

Financial Results Overview for the 1st Quarter Ended June 30, 2015

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

Announcement: August 5, 2015

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The information in this document is for presentational purposes only and is not an inducement to invest in securities issued by JAIC.

The figures in this document is based on consolidated financial statements.

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● **Business Results** (Previous Accounting Standards)

- Gained certain proceeds with profits from the sale of unlisted investee companies and listed equities, but experienced a year-over-year decline in sales due to the small scale of completed transactions
- Squeezed losses due to non-occurrence of huge losses and a fall in write-downs and the reserve for loss from investments

● **Financial Position** (Previous Accounting Standards)

- Reduced outstanding debts by 60% from the peak to 18.4 billion yen as of the end of June
- Executed 91.9% of moving strike warrants by the end of July 2015 and raised about 1.4 billion yen

● **Funds & Investment Activities**

- Continue to discuss the creation of a new investment fund with domestic financial institutions
- Executed investments in selected focus areas
- Started electric power selling at the mega-solar project in Mie Prefecture

● **Corporate governance**

- Converted to a company with an audit and supervisory committee of two directors as outside directors among a total of five directors

Outline of Results for the 1st Quarter Ended June 30, 2015



● Business results & financial position (Previous Accounting Standards)

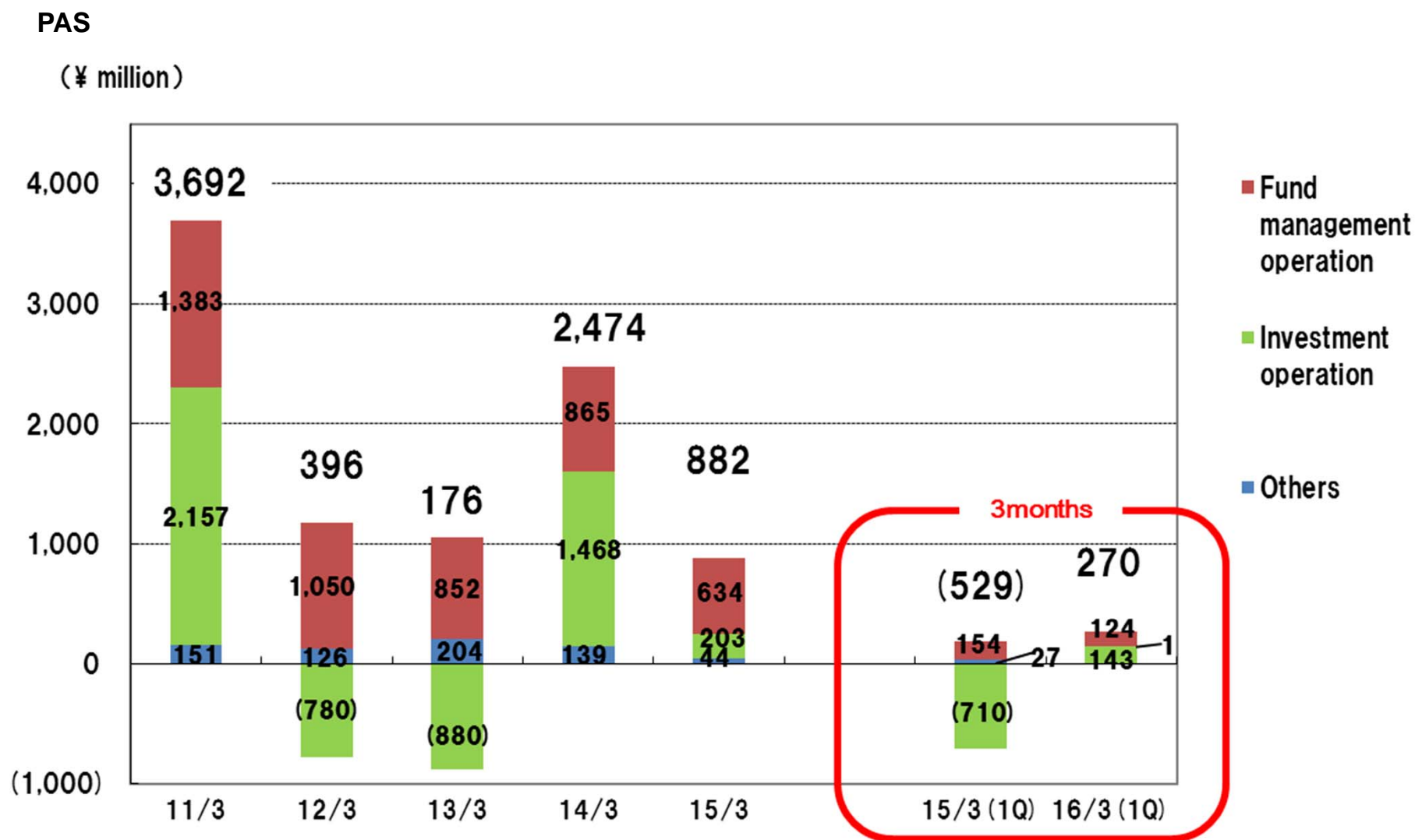
(JPY million)	11/3 PAS	12/3 PAS	13/3 PAS	14/3 PAS	15/3 PAS	15/3(1Q) PAS	16/3(1Q) PAS	Change (%)	15/3(1Q) FCAS	16/3(1Q) FCAS	Change (%)
Business Results											
Operating Revenues	10,979	5,396	3,784	6,155	4,532	943	673	(29%)	1,213	850	(30%)
Operating Income	1,293	(1,878)	(1,823)	852	(550)	(934)	(74)	-	(864)	(31)	-
Ordinary Income	175	(2,477)	(2,612)	374	(610)	(1,023)	(105)	-	(959)	(81)	-
Net Income	(2,044)	(2,885)	(2,575)	462	(850)	(1,032)	(112)	-	(1,016)	(88)	-
Financial Position											
Loans Payable, Bonds & Bonds with subscription rights to shares	32,327	28,275	25,433	24,010	20,193	20,403	18,460	-			

● Funds & investment activities

(JPY million)	11/3	12/3	13/3	14/3	15/3	15/3(1Q)	16/3(1Q)
New & Increased Funds	1,330	11,926	4,548	-	-	-	-
AUM of Funds	85,755	85,833	85,873	50,888	43,897	50,024	42,274
New Investments	3,204	4,545	4,746	4,189	2,728	229	523
Balance of Investments	42,268	36,706	33,886	25,862	19,722	21,442	19,438

