

# Financial Results Overview for the 2<sup>nd</sup> Quarter Ended September 30, 2015

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

*Announcement: November 5, 2015*

The contents of this document are based on materials available at the time of its compilation and no guarantee can be made as to the continued accuracy and reliability of the material. The contents may be changed without prior notice. Risks and uncertainties including changes to economic circumstances may cause results and projections to differ materially from those presented in the document.

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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# Outline of Results for the 2<sup>nd</sup> Quarter Ended September 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(2Q) PAS	16/3(2Q) PAS	Change (%)	15/3(2Q) FCAS	16/3(2Q) FCAS	Change (%)
<b>Business Results</b>											
Operating Revenues	10,979	5,396	3,784	6,155	4,532	1,772	<b>1,956</b>	<b>10%</b>	2,416	<b>2,735</b>	<b>13%</b>
Operating Income	1,293	(1,878)	(1,823)	852	(550)	(666)	<b>(146)</b>	-	(438)	<b>26</b>	-
Ordinary Income	175	(2,477)	(2,612)	374	(610)	(789)	<b>(202)</b>	-	(599)	<b>(56)</b>	-
Net Income	(2,044)	(2,885)	(2,575)	462	(850)	(986)	<b>(148)</b>	-	(977)	<b>36</b>	-
<b>Financial Position</b>											
Loans Payable, Bonds & Bonds with subscription rights to shares	32,327	28,275	25,433	24,010	20,193	20,403	<b>18,460</b>	-			
Total shareholders' equity	4,376	1,969	1,565	2,573	3,373	1,897	<b>3,700</b>	-			

## ● Funds & investment activities

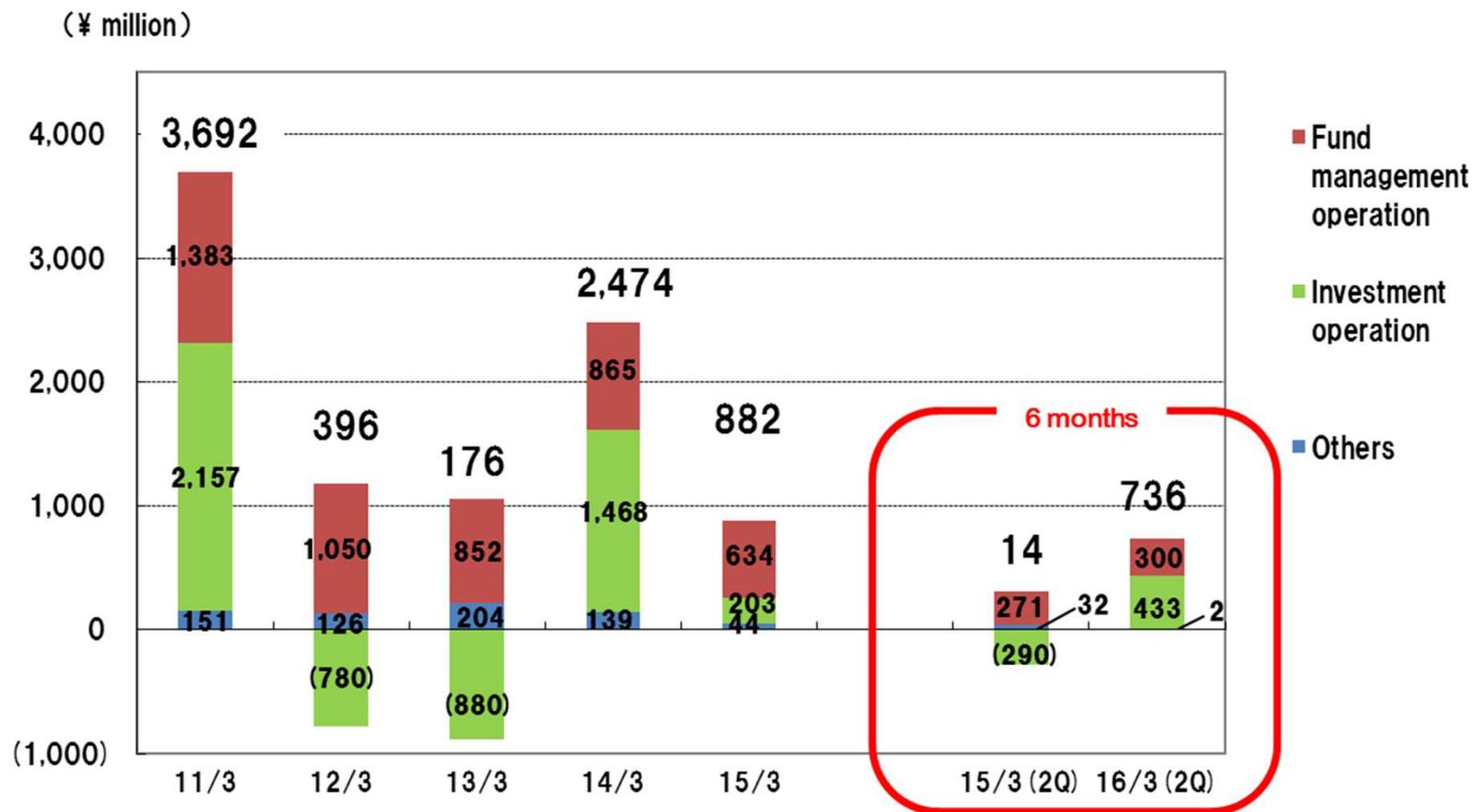
(JPY million)	11/3	12/3	13/3	14/3	15/3	15/3(2Q)	16/3(2Q)
New & Increased Funds	1,330	11,926	4,548	-	-	-	-
AUM of Funds	85,755	85,833	85,873	50,888	43,897	49,138	<b>41,106</b>
New Investnemts	3,204	4,545	4,746	4,189	2,728	841	<b>1,530</b>
Balance of Investments	42,268	36,706	33,886	25,862	19,722	20,189	<b>18,672</b>

