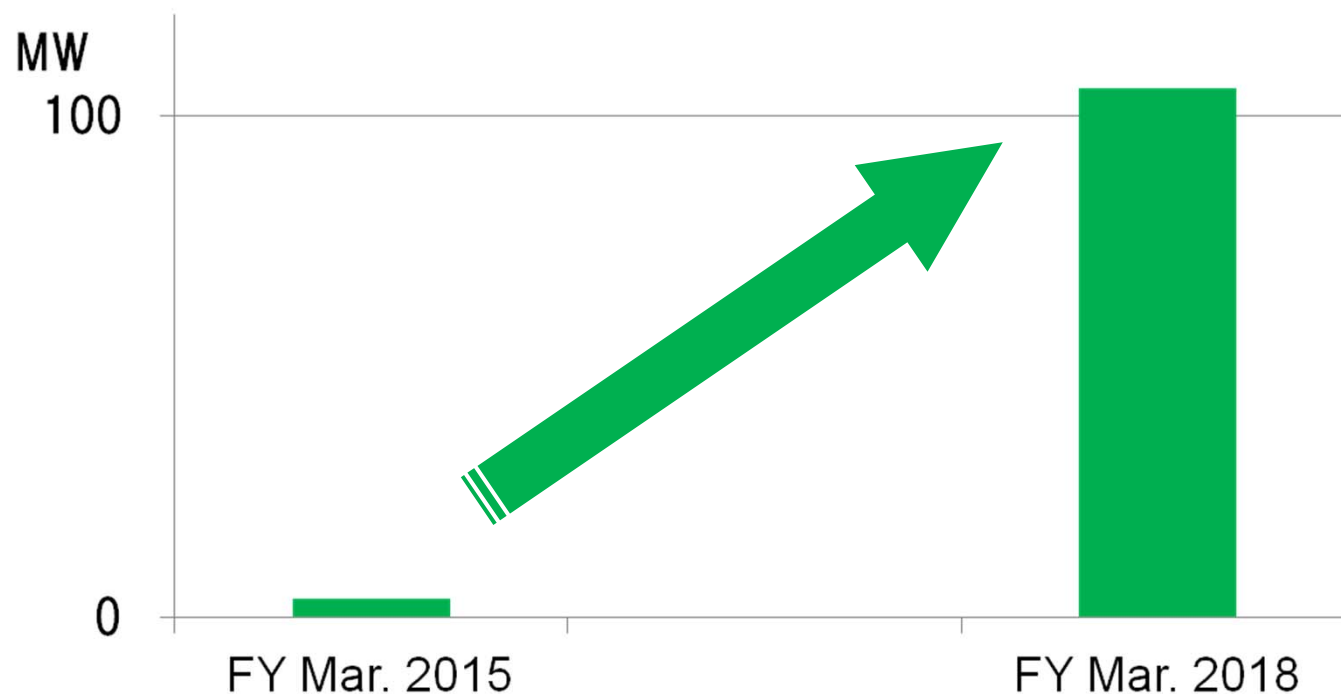
3. Medium to Long-term Goals:

3-3 Sales of Electricity Generated by Mega-solar Power Projects



- Mega-solar power projects which can sell electricity reach a capacity of 100 MW within 3 years.