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

Statement of Income - Breakdown of Operating Gross Profit by Business Lines



Statement of Income - Fund Management



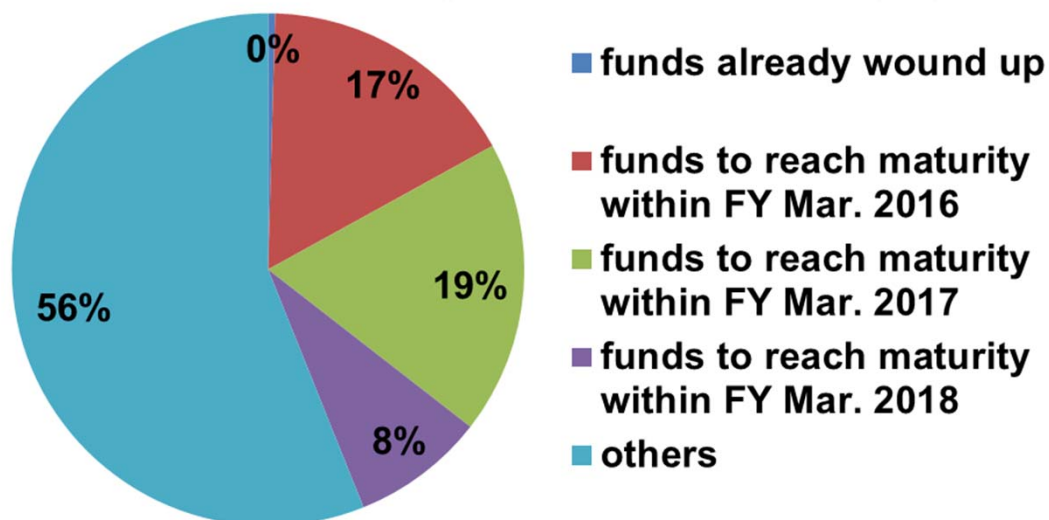
● New Funds & AUM of Funds

(JPY million)	11/3	12/3	13/3	14/3	15/3	15/3(1Q)	16/3(1Q)
New & Increased Funds	1,330	11,926	4,548	-	-	-	-
AUM of Funds	85,755	85,833	85,873	50,888	43,897	50,024	42,274

● Fund Management fees (PAS)

(JPY million)	11/3 PAS	12/3 PAS	13/3 PAS	14/3 PAS	15/3 PAS	15/3(1Q) PAS	16/3(1Q) PAS	Change (%)
Fund Management fees Total	1,383	1,050	852	865	634	154	124	(19%)
Management fees etc	1,088	966	815	733	571	150	124	(17%)
Success fees	295	84	37	132	63	3	-	-

Breakdown of management fees etc. 2016/3(1Q)



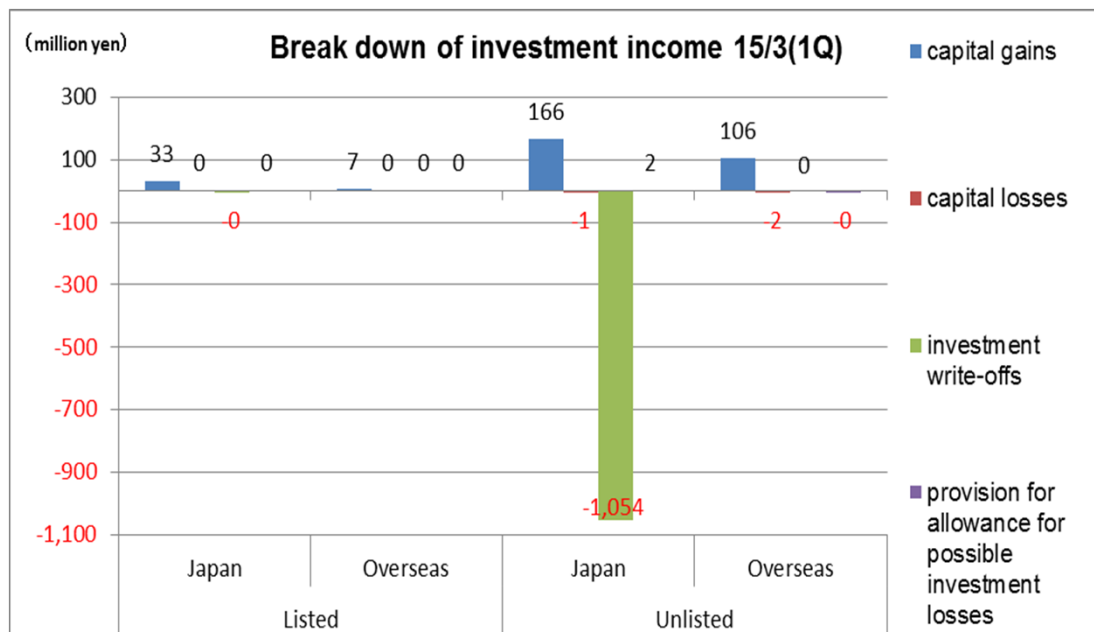
Note: "PAS" Previous Accounting Standards

Statement of Income – Investment Income

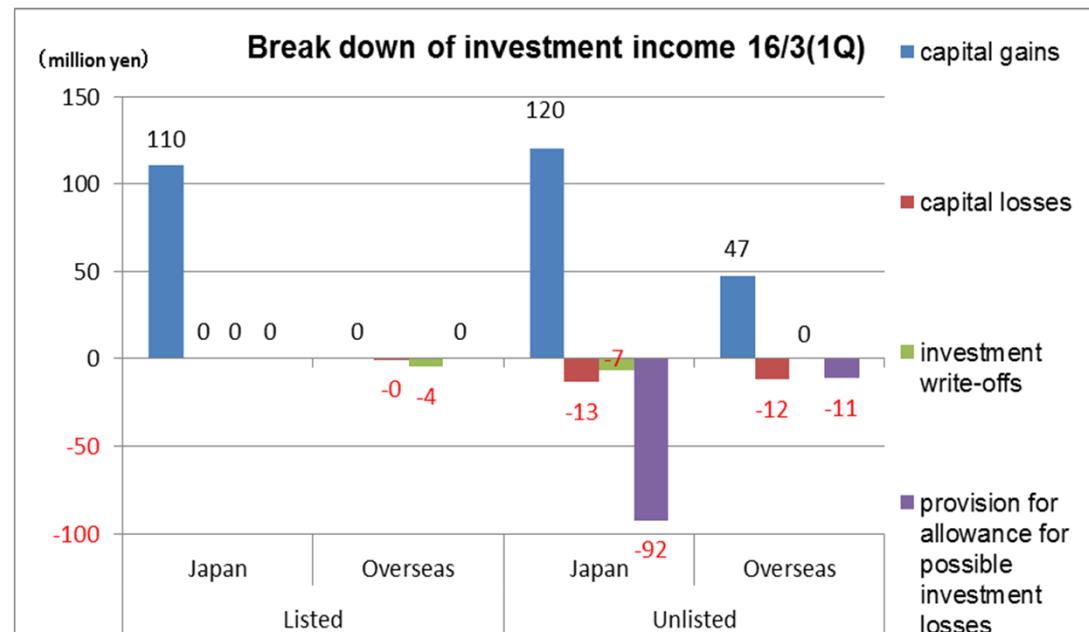


(JPY million)	11/3 PAS	12/3 PAS	13/3 PAS	14/3 PAS	15/3 PAS	15/3(1Q) PAS	16/3(1Q) PAS	Change (%)
Proceeds of sales of securities	8,584	3,938	2,411	4,656	3,651	722	526	(27%)
Cost of securities sold	6,680	3,412	1,385	2,133	1,767	413	273	(34%)
Realized capital gains	1,904	526	1,025	2,523	1,883	308	252	(18%)
Investment write-offs	627	394	174	45	1,233	1,053	10	(99%)
Provision for allowance for possible investment losses	(296)	978	1,863	1,435	471	(1)	103	-
Investment income	1,573	(847)	(1,012)	1,042	178	(743)	137	-

