

# Financial Results Overview for the 3<sup>rd</sup> Quarter Ended December 31, 2015

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

*Announcement: February 4, 2016*

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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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# Outline of Results for the 3<sup>rd</sup> Quarter Ended December 31, 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(3Q) PAS	16/3(3Q) PAS	Change (%)	15/3(3Q) FCAS	16/3(3Q) FCAS	Change (%)
<b>Business Results</b>											
Operating Revenues	10,979	5,396	3,784	6,155	4,532	4,221	2,380	(44%)	6,603	3,238	(51%)
Operating Gross Profit	3,692	396	176	2,474	882	1,217	870	(28%)	2,221	1,019	(54%)
SG&A Expenses	2,399	2,274	2,000	1,621	1,433	1,088	1,161	7%	1,061	1,319	24%
Operating Income	1,293	(1,878)	(1,823)	852	(550)	129	(291)	-	1,160	(300)	-
Ordinary Income	175	(2,477)	(2,612)	374	(610)	(124)	(465)	-	830	(518)	-
Net Income	(2,044)	(2,885)	(2,575)	462	(850)	(334)	(514)	-	(393)	(341)	-
<b>Financial Position</b>											
Loans Payable, Bonds & Bonds with subscription rights to shares	32,327	28,275	25,433	24,010	20,193	20,193	17,745	-			
Total shareholders' equity	4,376	1,969	1,565	2,573	3,373	3,294	3,323	-			

## ● Funds & investment activities

(JPY million)	11/3	12/3	13/3	14/3	15/3	15/3(3Q)	16/3(3Q)
New & Increased Funds	1,330	11,926	4,548	-	-	-	-
AUM of Funds	85,755	85,833	85,873	50,888	43,897	48,723	35,452
New Investmmts	3,204	4,545	4,746	4,189	2,728	2,023	2,138
Balance of Investments	42,268	36,706	33,886	25,862	19,722	19,381	18,933

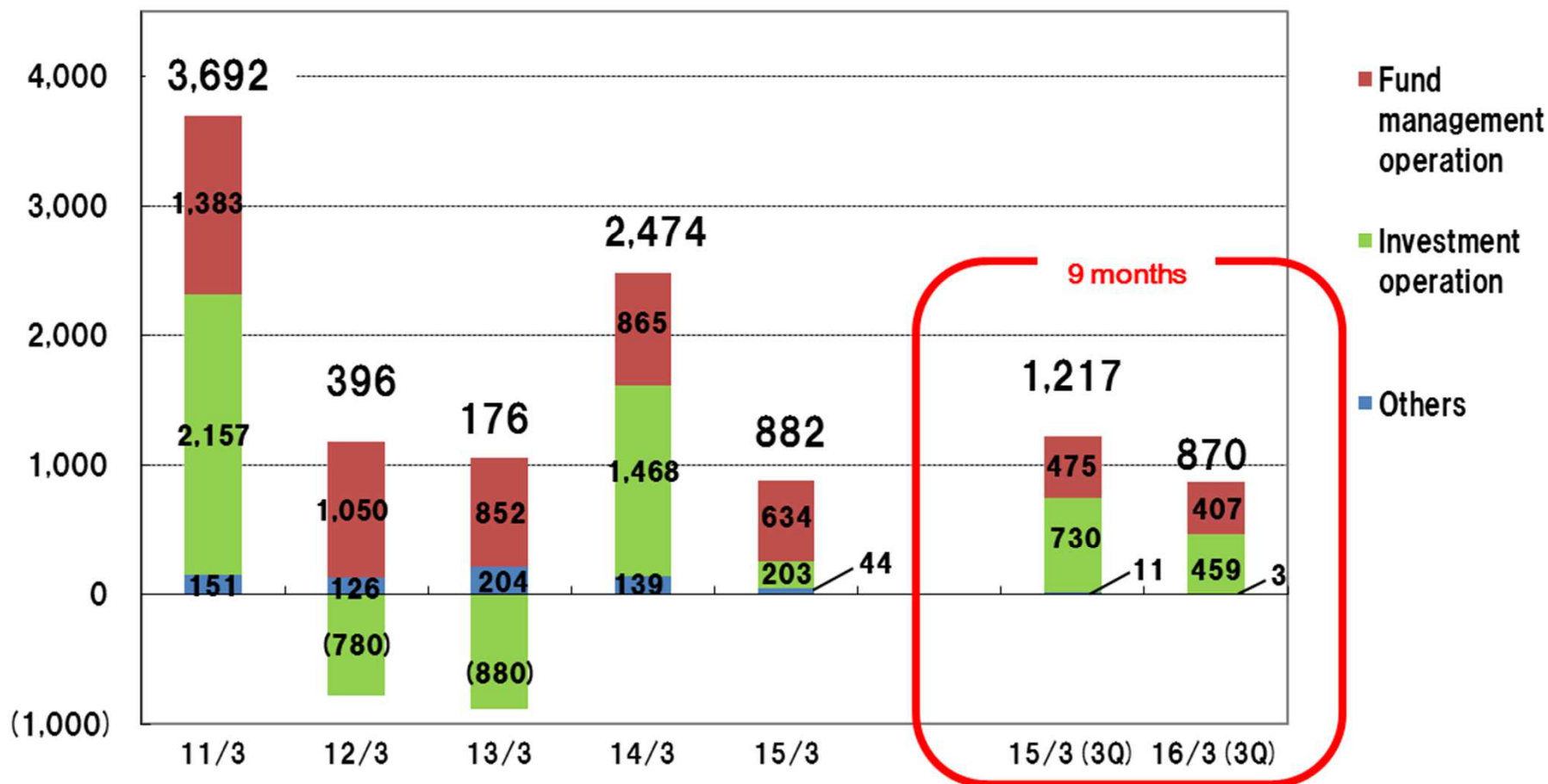
Note: "PAS" Previous Accounting Standards, "FCAS" Fund Consolidation Accounting Standards