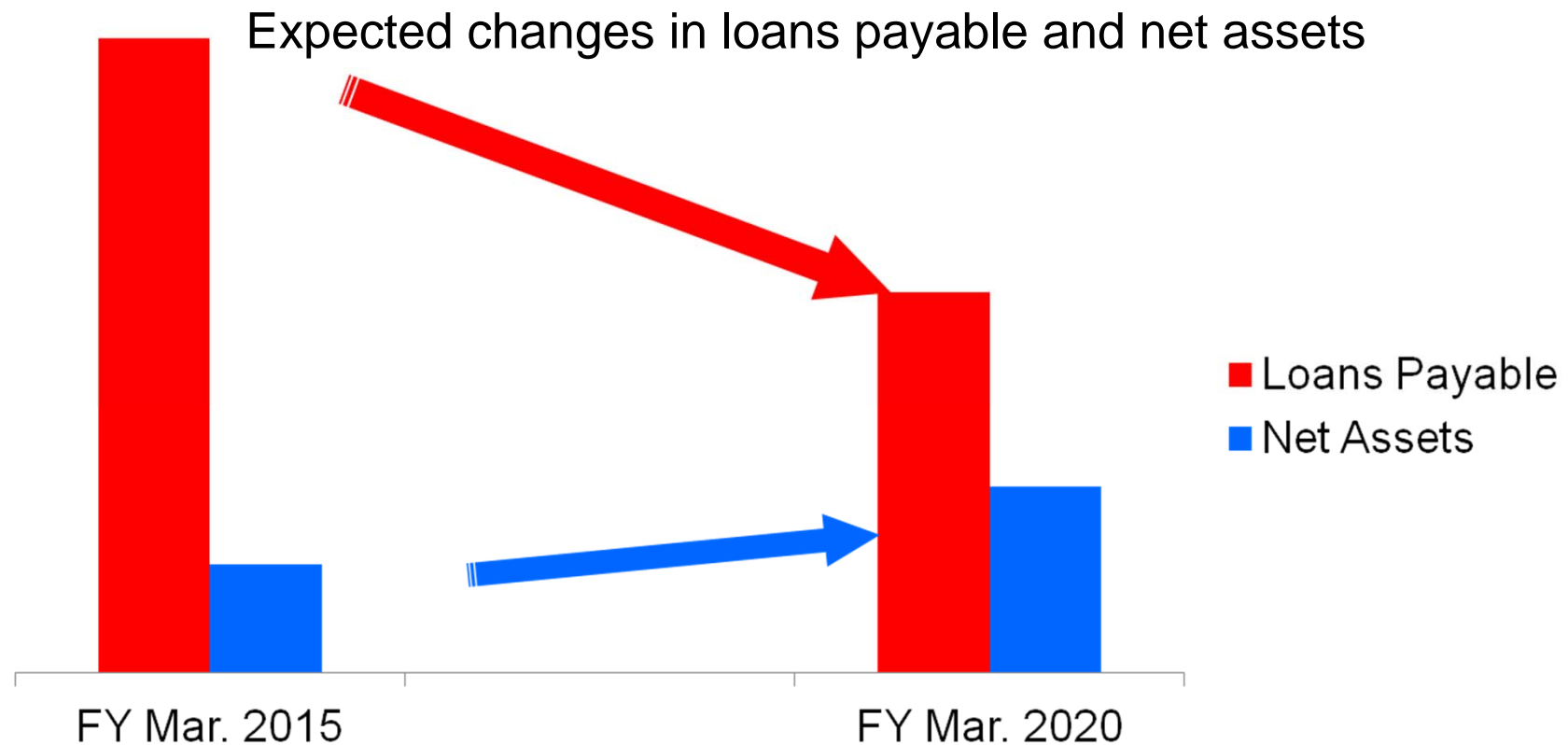
Required growth of project capacity to sell electricity in 3 years (on a module basis)



3. Medium to Long-term Goals: 3-4 Loans Payable and Net Assets



- Repay existing loans by maximizing sales value of our existing investments.
- Increase net assets by accumulating profits.