PAS



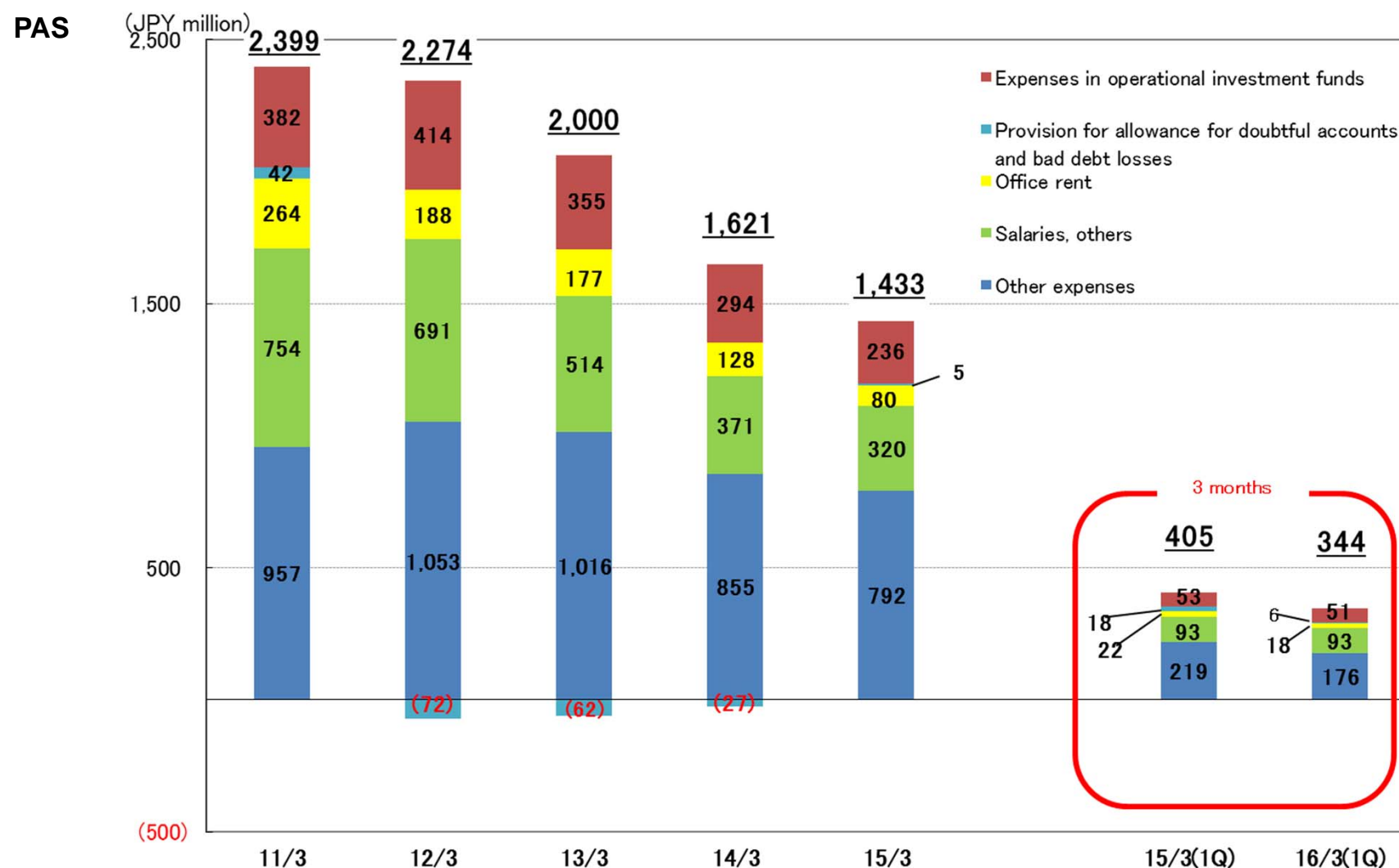
PAS



■ "PAS" Previous Accounting Standards

■ "Cost of securities sold" in above table doesn't include "Investment write-offs"

Statement of Income - Selling, General and Administrative Expenses



		11/3	12/3	13/3	14/3	15/3	16/3(1Q)
NO.of employee	Consol	133	109	80	46	45	44
	Non-consol	80	66	42	23	25	24