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



PAS

(¥ million)



# Statement of Income - Fund Management



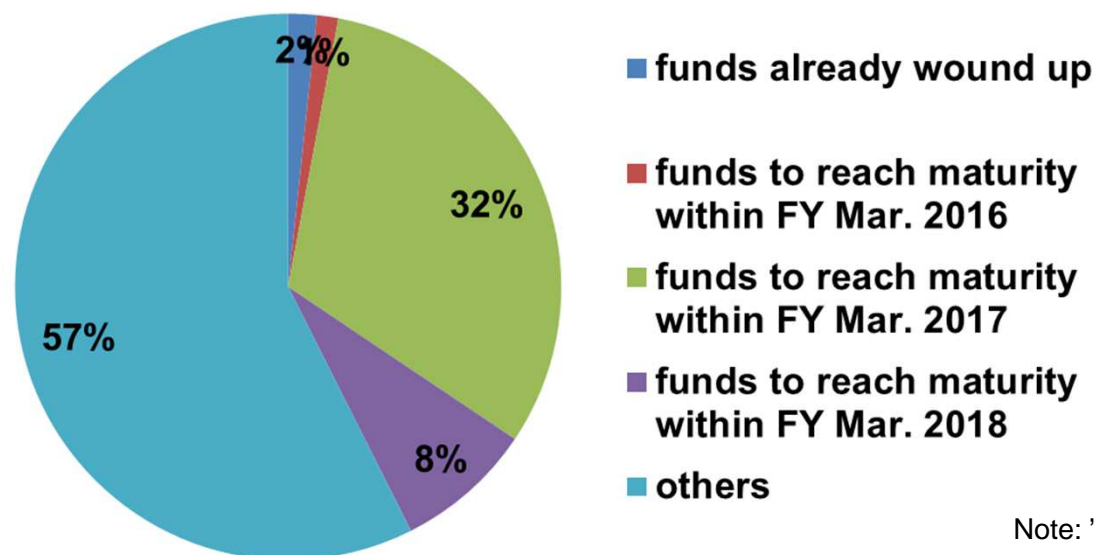
## ● New Funds & AUM of Funds

(JPY million)	11/3	12/3	13/3	14/3	15/3	15/3(3Q)	16/3(3Q)
New & Increased Funds	1,330	11,926	4,548	-	-	-	-
AUM of Funds	85,755	85,833	85,873	50,888	43,897	48,723	35,452

## ● Fund Management fees (PAS)

(JPY million)	11/3 PAS	12/3 PAS	13/3 PAS	14/3 PAS	15/3 PAS	15/3(3Q) PAS	16/3(3Q) PAS	Change (%)
Fund Management fees Total	1,383	1,050	852	865	634	475	407	(14%)
Management fees etc	1,088	966	815	733	571	401	346	(14%)
Success fees	295	84	37	132	63	73	60	(17%)

Breakdown of management fees total 2016/3(3Q)



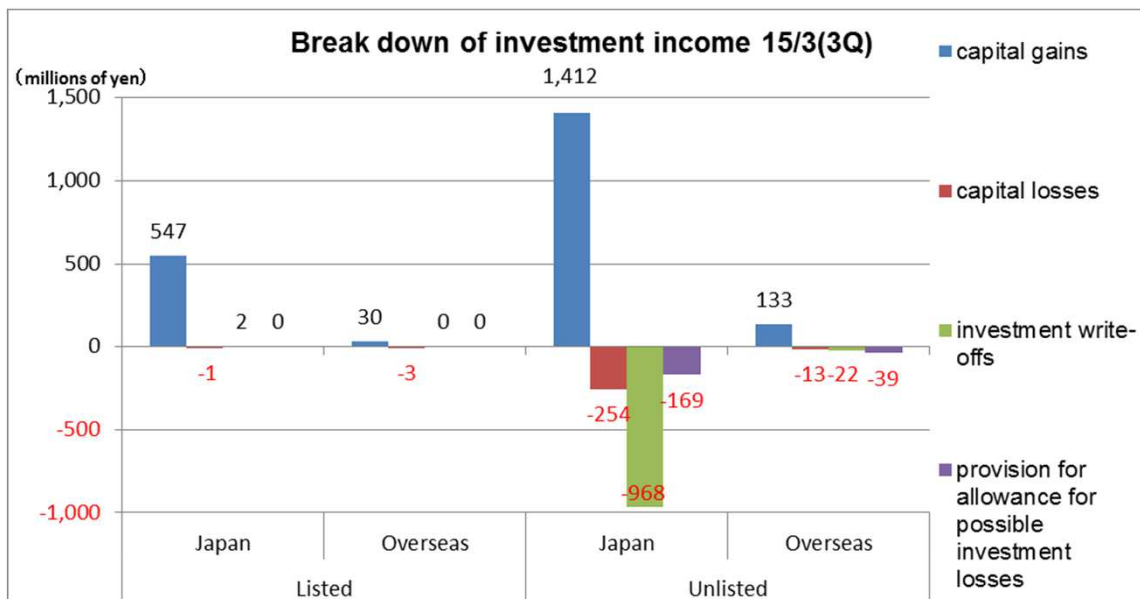
Note: "PAS" Previous Accounting Standards