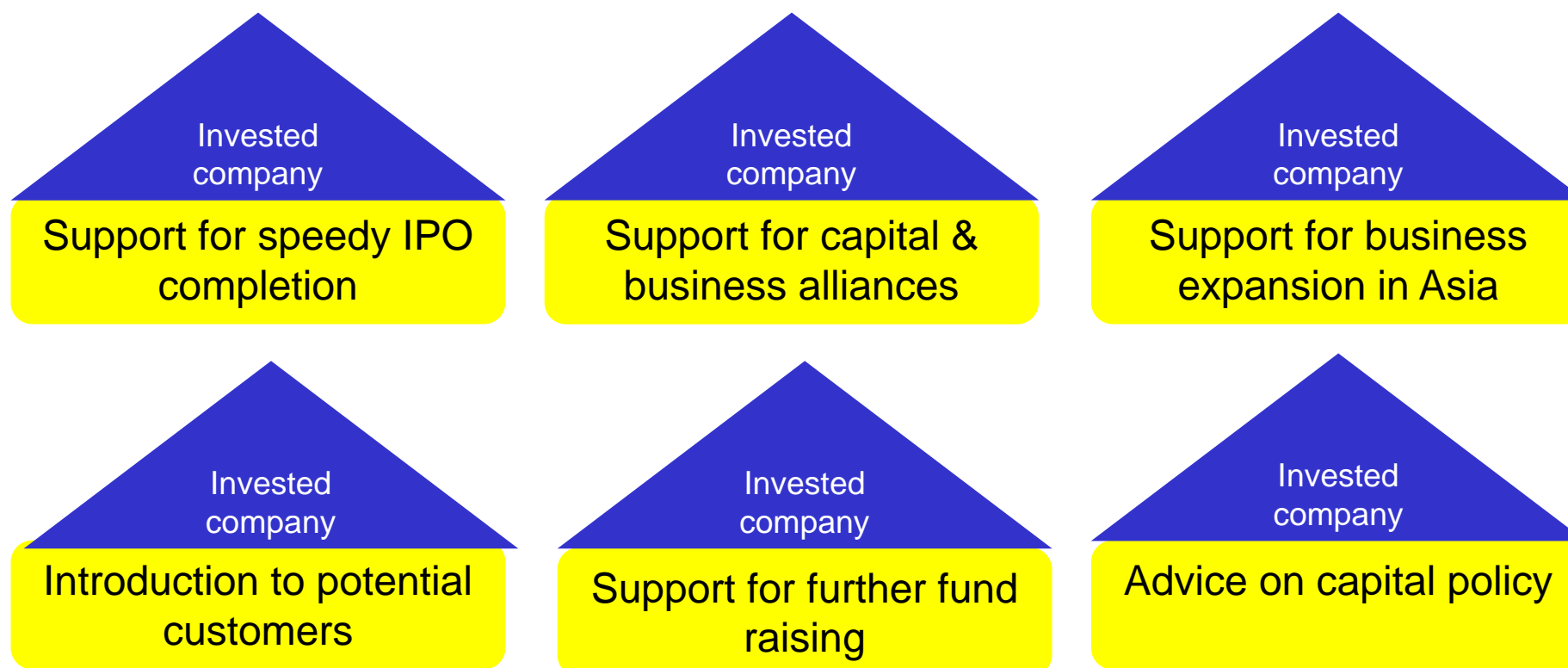
4.Measures for FY 2016: 4-1 Setting Up Funds in VC/PE categories

- Promote creation of new funds both in and outside Japan.
- Japan
 - Currently negotiating to set up a venture capital fund jointly with a Japanese financial institution
 - Also considering setting up funds other than venture capital to capture foreign investors' strong appetite to invest in Japan
- China
 - Started marketing for new funds that will make investments across China

Maximization of sales value



Growth in enterprise value of invested companies



4.Measures for FY 2016:

4-2 Providing Support to Invested Companies Case Study 1



~KOYO ELECTRIC CORPORATION~



- ✓Investment since May 2014
- ✓Operates energy creation, energy trade and energy saving businesses in Japan
- ✓Interested in expanding into Chinese and South East Asian markets as part of its growth strategy
- ✓We arranged a tour to Shanghai and Tianjin to observe the situation of Chinese ESCO business for the founder.
- ✓The Company has communicated with other invested companies in our portfolio (a Japanese owned company in Shanghai and a local company in Shenyang).
- ✓We also plan to provide support in other areas, including retail sales of electricity and energy saving business in Japan



~Plus One Marketing Ltd.~



- ✓ Investment since September 2014
- ✓ An emerging venture company that comprehensively offers planning, development and sales of SIM-unlocked devices, as well as sales of SIM cards and applications
- ✓ We introduced a financing advisory company, and the Company successfully executed a loan agreement with a major bank.
- ✓ Additional funding was made available by other banks through our referral
- ✓ Alliance with one of the major volume retailers of home appliances
- ✓ JAIC will continuously support the Company to obtain a leading position in the fast growing market.