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

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



PAS



# Statement of Income - Fund Management

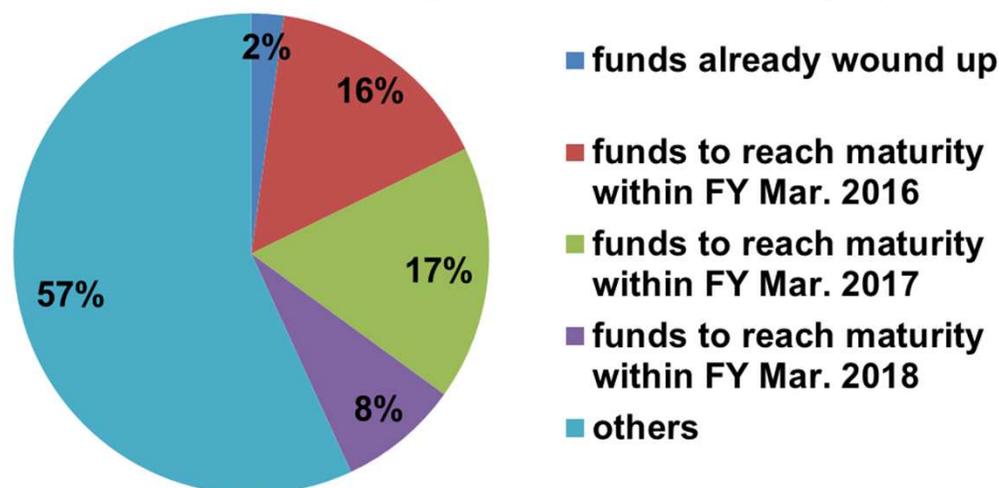
## ● New Funds & AUM of Funds

(JPY million)	11/3	12/3	13/3	14/3	15/3	15/3(2Q)	16/3(2Q)
New & Increased Funds	1,330	11,926	4,548	-	-	-	-
AUM of Funds	85,755	85,833	85,873	50,888	43,897	49,138	41,106

## ● Fund Management fees (PAS)

(JPY million)	11/3 PAS	12/3 PAS	13/3 PAS	14/3 PAS	15/3 PAS	15/3(2Q) PAS	16/3(2Q) PAS	Change (%)
Fund Management fees Total	1,383	1,050	852	865	634	271	300	11%
Management fees etc	1,088	966	815	733	571	268	241	(10%)
Success fees	295	84	37	132	63	3	58	1462%

Breakdown of management fees etc. 2016/3(2Q)



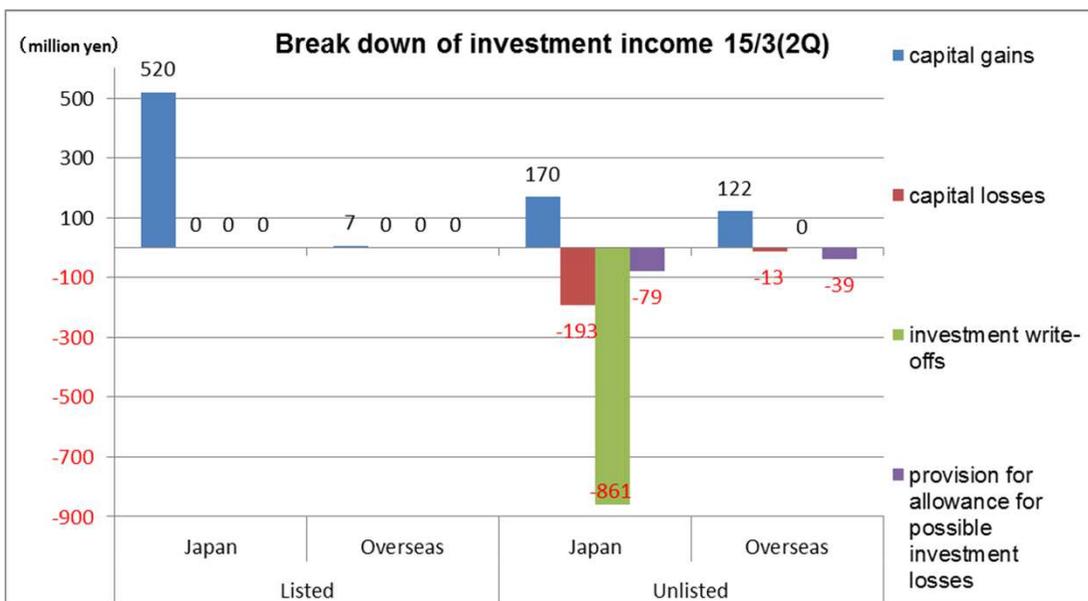
Note: "PAS" Previous Accounting Standards

# Statement of Income – Investment Income

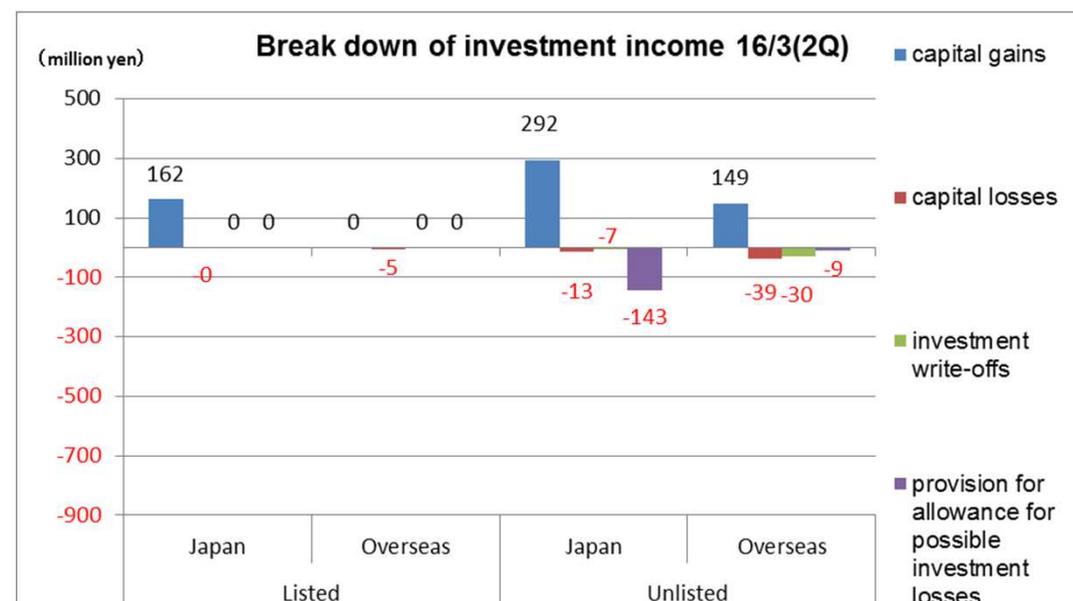


(JPY million)	11/3 PAS	12/3 PAS	13/3 PAS	14/3 PAS	15/3 PAS	15/3(2Q) PAS	16/3(2Q) PAS	Change (%)
Proceeds of sales of securities	8,584	3,938	2,411	4,656	3,651	1,373	1,557	13%
Cost of securities sold	6,680	3,412	1,385	2,133	1,767	759	1,013	33%
Realized capital gains	1,904	526	1,025	2,523	1,883	613	544	(11%)
Investment write-offs	627	394	174	45	1,233	861	36	(96%)
Provision for allowance for possible investment losses	(296)	978	1,863	1,435	471	118	152	29%
Investment income	1,573	(847)	(1,012)	1,042	178	(365)	354	-