# Statement of Income – Investment Income

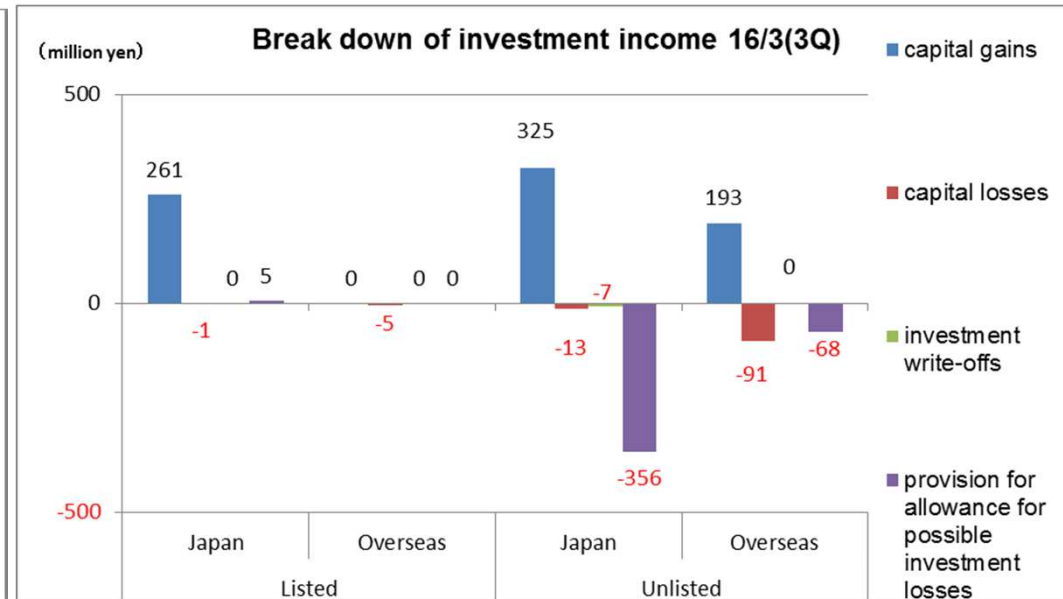


(JPY million)	11/3 PAS	12/3 PAS	13/3 PAS	14/3 PAS	15/3 PAS	15/3(3Q) PAS	16/3(3Q) PAS	Change (%)
Proceeds of sales of securities	8,584	3,938	2,411	4,656	3,651	3,591	1,711	(52%)
Cost of securities sold	6,680	3,412	1,385	2,133	1,767	1,739	1,044	(40%)
Realized capital gains	1,904	526	1,025	2,523	1,883	1,851	667	(64%)
Investment write-offs	627	394	174	45	1,233	987	6	(99%)
Provision for allowance for possible investment losses	(296)	978	1,863	1,435	471	207	418	102%
Investment income	1,573	(847)	(1,012)	1,042	178	656	241	(63%)