freetel *priori*



freetel *nico*

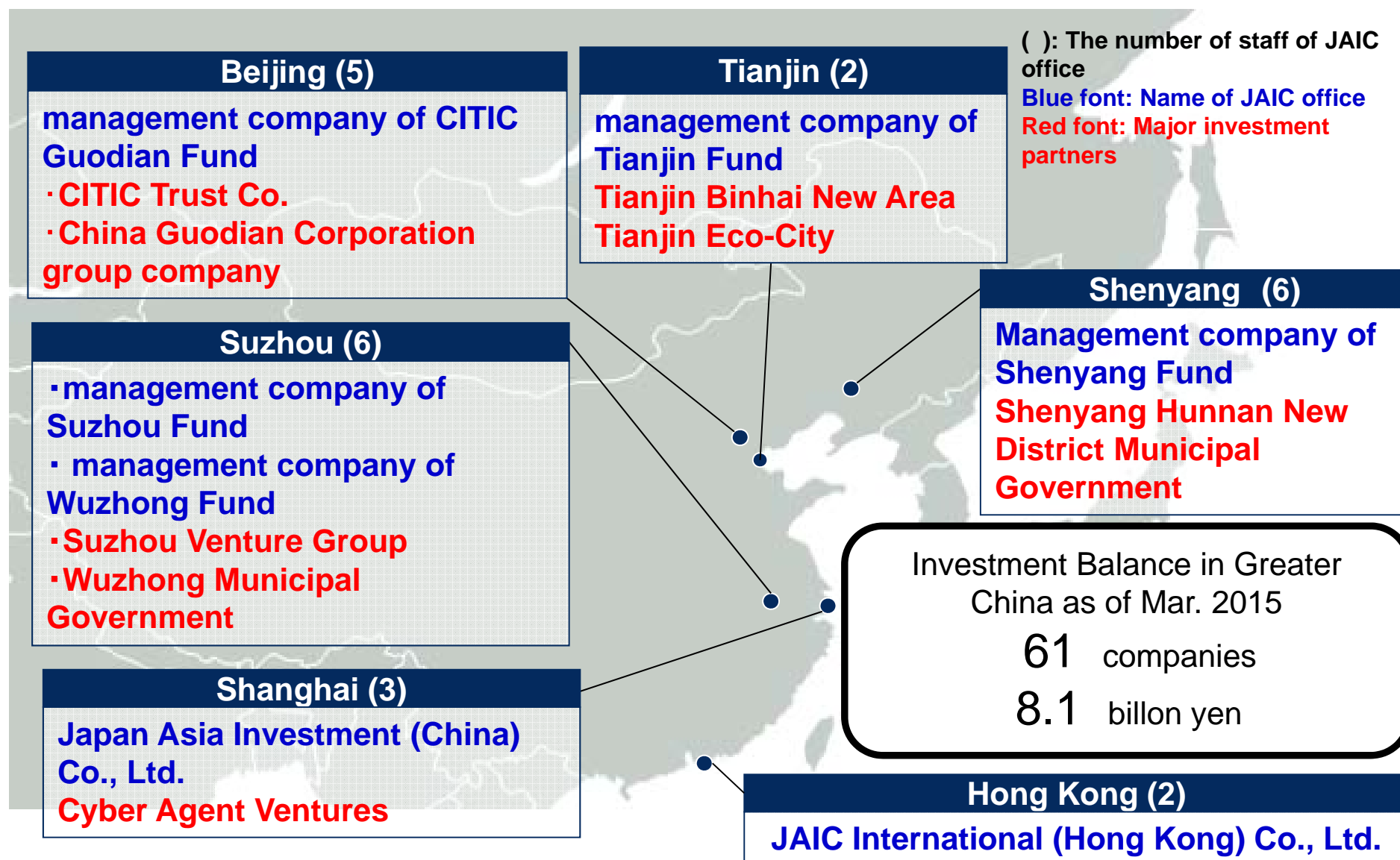


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4.Measures for FY 2016:

4-3 Gain on Sale of Investments & Business Performance in China

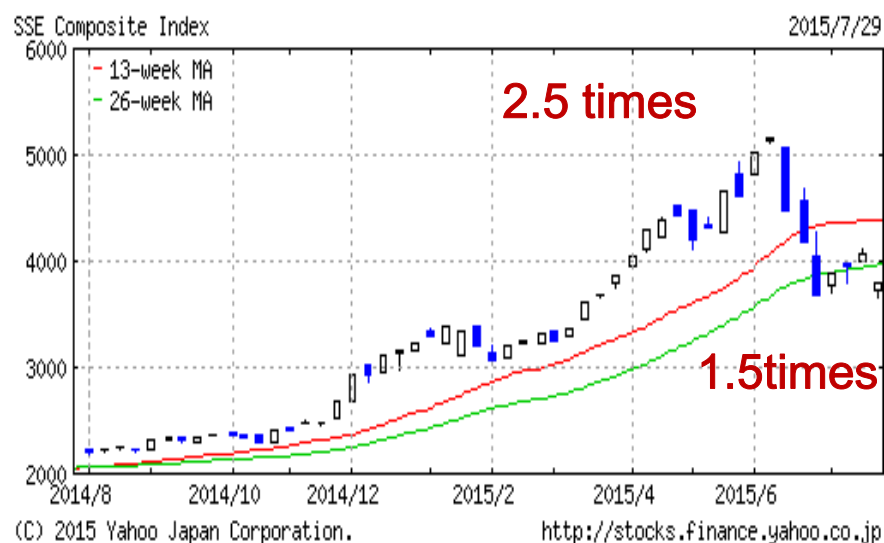


4. Measures for FY 2016: 4-3 Gain on Sale of Investments & Business Performance in China - Market Environment



- Stock markets is very fluctuated. Raised to 2.5 times and then sharply dropped 30%, still 1.5 times comparing to a year ago
- JPY vs. RMB: JPY at a record low level
- Growing number of M&A deals by Chinese companies both within China and cross-border
- Optimal environment to liquidate investments

trend of Shanghai A stock for 1year



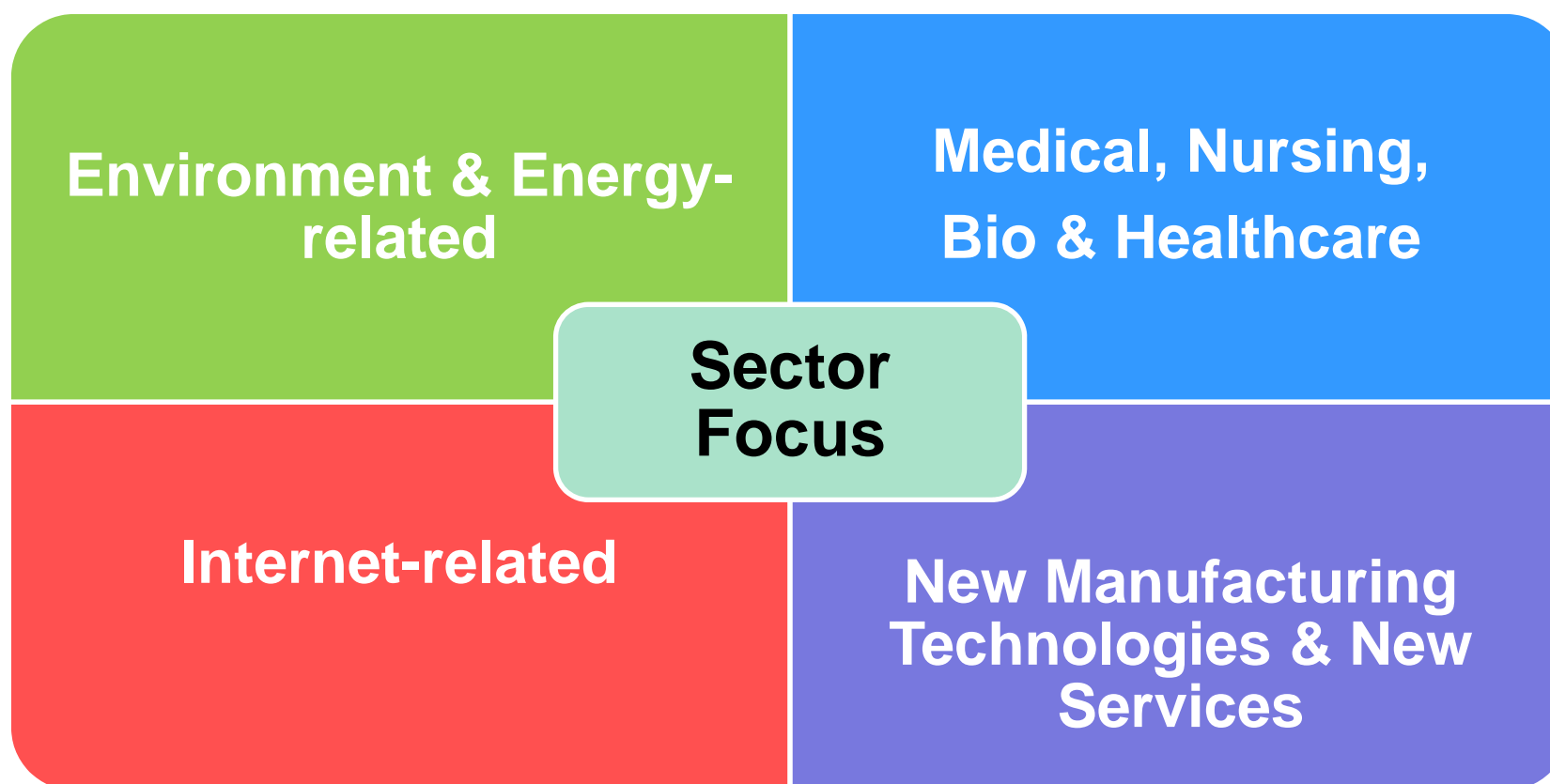
trend of RMB•JPY exchange rate for 5years