## PAS



## PAS



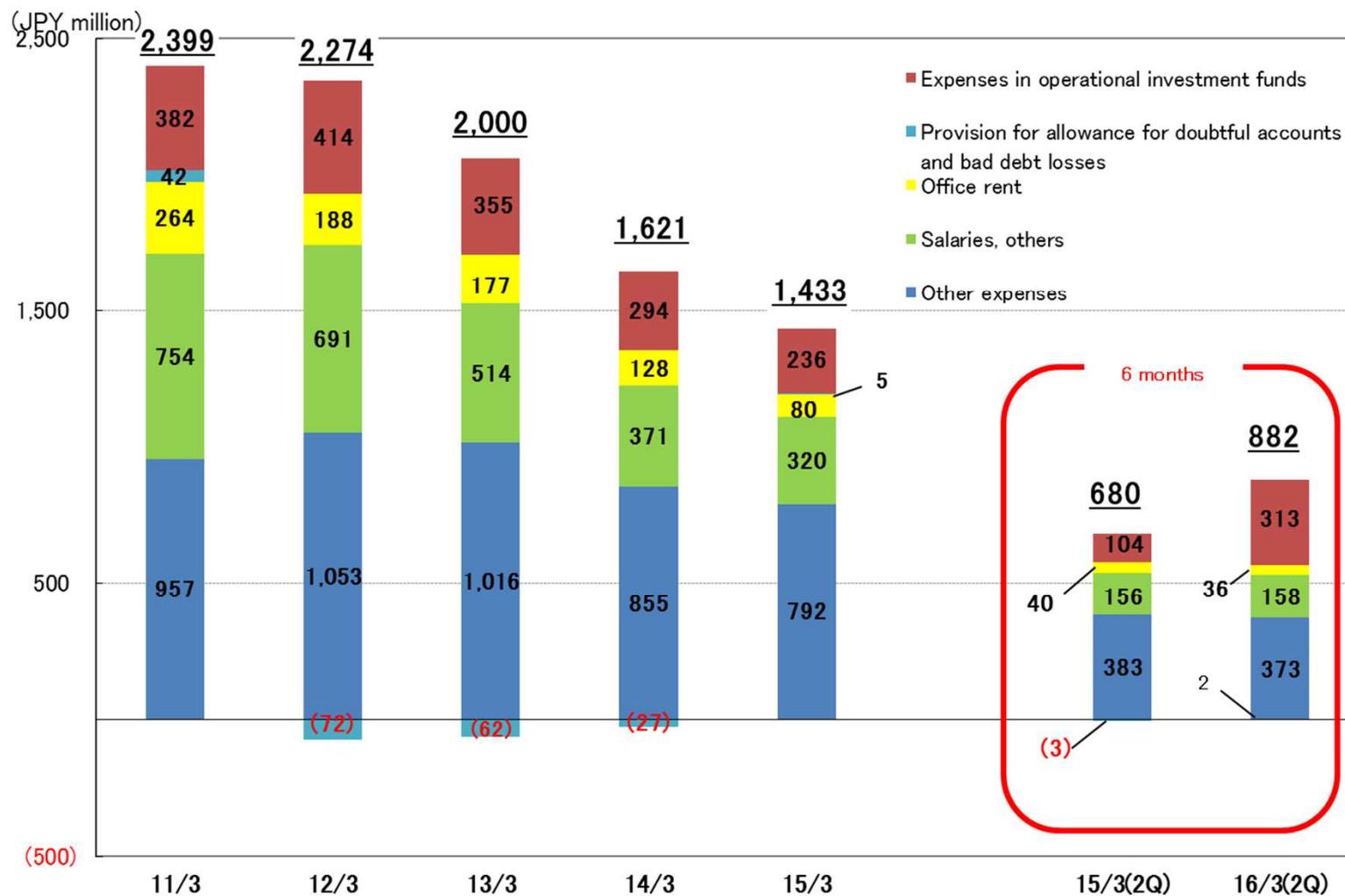
■ "PAS" Previous Accounting Standards

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

# Statement of Income - Selling, General and Administrative Expenses



PAS



		11/3	12/3	13/3	14/3	15/3	16/3(2Q)
NO.of employee	Consol	133	109	80	46	45	44
	Non-consol	80	66	42	23	25	24