## PAS



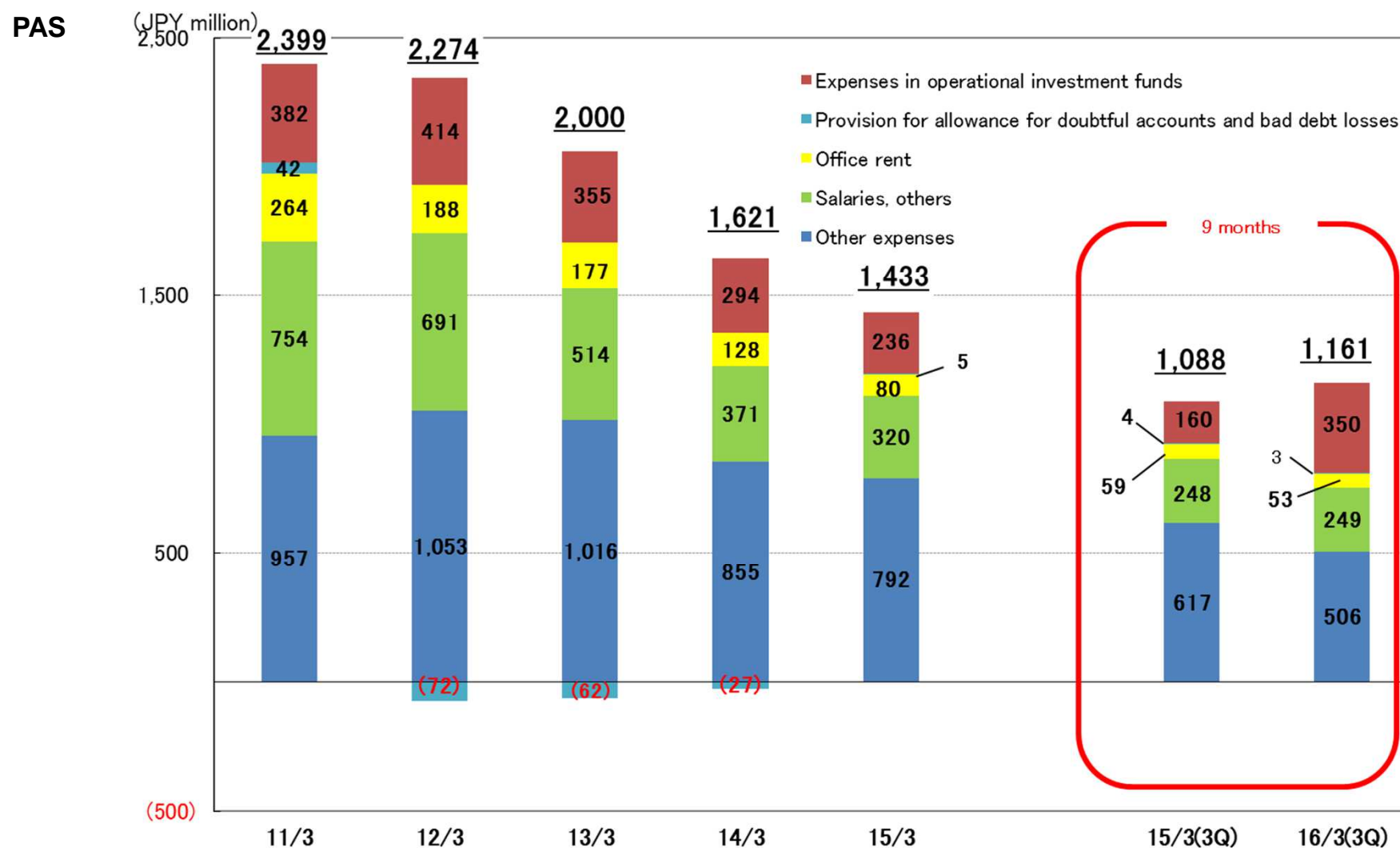
## PAS



■ "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(3Q)
NO.of employee	Consol	133	109	80	46	45	43
	Non-consol	80	66	42	23	25	23

# Statement of Income – Break Down



(JPY:million)	11/3 PAS	12/3 PAS	13/3 PAS	14/3 PAS	15/3 PAS	15/3(3Q) PAS	16/3(3Q) PAS	Change (%)	15/3(3Q) FCAS	16/3(3Q) FCAS	Change (%)
<b>1. Fund management operation</b>											
<i>Fund management fees and others</i>	1,088	966	815	733	571	401	346	(14%)	217	199	(8%)
<i>Success Fees</i>	295	84	37	132	63	73	60	(17%)	75	60	(19%)
Operating Revenue	1,383	1,050	852	865	634	475	407	(14%)	292	260	(11%)
Operating Cost	-	-	-	-	-	-	-	-	-	-	-
Operating Gross Profit	1,383	1,050	852	865	634	475	407	(14%)	292	260	(11%)
<b>2. Investment operations</b>											
<i>Proceeds of sales of securities</i>	8,584	3,938	2,411	4,656	3,651	3,591	1,711	(52%)	6,064	2,584	(57%)
<i>Income gains</i>	595	181	95	121	93	90	46	(49%)	113	64	(43%)
<i>Fund interests income etc.</i>	180	63	194	357	100	46	206	348%	106	319	201%
Operating Revenue	9,360	4,183	2,701	5,134	3,844	3,727	1,964	(47%)	6,283	2,968	(53%)
<i>Cost of securities sold</i>	6,680	3,412	1,385	2,133	1,767	1,739	1,044	(40%)	2,861	1,444	(50%)
<i>Investment write-offs</i>	627	394	174	45	1,233	987	6	(99%)	1,079	9	(99%)
<i>Provision for allowance for possible investment losses</i>	(296)	978	1,863	1,435	471	207	418	102%	296	689	133%
<i>Fund interests losses etc.</i>	191	178	158	52	168	62	34	(45%)	137	69	(49%)
Operating Cost	7,203	4,964	3,582	3,666	3,640	2,997	1,504	(50%)	4,374	2,212	(49%)
Operating Gross Profit	2,157	(780)	(880)	1,468	203	730	459	(37%)	1,909	755	(60%)
<b>3. Others</b>											
Operating Revenue	234	162	229	154	53	19	9	(52%)	28	9	(67%)
Operating Cost	83	35	25	15	9	7	5	(27%)	7	5	(27%)
Operating Gross Profit	151	126	204	139	44	11	3	(68%)	20	3	(82%)
<b>Total</b>											
Operating Revenues	10,979	5,396	3,784	6,155	4,532	4,221	2,380	(44%)	6,603	3,238	(51%)
Operating Cost	7,286	4,999	3,607	3,681	3,650	3,004	1,510	(50%)	4,381	2,218	(49%)
Operating Gross Profit	3,692	396	176	2,474	882	1,217	870	(28%)	2,221	1,019	(54%)
SG&A Expenses	2,399	2,274	2,000	1,621	1,433	1,088	1,161	7%	1,061	1,319	24%
Operating Income	1,293	(1,878)	(1,823)	852	(550)	129	(291)	-	1,160	(300)	-
Ordinary Income	175	(2,477)	(2,612)	374	(610)	(124)	(465)	-	830	(518)	-
Net Income	(2,044)	(2,885)	(2,575)	462	(850)	(334)	(514)	-	(393)	(341)	-