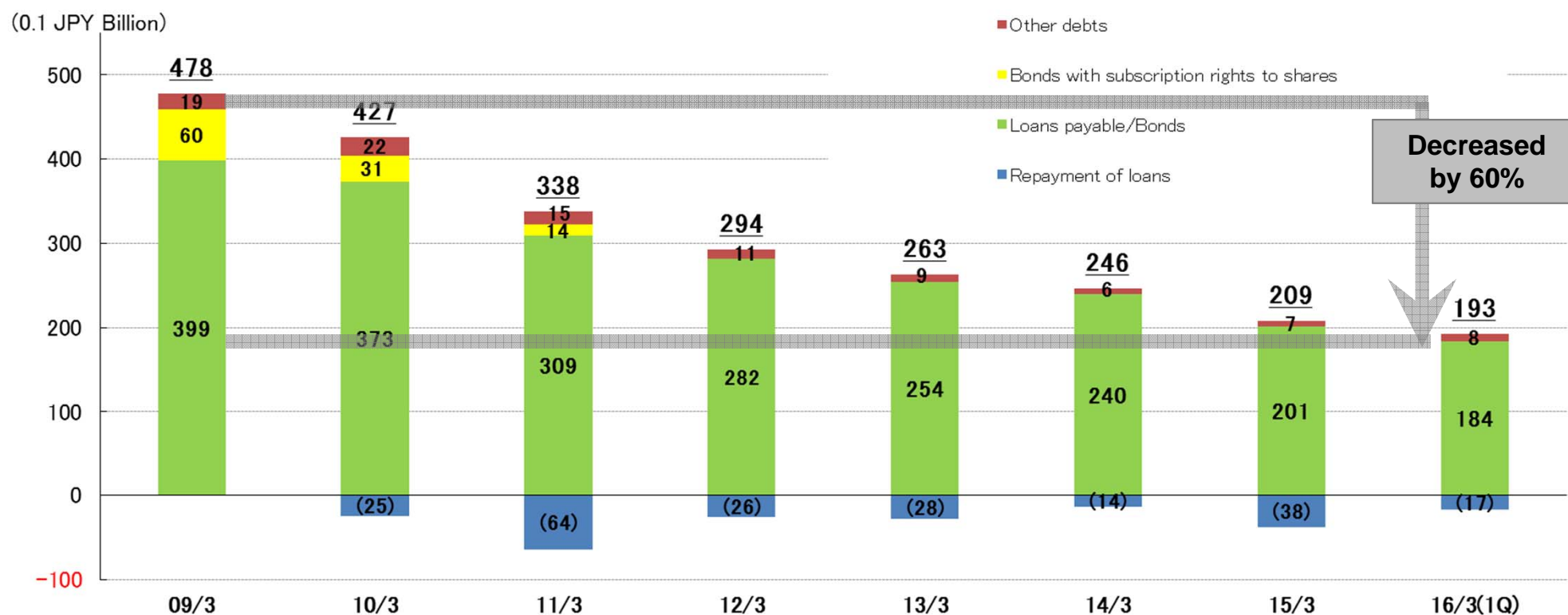
Statement of Income – Break Down



(JPY:million)	11/3 PAS	12/3 PAS	13/3 PAS	14/3 PAS	15/3 PAS	15/3(1Q) PAS	16/3(1Q) PAS	Change (%)	15/3(1Q) FCAS	16/3(1Q) FCAS	Change (%)
1. Fund management operation											
<i>Fund management fees and others</i>	1,088	966	815	733	571	150	124	(17%)	78	70	(10%)
<i>Success Fees</i>	295	84	37	132	63	3	-	-	-	-	-
Operating Revenue	1,383	1,050	852	865	634	154	124	(19%)	78	70	(10%)
Operating Cost	-	-	-	-	-	-	-	-	-	-	-
Operating Gross Profit	1,383	1,050	852	865	634	154	124	(19%)	78	70	(10%)
2. Investment operations											
<i>Proceeds of sales of securities</i>	8,584	3,938	2,411	4,656	3,651	722	526	(27%)	1,028	735	(29%)
<i>Income gains</i>	595	181	95	121	93	8	7	(12%)	15	10	(30%)
<i>Fund interests income etc.</i>	180	63	194	357	100	28	12	(58%)	58	30	(49%)
Operating Revenue	9,360	4,183	2,701	5,134	3,844	759	545	(28%)	1,102	776	(30%)
<i>Cost of securities sold</i>	6,680	3,412	1,385	2,133	1,767	413	273	(34%)	536	364	(32%)
<i>Investment write-offs</i>	627	394	174	45	1,233	1,053	10	(99%)	1,134	13	(99%)
<i>Provision for allowance for possible investment losses</i>	(296)	978	1,863	1,435	471	(1)	103	-	10	141	1299%
<i>Fund interests losses etc.</i>	191	178	158	52	168	4	13	186%	14	17	20%
Operating Cost	7,203	4,964	3,582	3,666	3,640	1,470	401	(73%)	1,695	537	(68%)
Operating Gross Profit	2,157	(780)	(880)	1,468	203	(710)	143	-	(593)	238	-
3. Others											
Operating Revenue	234	162	229	154	53	30	3	(89%)	33	3	(90%)
Operating Cost	83	35	25	15	9	2	1	(35%)	2	1	(35%)
Operating Gross Profit	151	126	204	139	44	27	1	(94%)	30	1	(95%)
Total											
Operating Revenues	10,979	5,396	3,784	6,155	4,532	943	673	(29%)	1,213	850	(30%)
Operating Cost	7,286	4,999	3,607	3,681	3,650	1,472	403	(73%)	1,698	539	(68%)
Operating Gross Profit	3,692	396	176	2,474	882	(529)	270	-	(484)	310	-
SG&A Expenses	2,399	2,274	2,000	1,621	1,433	405	344	(15%)	379	342	(10%)
Operating Income	1,293	(1,878)	(1,823)	852	(550)	(934)	(74)	-	(864)	(31)	-
Ordinary Income	175	(2,477)	(2,612)	374	(610)	(1,023)	(105)	-	(959)	(81)	-
Net Income	(2,044)	(2,885)	(2,575)	462	(850)	(1,032)	(112)	-	(1,016)	(88)	-

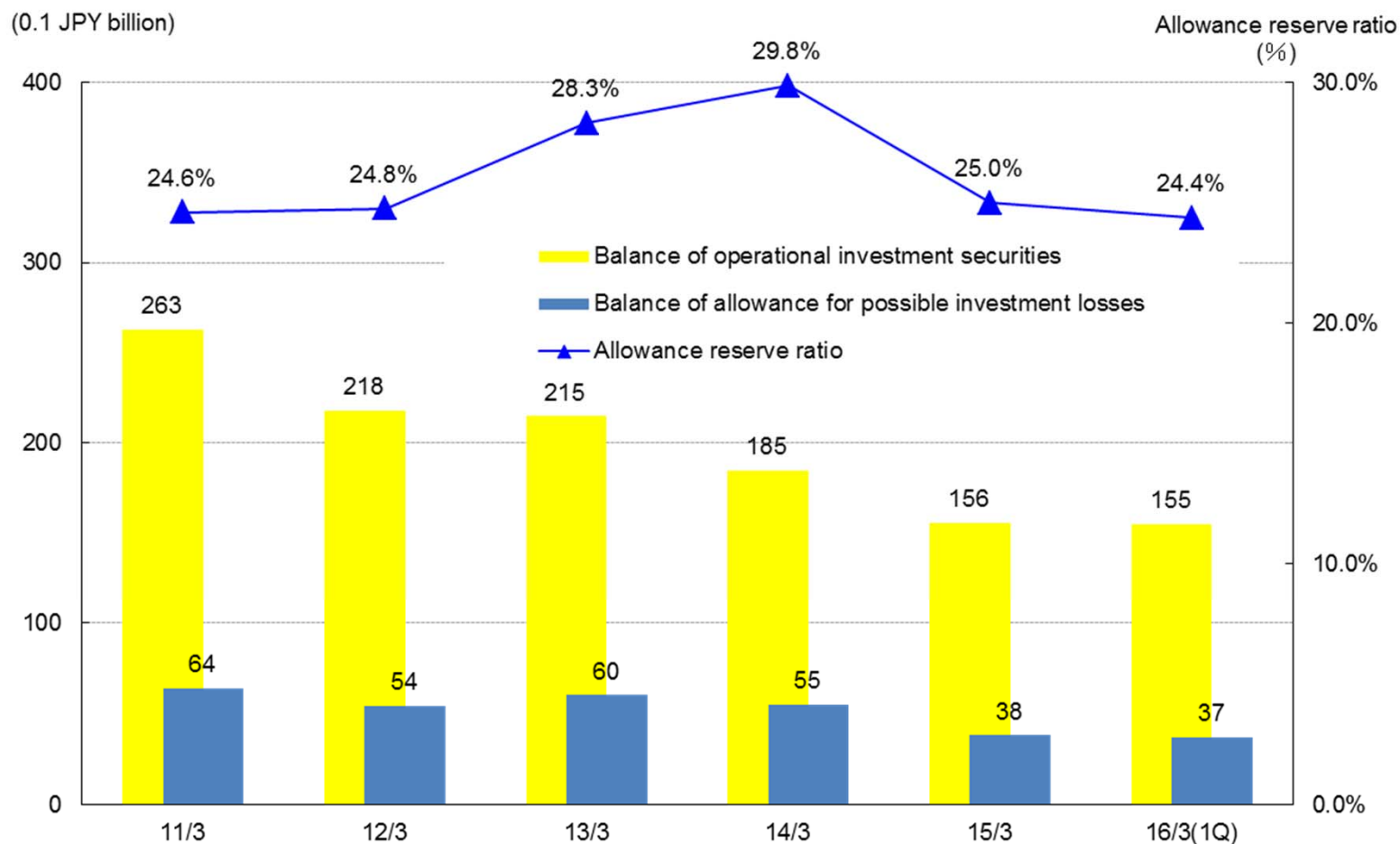
Balance Sheet - Debt Outstanding

PAS



Balance Sheet - Allowance For Possible Investment Losses

PAS



■ Since it is considered that improving the correlation of above indication data and financial statements makes the indication data more useful, allowance reserve ratio was calculated without considering balance of taxable write-offs from FY12/3.