4.Measures for FY 2016: 4-4 Focus of Our Investment



- Regional scope of our investment: Japan and China
- A key element in differentiation: support for business expansion in Japan and Asia

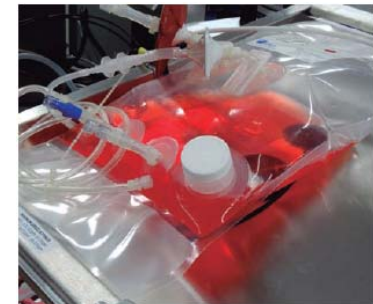


~Megakaryon Corporation~

- Location: Kyoto, Japan
- Founded: Sep. 2011
- CEO: CEO, President, and Founder Genjiro Miwa
- Main Shareholders: Innovation Network Corporation of Japan, management team, VC etc.



- ✓ R&D of platelet concentrate (PC) of human iPS origin
- ✓ There are concerns over PC supply shortage in the existing market given 100% reliance on blood donation
- ✓ The existing products last only 4 days after production. Using the Company's technology, iPS cells can be stored frozen and PC can be replicated endlessly.
- ✓ Simultaneous clinical development in Japan and the U.S., aiming for international commercialization of the technology developed in Japan from the initial stage business development.



4.Measures for FY 2016: 4-4 Focus of Our Investment New Investment Case 2



~Shenyang Quan Hui International Geriatric Rehabilitation Ltd.~

- Location: Hunnan New District, Shenyang, China
- Company foundation: May 2004
(facility construction in 2011)

■ CEO: Wang Lijun

■ Shareholders:

Hong Kong Quan Hui International Ltd., JAIC Shenyang Fund,
Sanga Holdings Co., Ltd. (a Japanese nursing care provider)