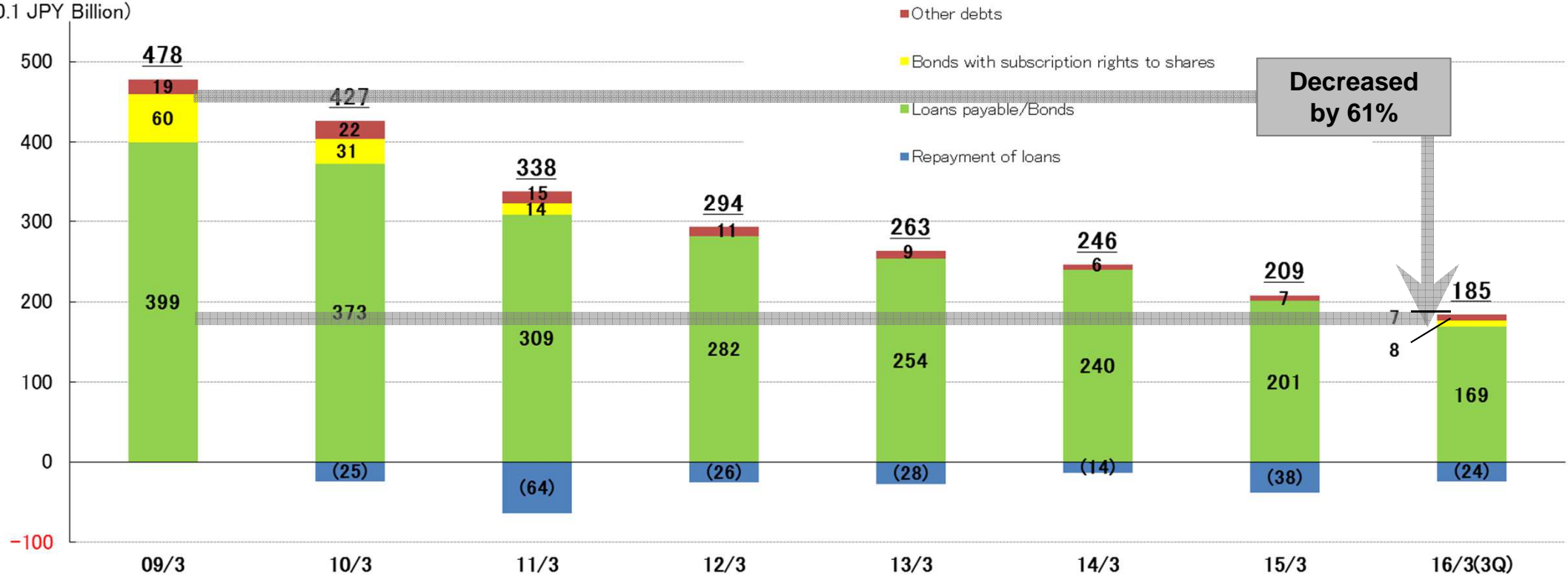


# Balance Sheet - Debt Outstanding

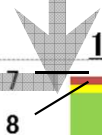


PAS

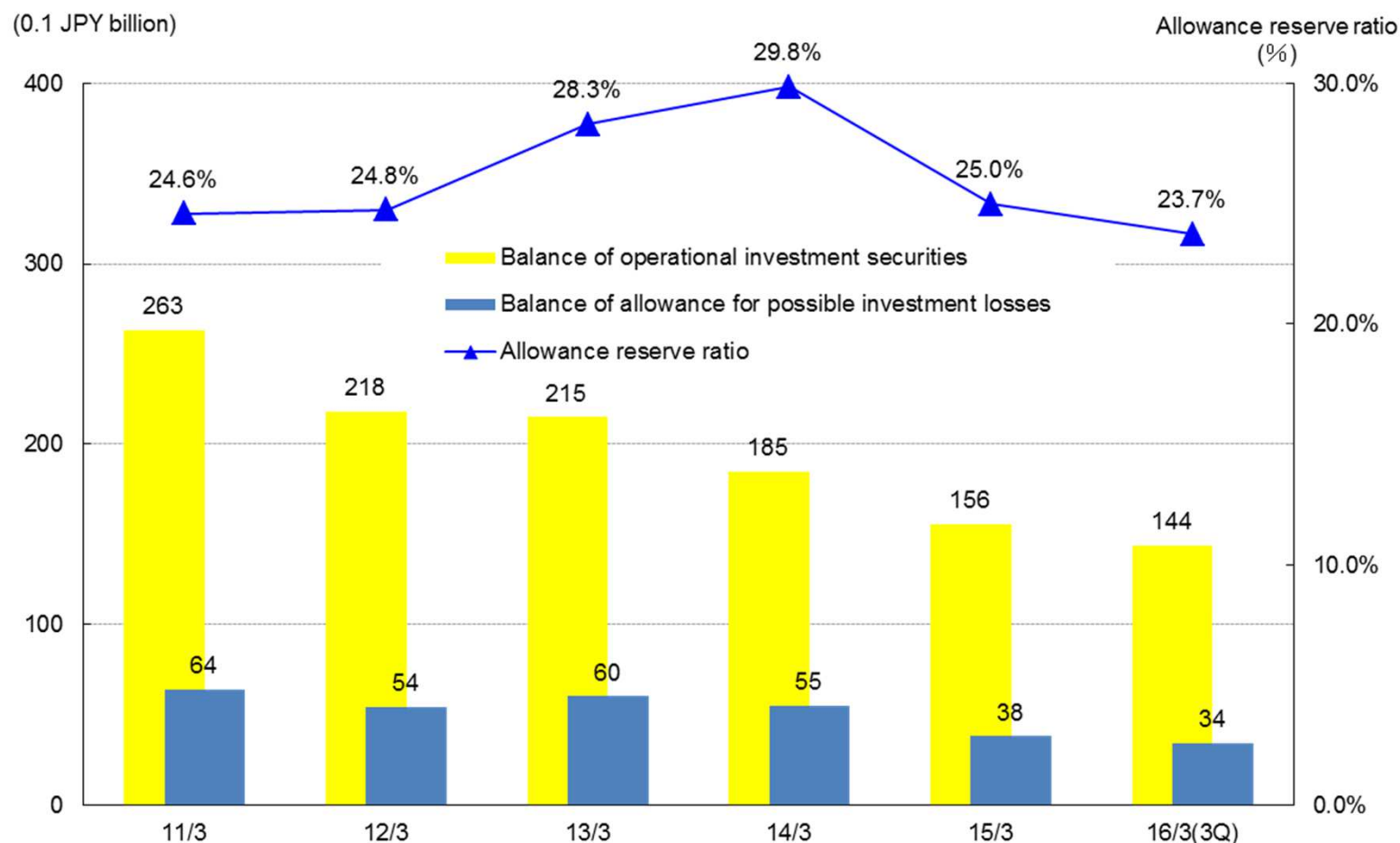
(0.1 JPY Billion)



Decreased by 61%



## 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. 1,129 million yen of cash flows provided by operating activities. (525 million yen was provided in 15/3(3Q))
- Cash provided by stock acquisition rights and repayments of loans resulted in use of 1,564 million yen in financing activities. (3,791 million yen was used in 15/3(3Q))
- Net CF was decreased by 383 million yen in 16/3(3Q).

(FCAS)

(JPY million)	11/3	12/3	13/3	14/3	15/3	15/3(3Q)	16/3(3Q)	Change(%)
Operating CF	7,137	738	1,196	3,624	511	525	1,129	115%
Investing CF	2,215	396	277	437	213	215	137	(36%)
Financing CF	(7,886)	(4,056)	(2,838)	(1,424)	(3,224)	(3,791)	(1,564)	-
Change in Net CF	1,431	(2,948)	(1,259)	2,758	(2,371)	(3,011)	(383)	-
Cash & Cash Equivalents at End of Period	9,762	6,813	5,554	8,313	5,942	5,301	5,558	5%