■ Because of above mentioned change, balance of operational investment securities and balance of allowance for possible investment losses are coincident with the balances in consolidated balance sheets (PAS) respectively.

Cash Flows - Overview

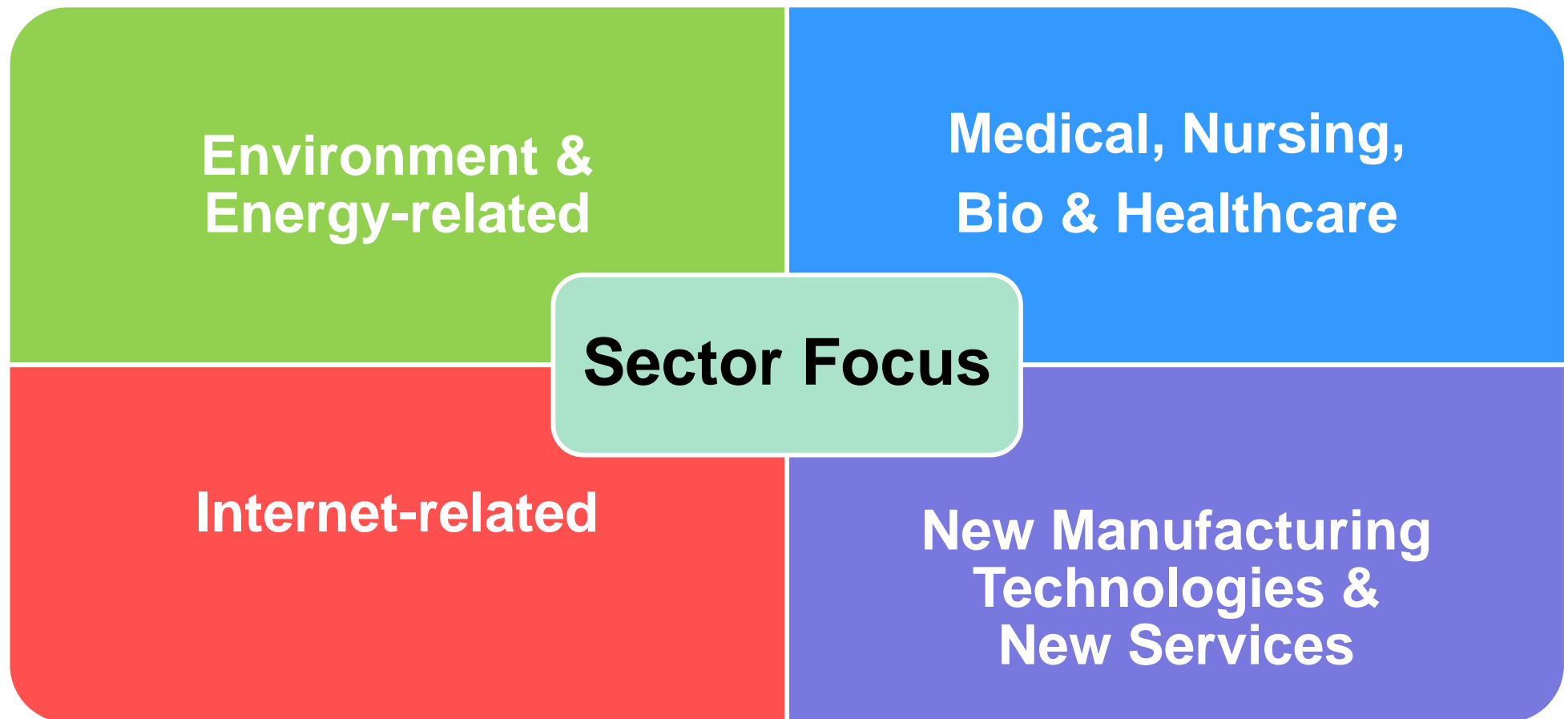


- Divestment of portfolio companies has decreased and payment for investment funds has increased. 409 million yen of cash flows used in operating activities. (514 million yen was provided in 15/3(1Q))
- Cash provided by stock acquisition rights and repayments of loans resulted in use of 1,033 million yen in financing activities. (3,607 million yen was used in 15/3(1Q))
- Net cash flow decreased by 1,492 million yen in 16/3(1Q).

(FCAS)

(JPY million)	11/3	12/3	13/3	14/3	15/3	15/3(1Q)	16/3(1Q)	Change(%)
Operating CF	7,137	738	1,196	3,624	511	514	(409)	-
Investing CF	2,215	396	277	437	213	3	(5)	-
Financing CF	(7,886)	(4,056)	(2,838)	(1,424)	(3,224)	(3,607)	(1,033)	-
Change in Net CF	1,431	(2,948)	(1,259)	2,758	(2,371)	(3,114)	(1,492)	-
Cash & Cash Equivalents at End of Period	9,762	6,813	5,554	8,313	5,942	5,199	4,449	(14%)

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



Environment & Energy-related



KOYO ELECTRIC CORPORATION

ESCO business, mega-solar EPC
business, service for energy saving, etc.



Beijing Xiaoqing Environmental
Engineering Co., Ltd.

water treatment, solid waste
management, new energy



NAGAOKA INTERNATIONAL CORPORATION

Manufacture and sales of internal equipments for oil
refining and petrochemical plants, water intake
screens and ground water treatment system
equipment, R&D of high-speed seabed infiltration
system equipment

Internet-related



Access Bright, Inc.

Publishing mobile game centering on
smartphone in China



FANGDD NETWORK GROUP LTD

Real – estate service centering on website,
“房多多” for real estate agency in China



Rich Media Co., LTD.

Providing internet media in the beauty
and health domain

New Manufacturing Technologies & New Services



PEZY Computing K.K.

Development and Sales of Micro Processor, Electric Devices, System and Software.



ExaScaler Inc.

The development, the production and the selling of the high efficiency & small-footprint super computing system and server system



Shenyang Ruiyite Software Technology

Development and selling middle ware
“Enterprise Service Bus (ESB)”



Plus One marketing Ltd.