# Statement of Income – Break Down

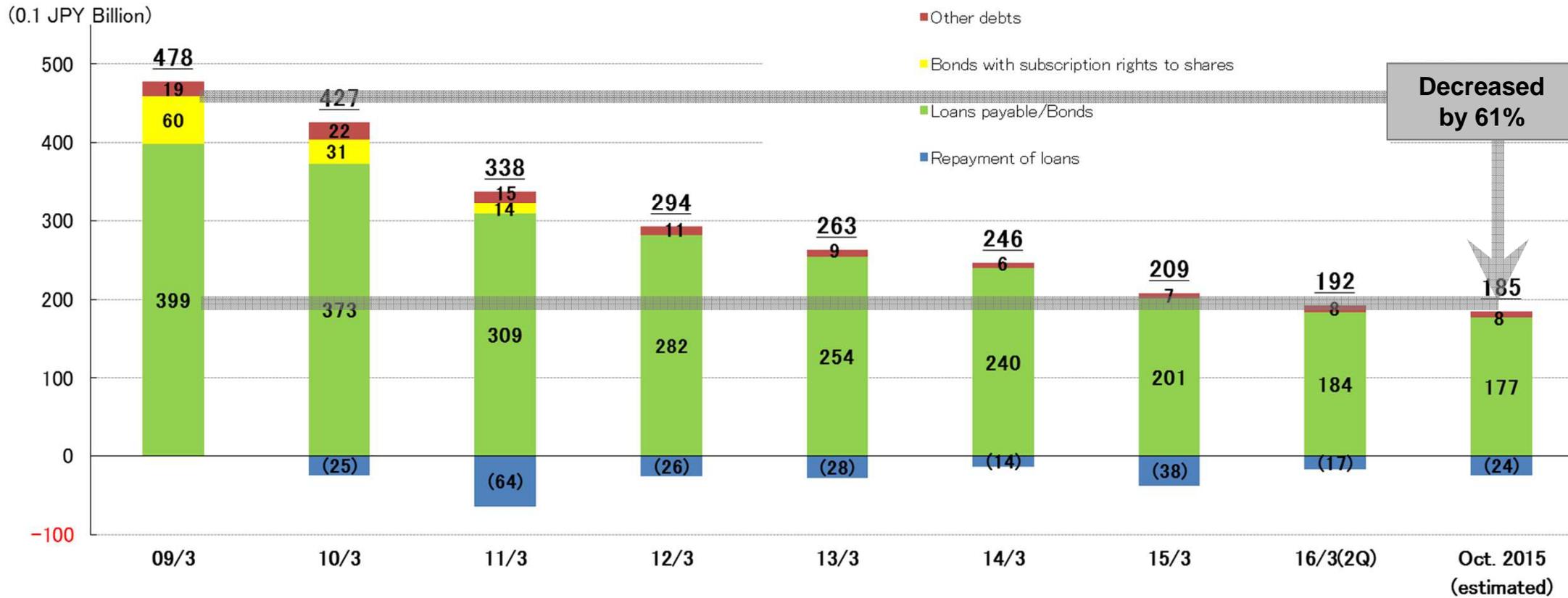


(JPY:million)	11/3 PAS	12/3 PAS	13/3 PAS	14/3 PAS	15/3 PAS	15/3(2Q) PAS	16/3(2Q) PAS	Change (%)	15/3(2Q) FCAS	16/3(2Q) FCAS	Change (%)
<b>1. Fund management operation</b>											
<i>Fund management fees and others</i>	1,088	966	815	733	571	268	241	(10%)	147	138	(6%)
<i>Success Fees</i>	295	84	37	132	63	3	58	1462%	-	58	-
<b>Operating Revenue</b>	<b>1,383</b>	<b>1,050</b>	<b>852</b>	<b>865</b>	<b>634</b>	<b>271</b>	<b>300</b>	<b>11%</b>	<b>147</b>	<b>197</b>	<b>34%</b>
<b>Operating Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Gross Profit</b>	<b>1,383</b>	<b>1,050</b>	<b>852</b>	<b>865</b>	<b>634</b>	<b>271</b>	<b>300</b>	<b>11%</b>	<b>147</b>	<b>197</b>	<b>34%</b>
<b>2. Investment operations</b>											
<i>Proceeds of sales of securities</i>	8,584	3,938	2,411	4,656	3,651	1,373	1,557	13%	2,056	2,342	14%
<i>Income gains</i>	595	181	95	121	93	66	40	(39%)	85	48	(43%)
<i>Fund interests income etc.</i>	180	63	194	357	100	23	51	123%	82	139	69%
<b>Operating Revenue</b>	<b>9,360</b>	<b>4,183</b>	<b>2,701</b>	<b>5,134</b>	<b>3,844</b>	<b>1,462</b>	<b>1,649</b>	<b>13%</b>	<b>2,225</b>	<b>2,531</b>	<b>14%</b>
<i>Cost of securities sold</i>	6,680	3,412	1,385	2,133	1,767	759	1,013	33%	1,109	1,403	26%
<i>Investment write-offs</i>	627	394	174	45	1,233	861	36	(96%)	863	9	(99%)
<i>Provision for allowance for possible investment losses</i>	(296)	978	1,863	1,435	471	118	152	29%	185	206	11%
<i>Fund interests losses etc.</i>	191	178	158	52	168	14	14	(2%)	35	41	18%
<b>Operating Cost</b>	<b>7,203</b>	<b>4,964</b>	<b>3,582</b>	<b>3,666</b>	<b>3,640</b>	<b>1,753</b>	<b>1,216</b>	<b>(31%)</b>	<b>2,194</b>	<b>1,661</b>	<b>(24%)</b>
<b>Operating Gross Profit</b>	<b>2,157</b>	<b>(780)</b>	<b>(880)</b>	<b>1,468</b>	<b>203</b>	<b>(290)</b>	<b>433</b>	<b>-</b>	<b>30</b>	<b>870</b>	<b>2789%</b>
<b>3. Others</b>											
<b>Operating Revenue</b>	<b>234</b>	<b>162</b>	<b>229</b>	<b>154</b>	<b>53</b>	<b>38</b>	<b>6</b>	<b>(84%)</b>	<b>44</b>	<b>6</b>	<b>(86%)</b>
<b>Operating Cost</b>	<b>83</b>	<b>35</b>	<b>25</b>	<b>15</b>	<b>9</b>	<b>5</b>	<b>3</b>	<b>(32%)</b>	<b>5</b>	<b>3</b>	<b>(32%)</b>
<b>Operating Gross Profit</b>	<b>151</b>	<b>126</b>	<b>204</b>	<b>139</b>	<b>44</b>	<b>32</b>	<b>2</b>	<b>(92%)</b>	<b>38</b>	<b>2</b>	<b>(93%)</b>
<b>Total</b>											
<b>Operating Revenues</b>	<b>10,979</b>	<b>5,396</b>	<b>3,784</b>	<b>6,155</b>	<b>4,532</b>	<b>1,772</b>	<b>1,956</b>	<b>10%</b>	<b>2,416</b>	<b>2,735</b>	<b>13%</b>
<b>Operating Cost</b>	<b>7,286</b>	<b>4,999</b>	<b>3,607</b>	<b>3,681</b>	<b>3,650</b>	<b>1,758</b>	<b>1,220</b>	<b>(31%)</b>	<b>2,200</b>	<b>1,665</b>	<b>(24%)</b>
<b>Operating Gross Profit</b>	<b>3,692</b>	<b>396</b>	<b>176</b>	<b>2,474</b>	<b>882</b>	<b>14</b>	<b>736</b>	<b>5149%</b>	<b>216</b>	<b>1,069</b>	<b>395%</b>
<b>SG&amp;A Expenses</b>	<b>2,399</b>	<b>2,274</b>	<b>2,000</b>	<b>1,621</b>	<b>1,433</b>	<b>680</b>	<b>882</b>	<b>30%</b>	<b>654</b>	<b>1,043</b>	<b>59%</b>
<b>Operating Income</b>	<b>1,293</b>	<b>(1,878)</b>	<b>(1,823)</b>	<b>852</b>	<b>(550)</b>	<b>(666)</b>	<b>(146)</b>	<b>-</b>	<b>(438)</b>	<b>26</b>	<b>-</b>
<b>Ordinary Income</b>	<b>175</b>	<b>(2,477)</b>	<b>(2,612)</b>	<b>374</b>	<b>(610)</b>	<b>(789)</b>	<b>(202)</b>	<b>-</b>	<b>(599)</b>	<b>(56)</b>	<b>-</b>
<b>Net Income</b>	<b>(2,044)</b>	<b>(2,885)</b>	<b>(2,575)</b>	<b>462</b>	<b>(850)</b>	<b>(986)</b>	<b>(148)</b>	<b>-</b>	<b>(977)</b>	<b>36</b>	<b>-</b>