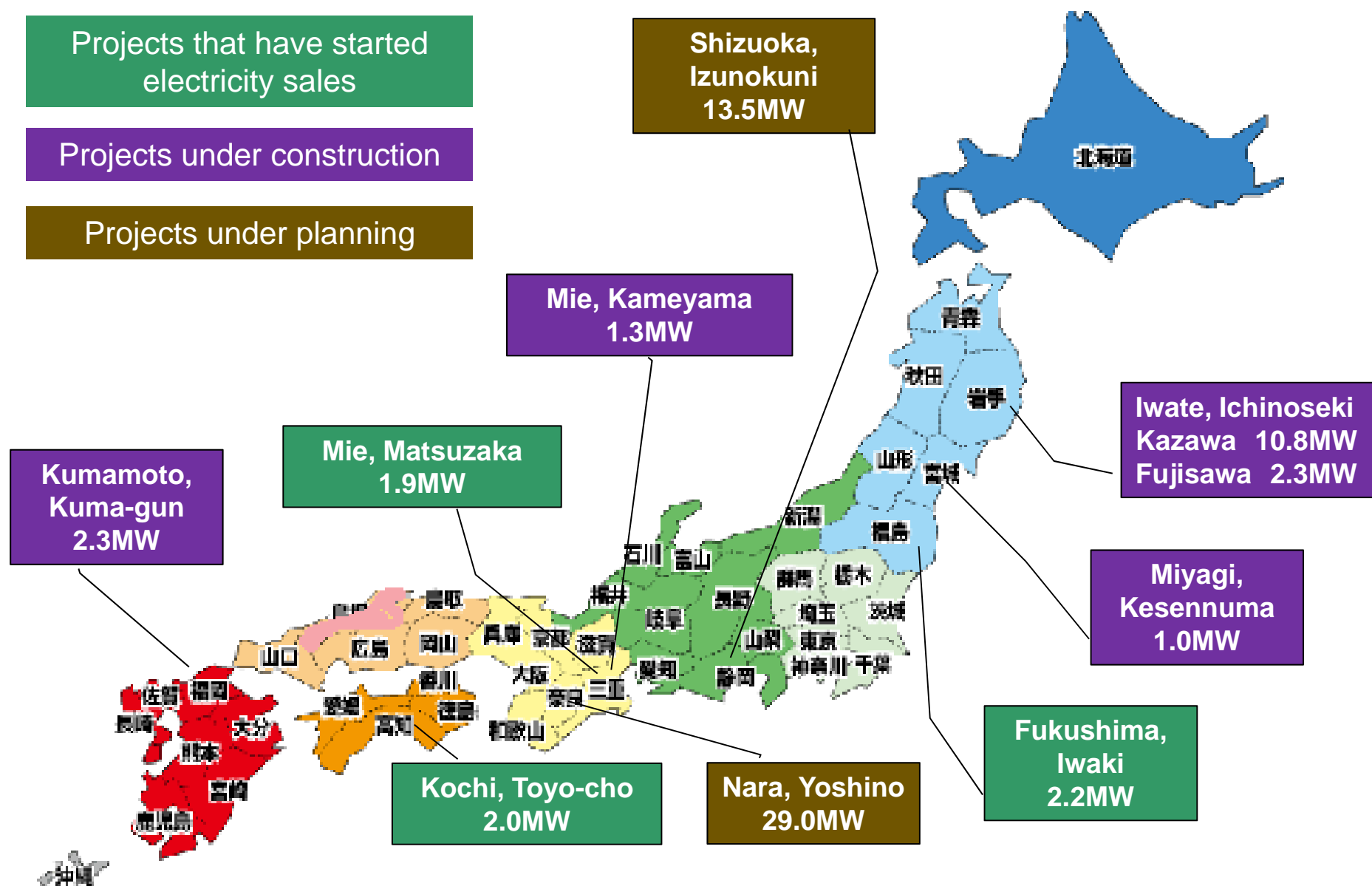


- ✓ A Japan-China joint venture company operating nursing homes and providing nursing and rehabilitation care services in suburbs of Shenyang City in a large-scale facility with a capacity of about 1,000 beds.
- ✓ Despite the likely aging of population in the near future, China lacks facilities, human resources and expertise in elderly care.
- ✓ The alliance resulted from JAIC's involvement, linking the Chinese business operator and the Japanese nursing care provider and actively participating in the discussions for alliance.



4.Measures for FY 2016:

4-5 Further Promotion of Investments in New Energy Projects



~Project Kochi~

- Location:
Toyo-cho, Aki-gun, Kochi prefecture
- Project size: 2.0MW
(capacity equivalent to annual electricity consumption of 660 households)
- Project cost: 0.6 billion yen
- Buyer of electricity: Shikoku Electric Power Company, Inc.
- Pricing: 40 yen/kw
- Selling electricity since: Feb 2014



~Project Matsuzaka~

- Location: Iidaka-cho, Matsusaka-city,
Mie prefecture
- Project size: 1.9MW
(capacity equivalent to annual
electricity consumption of 540
households)
- Project cost: 0.6 billion yen
- Buyer of electricity: Chubu Electric
Power Co., Inc.
- Pricing: 36 yen/kw
- Selling electricity since:
April 2015 (partial)
Aug 2015 (in full)



～Project Fukushima～

- Location: Ogawa-cho, Iwaki-city, Fukushima prefecture
- Project size: 2.2MW
(capacity equivalent to annual electricity consumption of 700 households)
- Project cost: ¥0.6 billion
- Selling electricity since: Feb. 2015
- All rights associated with the project have been successfully transferred to Mibugawa Electric Power Co., Inc. (a 100% subsidiary of Marubeni Corporation).




Mega-solar projects

- Proven track record of project promotion
- Accumulation of successful projects

Geothermal, wind power and biomass projects

- Possible projects in the future

A large, solid green arrow pointing from the project categories on the left towards the text on the right.

Foundation
of an energy
fund

JAIC

Japan Asia Investment Co., Ltd.

Seiko-Takebashi-Kyodo Bldg., 3-11 Kandanishiki-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, Executive Managing Director

Kenji Kishimoto, Administration Group

Miyuki Maruyama, Administration Group

IR e-mail : ir@jaic-vc.co.jp

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