Planning, developing and selling SIM free mobile tools, MVNO (mobile virtual network operator)

Medical, Nursing, Bio & Healthcare



Tianjin Plastic Research Institute

Developing, producing and selling medical plastics product



Megakaryon Corporation

R&D on human iPS cells derived platelet



Genomix Co Ltd
世界初「再生誘導医薬」の実現を目指して

Genomix Co., Ltd.

R&D on drugs and medicine those inducing regeneration



Shenyang RMS Medical Tech Co., Ltd.

Developing, producing and selling medical equipment (respiration equipment & oxygen generating equipment)



REGiMMUNE Corporation

developing innovative solutions for treating immune disorders caused by nonspecific and/or excessive immune reactions



iHeart Japan Corporation

Innovative next-generation therapy that uses cardiovascular cells derived from human iPS cell



Shenyang Quan Hui International Geriatric Rehabilitation Ltd.

operating nursing homes and providing nursing and rehabilitation care services

~Shenyang Quan Hui International Geriatric Rehabilitation Ltd.~

■ Location: Hunnan New District, Shenyang, China

■ Company foundation: May 2004
(facility construction in 2011)

■ CEO: Wang Lijun

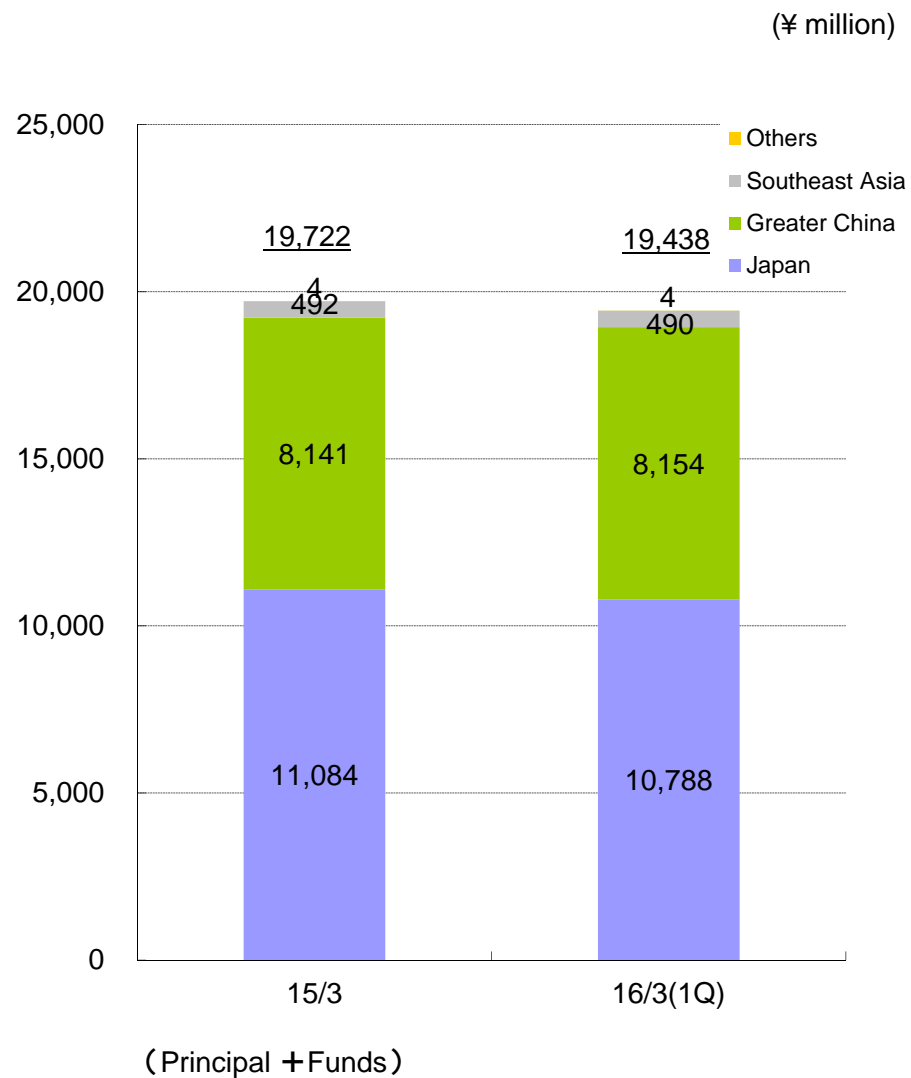
■ Shareholders:

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.

◆ By Area

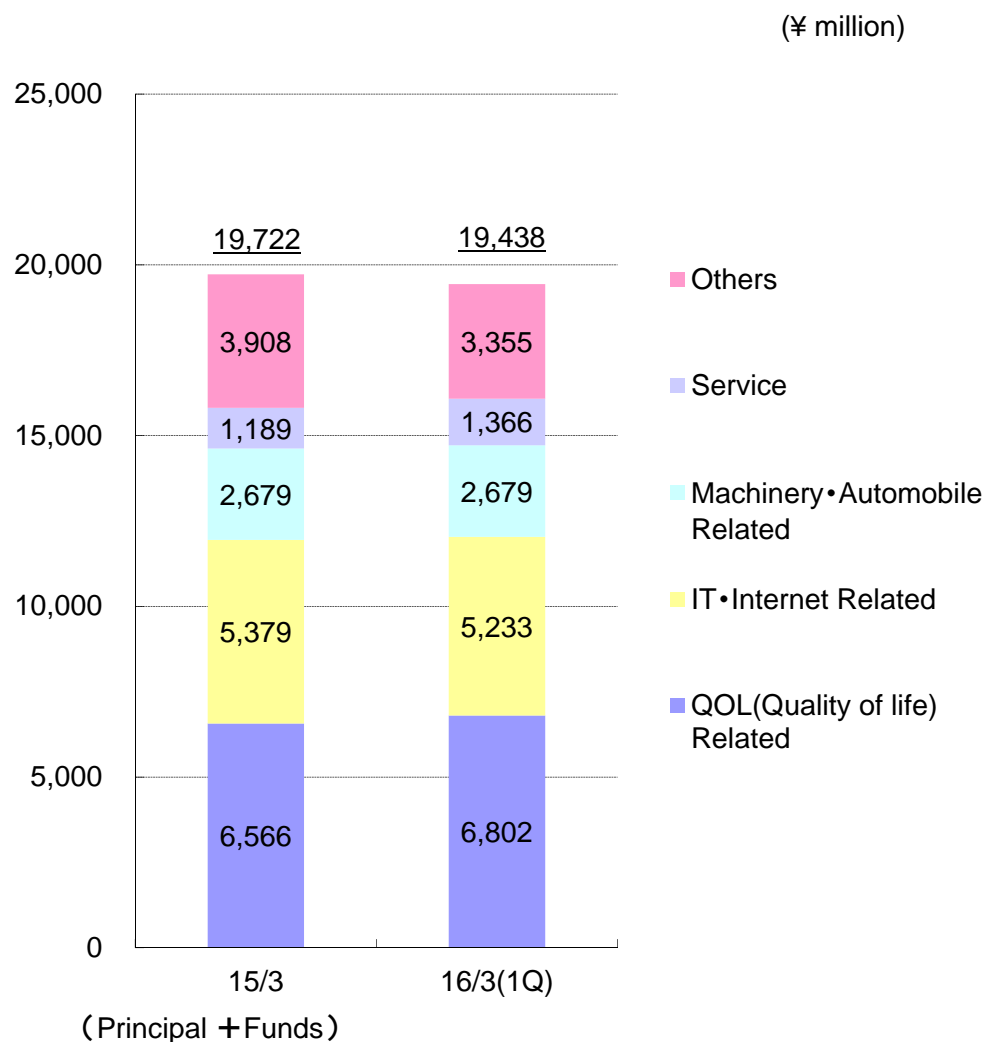


Note : Investments in funds managed by third parties and in which the JAIC Group is not involved in the management, are not included.