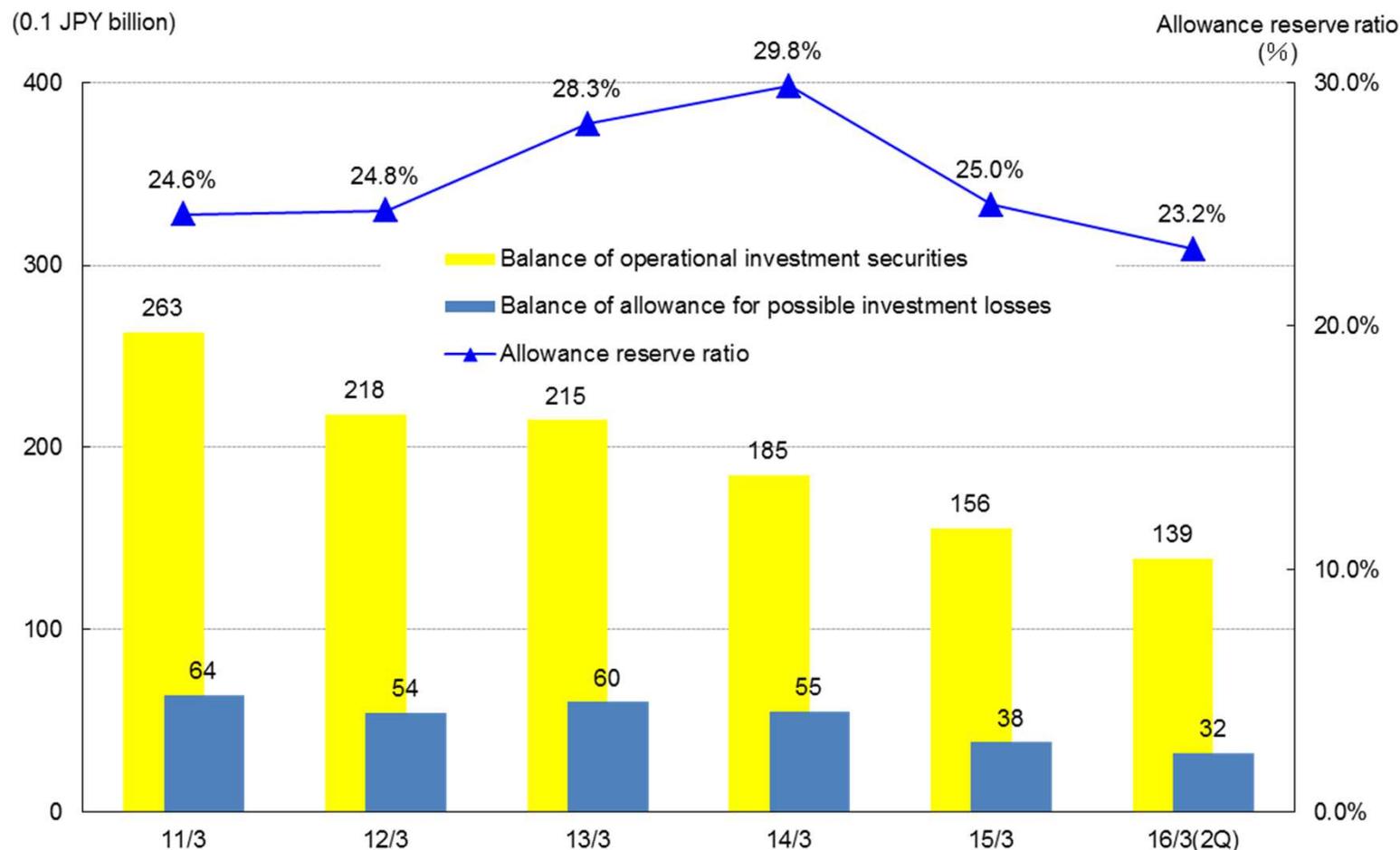
# Balance Sheet - Debt Outstanding



PAS



## 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 progressed and dividends from investment funds has increased. 1,586 million yen of cash flows provided by operating activities. (1,433 million yen was provided in 15/3(2Q))
- Cash provided by stock acquisition rights and repayments of loans resulted in use of 852 million yen in financing activities. (3,607 million yen was used in 15/3(2Q))
- Net cash flow increased by 761 million yen in 16/3(2Q).

(FCAS)

(JPY million)	11/3	12/3	13/3	14/3	15/3	15/3(2Q)	16/3(2Q)	Change(%)
Operating CF	7,137	738	1,196	3,624	511	1,433	1,586	11%
Investing CF	2,215	396	277	437	213	155	23	(85%)
Financing CF	(7,886)	(4,056)	(2,838)	(1,424)	(3,224)	(3,607)	(852)	-
Change in Net CF	1,431	(2,948)	(1,259)	2,758	(2,371)	(2,053)	761	-
Cash & Cash Equivalents at End of Period	9,762	6,813	5,554	8,313	5,942	6,259	6,703	7%

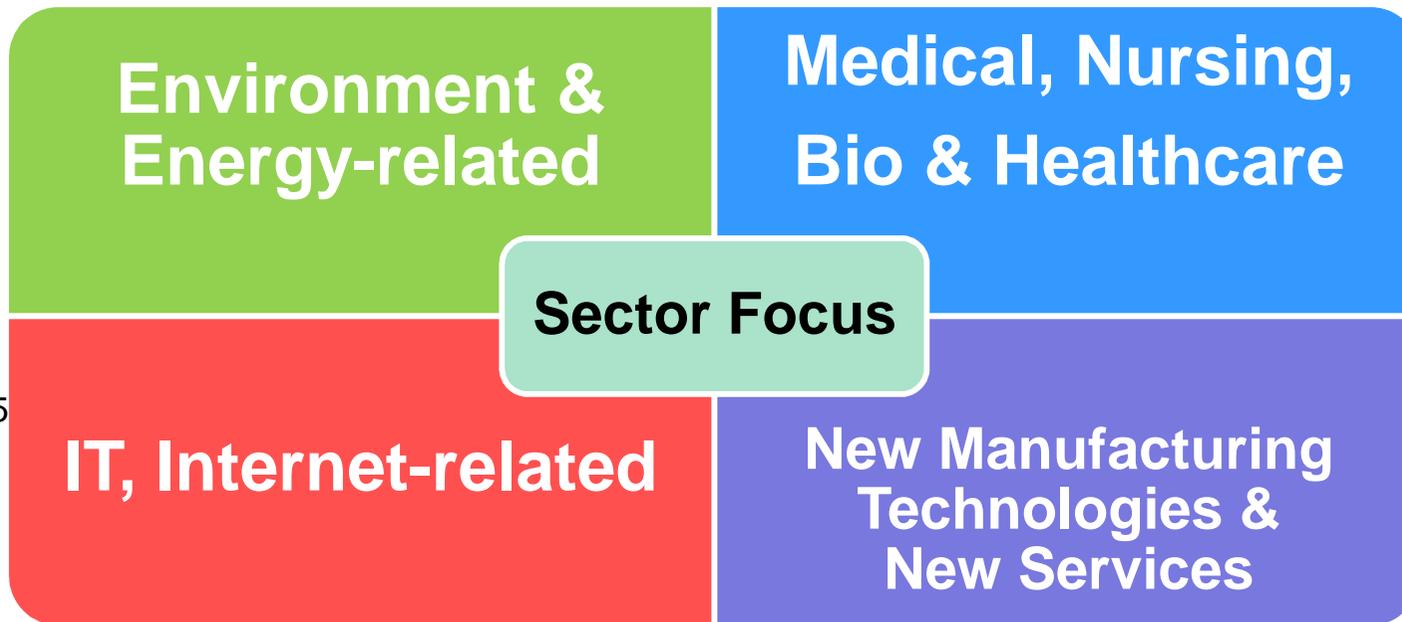
# Investment Portfolio – New Investments