# Investment Portfolio – New Investments



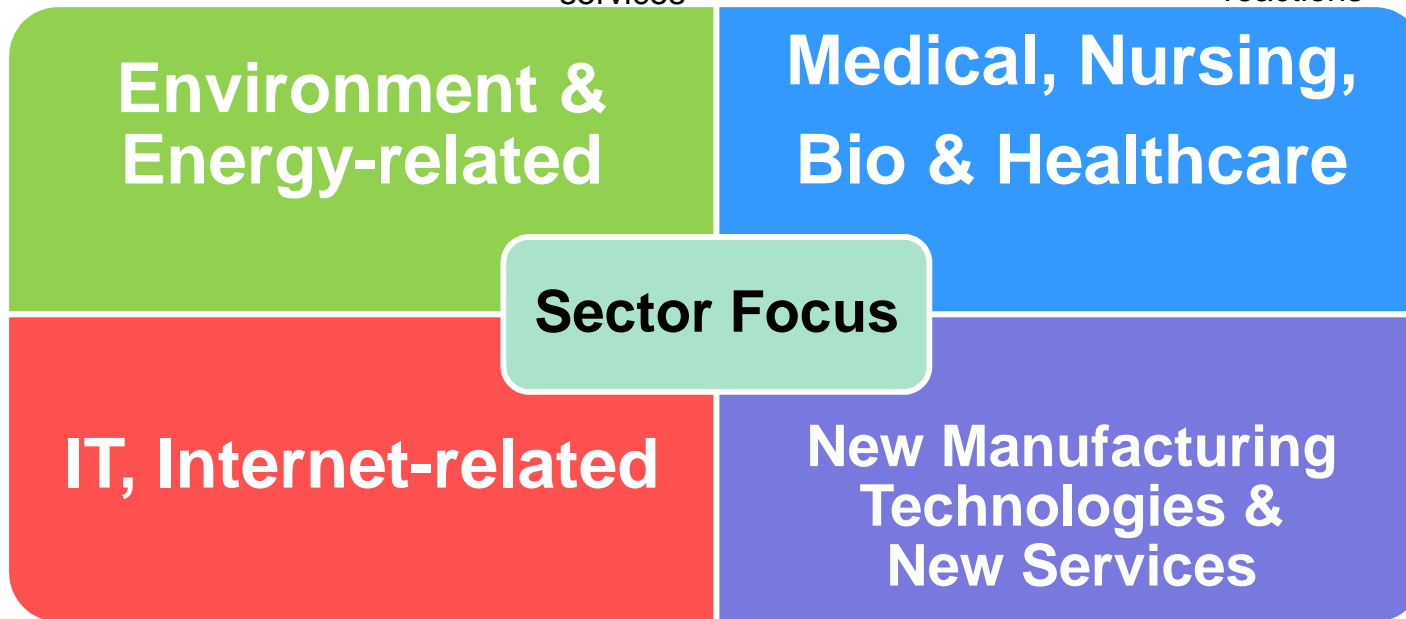
**Renewable Japan Co., Ltd.**  
partner company of JAIC's Mega Solar projects



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



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



**2 companies**  
biotechnology - related

**2 companies**  
real estate service-related



**Eltes Co., Ltd.**  
big data-related



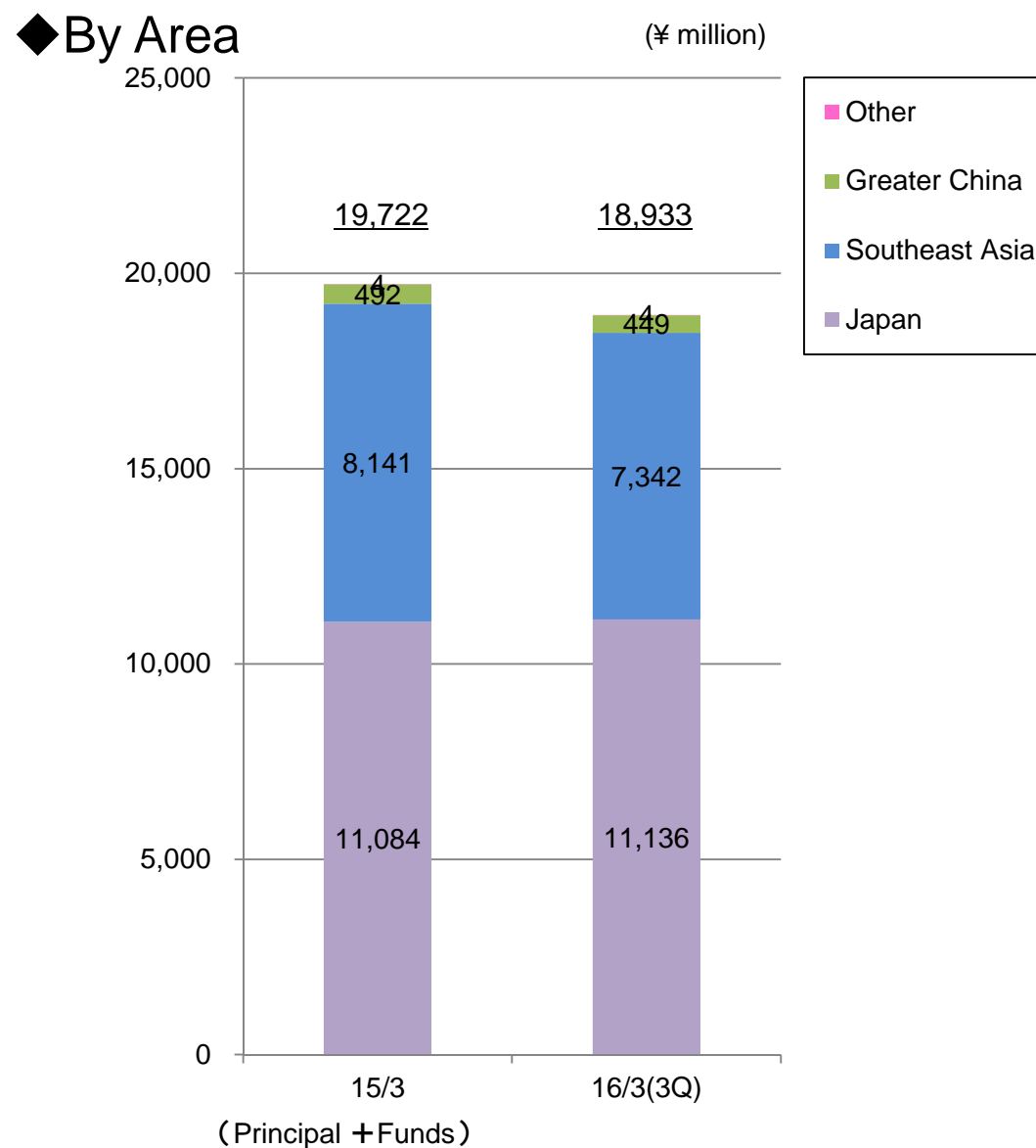
**Aoi Co., Ltd.**  
Online private preparatory school for smartphone