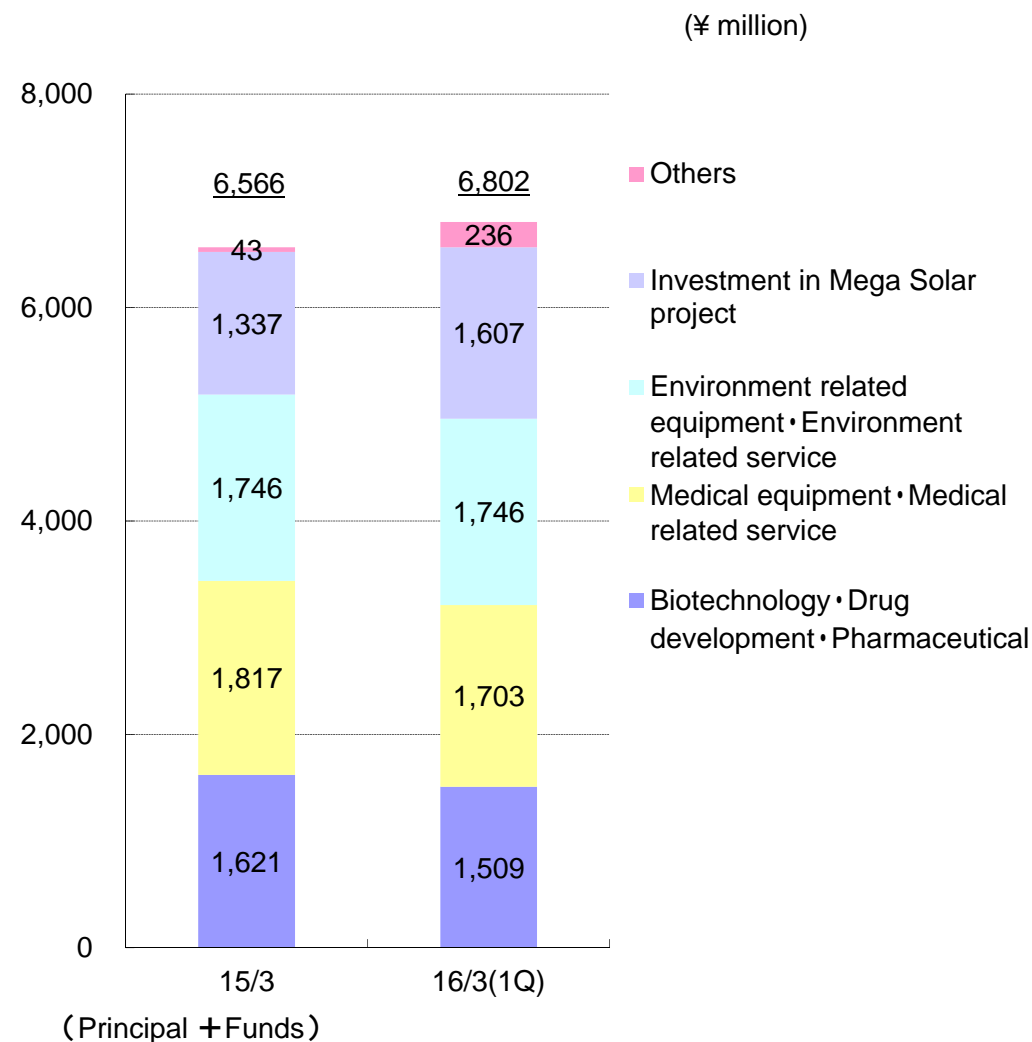
Investment Portfolio Breakdown



◆ By Industry



◆ Breakdown of QOL(Quality of Life) Related



Note : Investments in funds managed by third parties and in which the JAIC Group is not involved in the management, are not included.
 Classification of industry is changed from 2016/3(1Q). This change is also reflected on the figures of 2015/3.

Balance Sheet – Breakdown of Operational Investment Securities



◆By Area

(JPY Million)

	15/3 PAS	16/3(1Q) PAS
Japan	7,803	7,669
China, Hong Kong, Taiwan	3,019	3,179
Southeast Asia	448	448
Others	1	1
Total ①	11,272	11,298