**Renewable Japan Co., Ltd.**  
partner company of JAIC's Mega Solar projects



**Shenyang Quan Hui International Geriatric Rehabilitation Ltd.**  
Japan-China joint venture company operating nursing homes and providing nursing and rehabilitation care services



**2 companies**  
biotechnology -  
related



**Eltes Co.,Ltd.**  
big data-related  
\*executed on Oct 2, 2015

**1 company**  
Internet-  
related



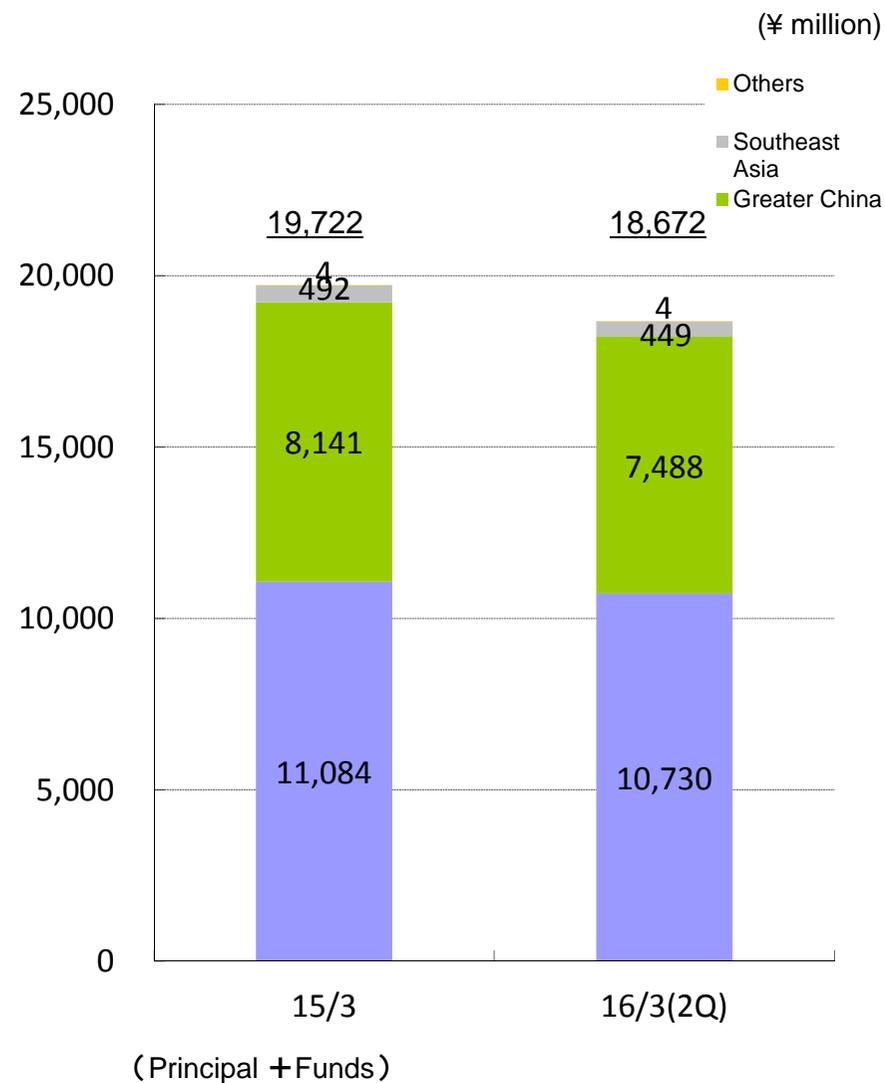
**MICS Network Inc.**  
Sales and development of Web-based products and services



**Plus One Marketing Ltd.**  
SIM-free mobility hardware, Mobile Virtual Network Operator

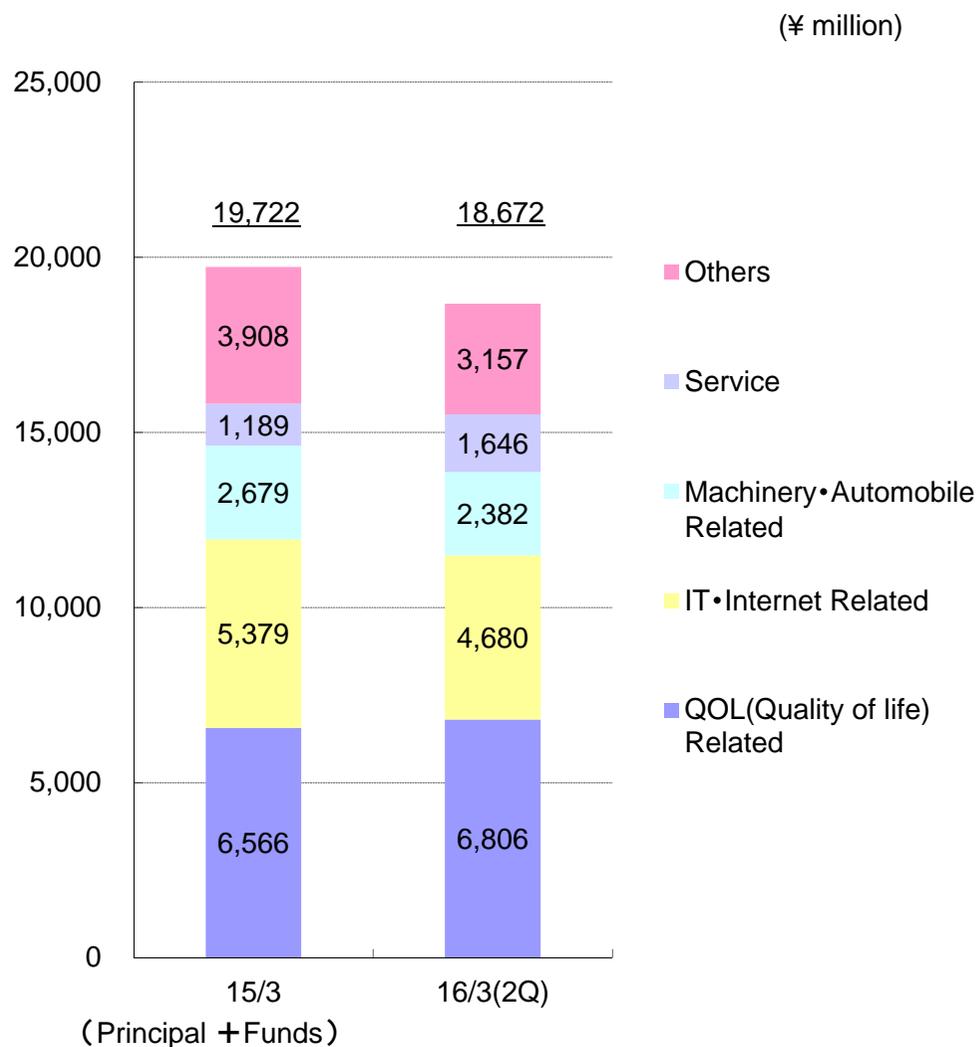
**2 companies**  
real estate service-related

## ◆ By Area

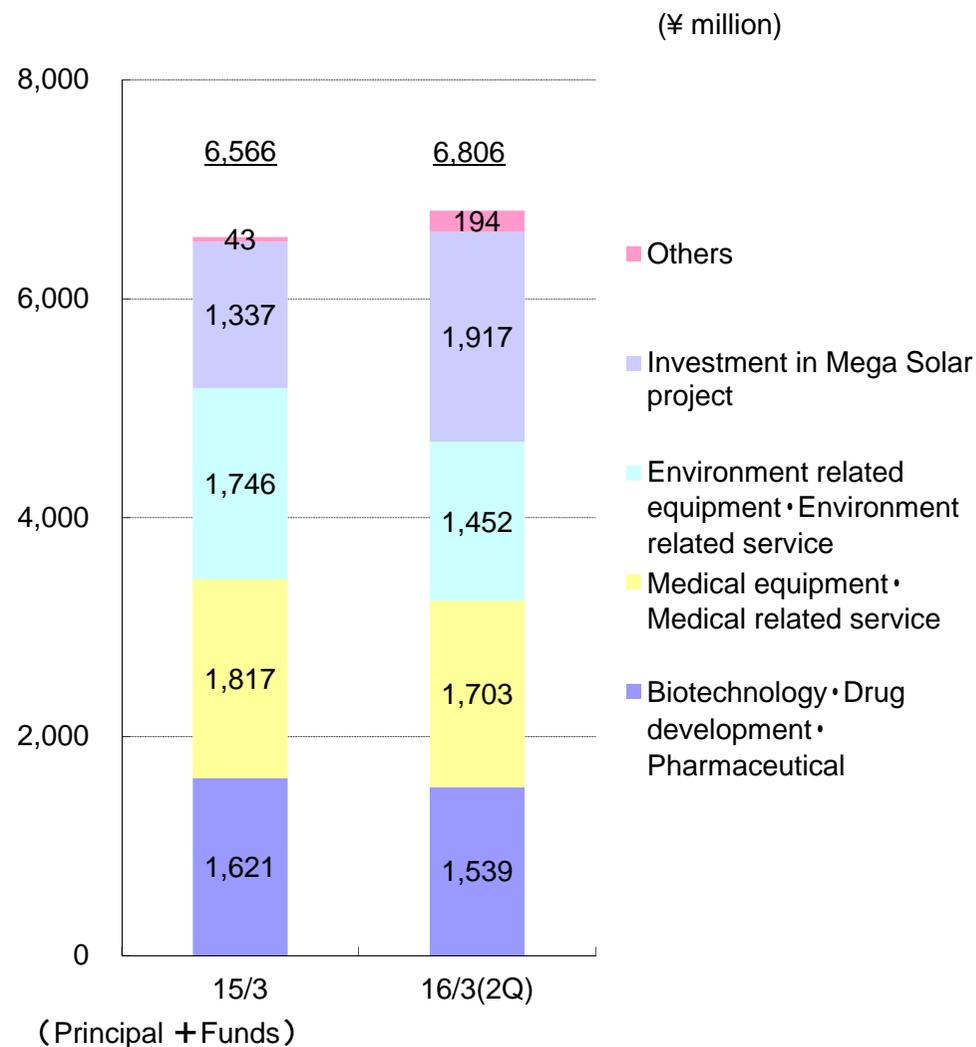


Note : Investments in funds managed by third parties and in which the JAIC Group is not involved in the management, are not included.

## ◆ 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 <b>PAS</b>	16/3(2Q) <b>PAS</b>
Japan	7,803	7,513
China, Hong Kong, Taiwan	3,019	2,714
Southeast Asia	448	448
Others	1	1
<b>Total ①</b>	<b>11,272</b>	<b>10,677</b>