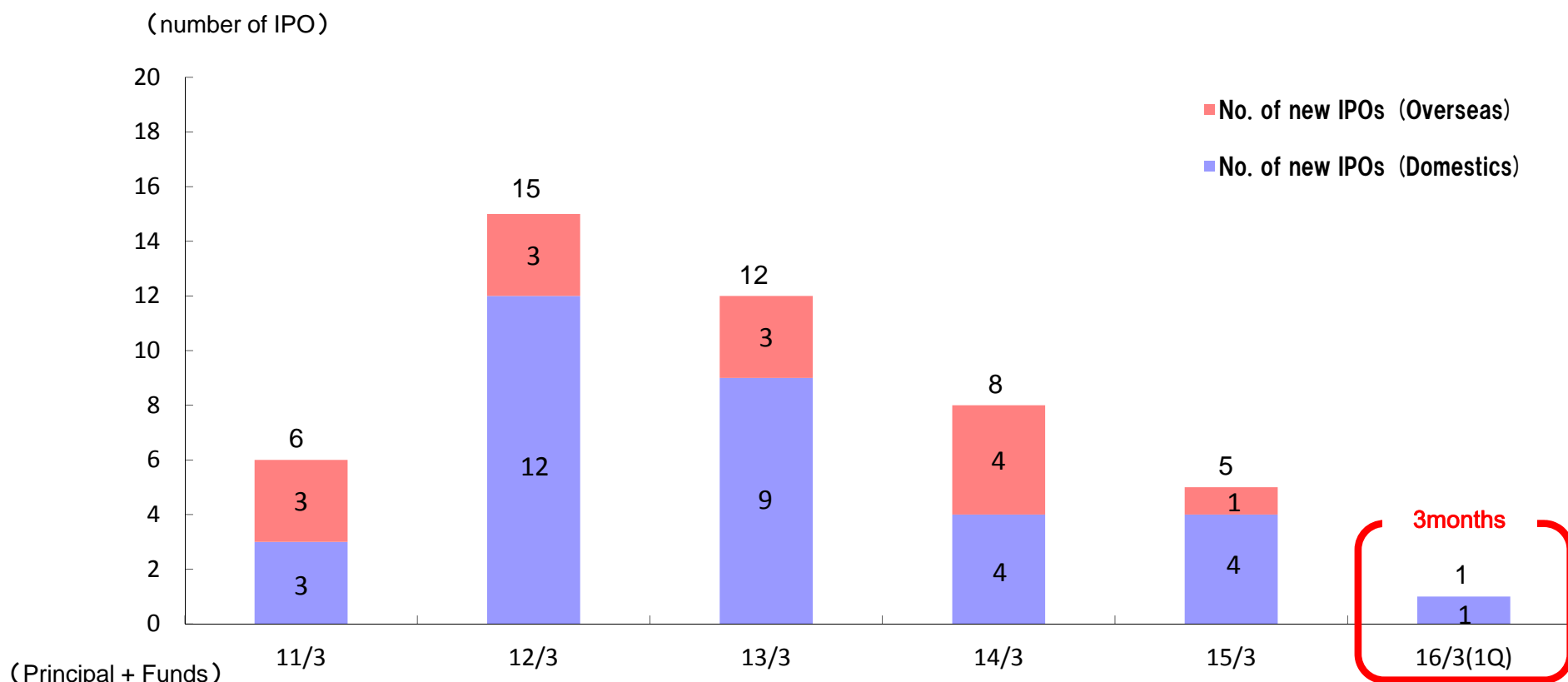
◆By Industry

(JPY Million)

	15/3 PAS	16/3(1Q) PAS
QOL(Quality of Life)	3,427	3,744
IT/Internet	3,013	3,057
Machinery/Automobile	1,323	1,323
Service	661	1,386
Others	2,845	1,787
Total ①	11,272	11,298

Investment in funds ②	2,831	2,633
Investment from subsidiaries ③	382	367
Valuation and translation adjustments ④	1,113	1,202
Total ①+②+③+④	15,600	15,501

Note : Classification of industry is changed from 2016/3(1Q). This change is also reflected on the figures of 2015/3.



Investment multiple by Initial price (First price multiple)

	11/3	12/3	13/3	14/3	15/3	16/3(1Q)
Domestics	1.9	1.4	1.5	15.2	4.9	1.7
Overseas	0.6	1.9	3.4	2.2	1.8	-

(Investment multiple)

Note

1: IPOs include acquisition by listed company as a result of equity swap etc. (1 in 2010/3, 1 in 2011/3, 2 in 2014/3 and 2 in 2015/3).

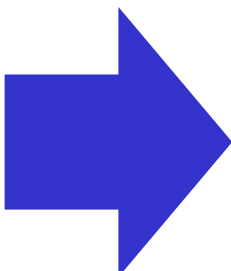
2: First price multiple = Gross market capitalization at first price/Total our acquisition cost. However, the calculation of the first price multiple does not include the companies whose shares are acquired by listed companies as a result of equity swaps etc.

Investments in Mega Solar Projects

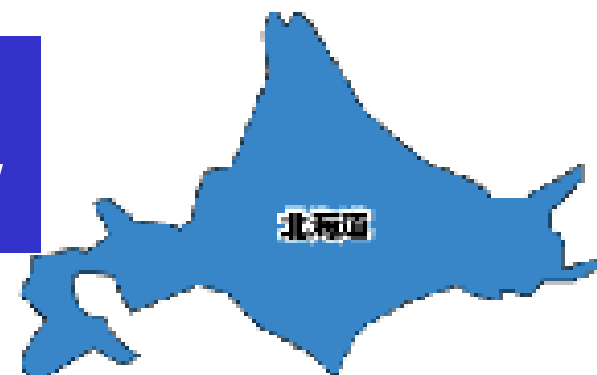
Projects that have started electricity sales : 6.1MW

Projects under construction: 17.7MW

Projects under planning: 42.5MW



Total:
66.3MW



Shizuoka,
Izunokuni
13.5MW

Mie, Kameyama
1.3MW

Mie, Matsuzaka
1.9MW

Kumamoto,
Kuma-gun
2.3MW

Iwate, Ichinoseki
Kazawa 10.8MW
Fujisawa 2.3MW

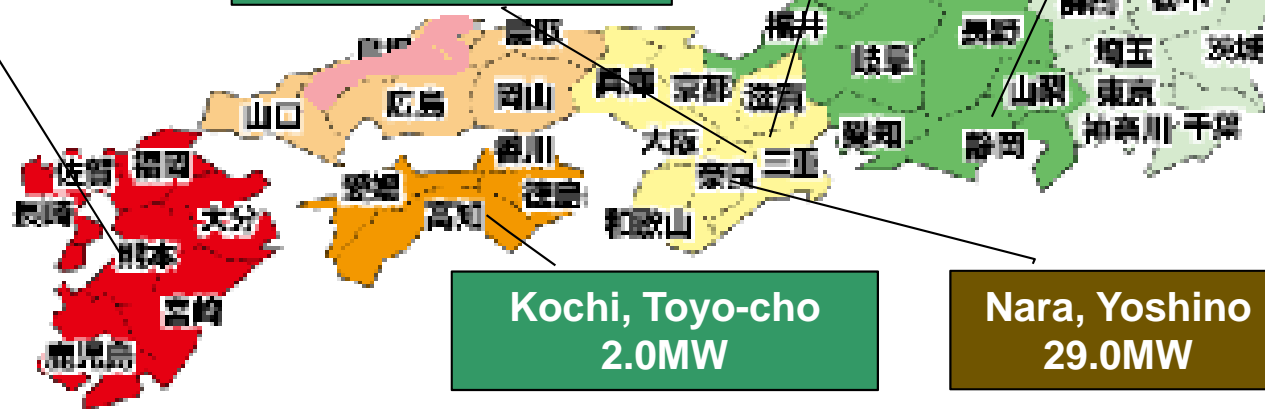
Miyagi,
Kesennuma
1.0MW

Fukushima, Iwaki 2.2MW

* All rights associated with the project
have been transferred to Marubeni
Group

Kochi, Toyo-cho
2.0MW

Nara, Yoshino
29.0MW



Company Data (as of June 2015)



Company name	Japan Asia Investment CO., Ltd.	Abbreviation; JAIC
Head office	3-11 Kandanishiki-cho, Chiyoda-ku, Tokyo 101-8570, Japan	
Established	July 10, 1981	
Paid-in capital	4,653 million yen	
Listed market	Tokyo Stock Exchange, 1st Section	
Number of employees	44 (Consolidated) /24 (Non-consolidated)	
Main business	<ul style="list-style-type: none">▪ Investment activities▪ Management of investment funds▪ Others	
Board of Directors	President & CEO	Osamu Hosokubo
	Executive Managing Director	Tetsuro Shimomura
	Director	Kazunori Omori *
	Outside Director	Hitoshi Yasukawa*
	Outside Director	Tadashi Nunami*
*members of Audit and Supervisory Committee		

JAIC

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Miyuki Maruyama, Administration Group

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