## ◆ By Industry

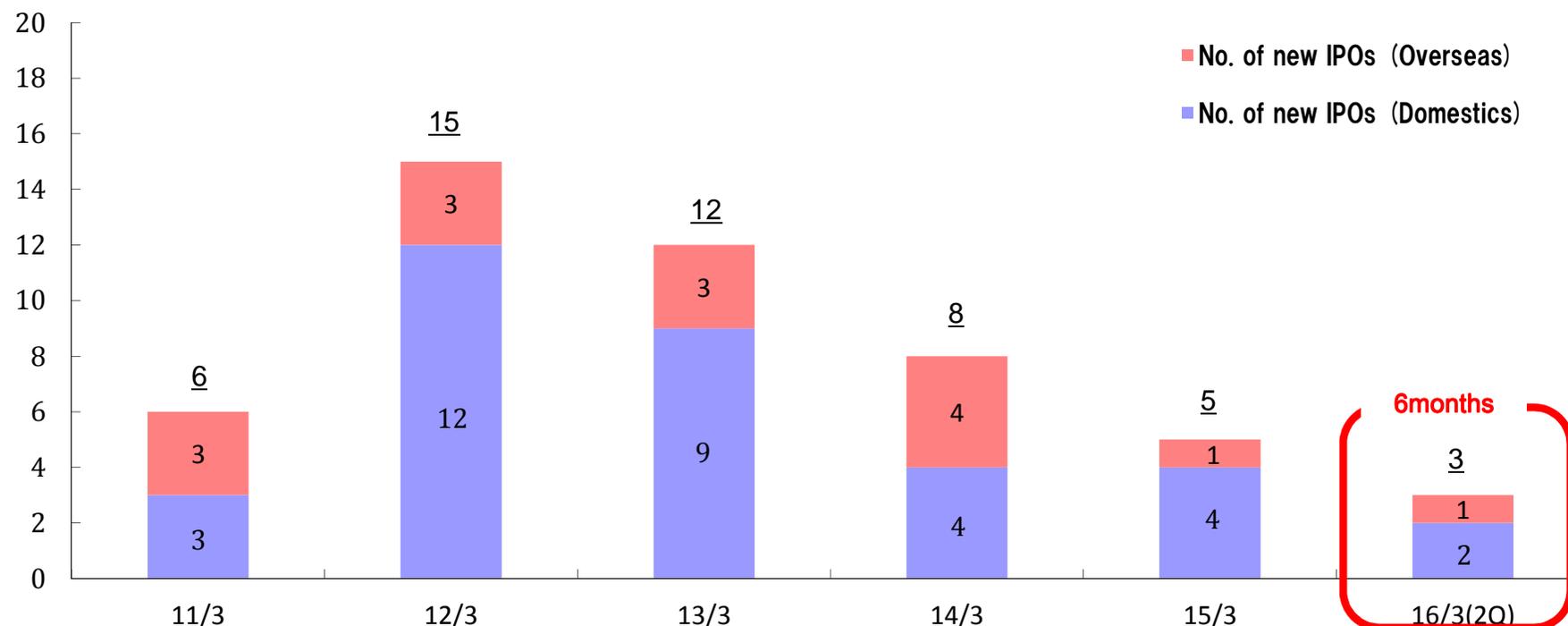
(JPY Million)

	15/3 <b>PAS</b>	16/3(2Q) <b>PAS</b>
QOL(Quality of Life)	3,427	3,830
IT/Internet	3,013	2,858
Machinery/Automobile	1,323	854
Service	661	1,365
Others	2,845	1,767
<b>Total ①</b>	<b>11,272</b>	<b>10,677</b>

Investment in funds ②	2,831	2,230
Investment from subsidiaries ③	382	410
Valuation and translation adjustments ④	1,113	674
<b>Total ①+②+③+④</b>	<b>15,600</b>	<b>13,993</b>

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

(number of IPO)



(Principal + Funds)

Investment multiple by Initial price (First price multiple)

(Investment multiple)

	11/3	12/3	13/3	14/3	15/3	16/3(2Q)
Domestics	1.9	1.4	1.5	15.2	4.9	1.7
Overseas	0.6	1.9	3.4	2.2	1.8	-

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, 2 in 2015/3 and 1 in 16/3(2Q)).

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.

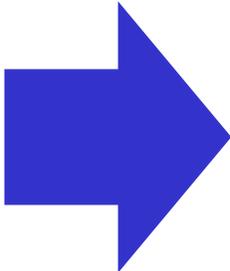
# Investments in Mega Solar Projects

Projects that have transferred : 2.2MW

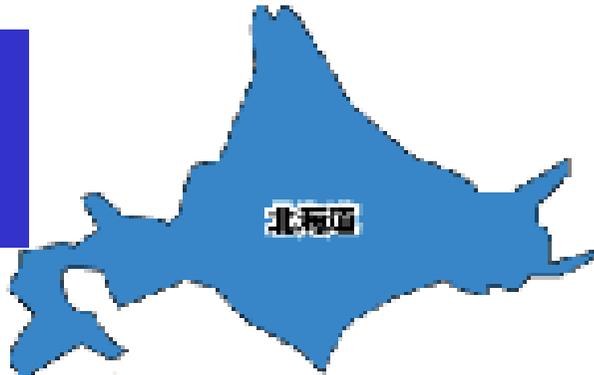
Projects that have started electricity sales : 3.9MW

Projects under construction: 29.0MW

Projects under planning: 39.2MW



**Total:  
74.3MW**



Shizuoka, Izunokuni  
kitaema 11.3MW

Shizuoka, Izunokuni  
Ukihashi 2.5MW

Iwate, Ichinoseki  
Kazawa 10.8MW  
Fujisawa 2.3MW  
\*scheduled to be completed this year

Mie, Matsuzaka  
1.9MW  
\*started electricity sales in July

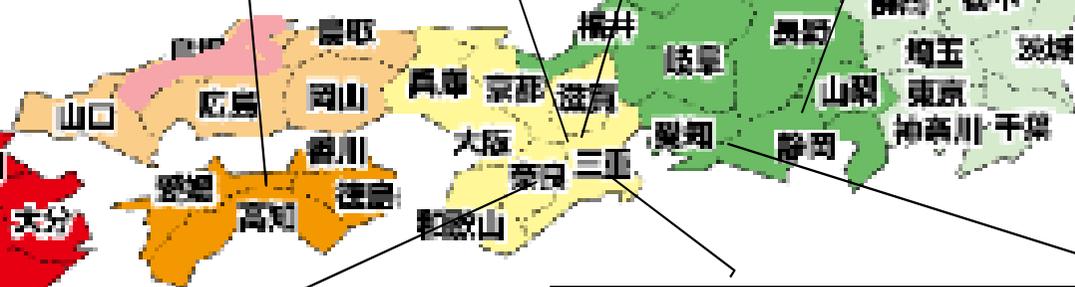
Mie, Kameyama  
1.3MW

Miyagi, Kesenuma  
1.0MW  
\*scheduled to be completed this year

Kochi, Toyo-cho  
2.0MW

Kumamoto, Kuma-gun  
2.3MW  
\*scheduled to be completed this year

Fukushima, Iwaki 2.2MW



Nara, Yoshino  
29.0MW

Mie, Kashiwa-cho Nishinono 2.0MW  
Kashiwa-cho Akame 2.1MW  
Tamaki-cho Tsumuro 1.3MW

Aichi, Tokoname  
2.3MW

## Company Data (as of September 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	4,760 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"><li>▪ Investment activities</li><li>▪ Management of investment funds</li><li>▪ Others</li></ul>	
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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