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



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

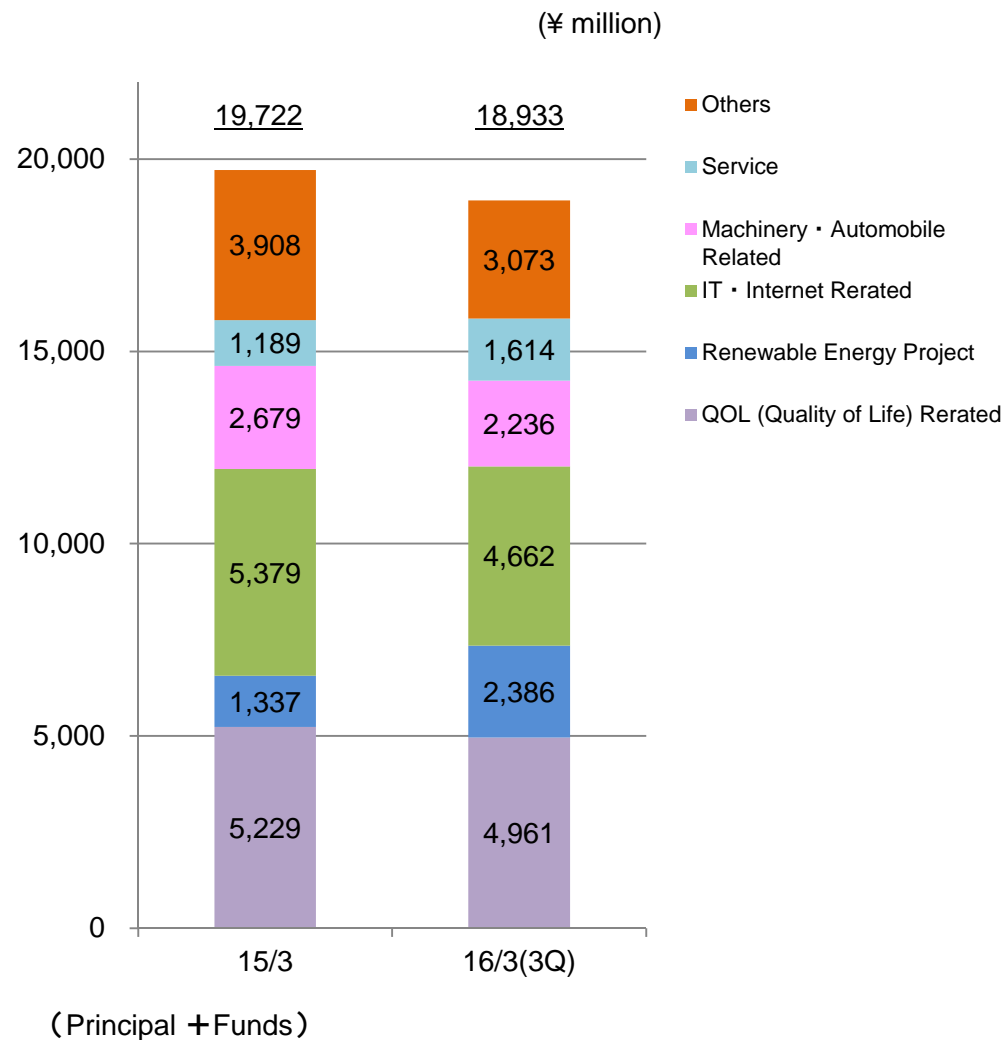


Note : Investments in funds managed by third parties and in which the JAIC Group is not involved in the management, are not included.

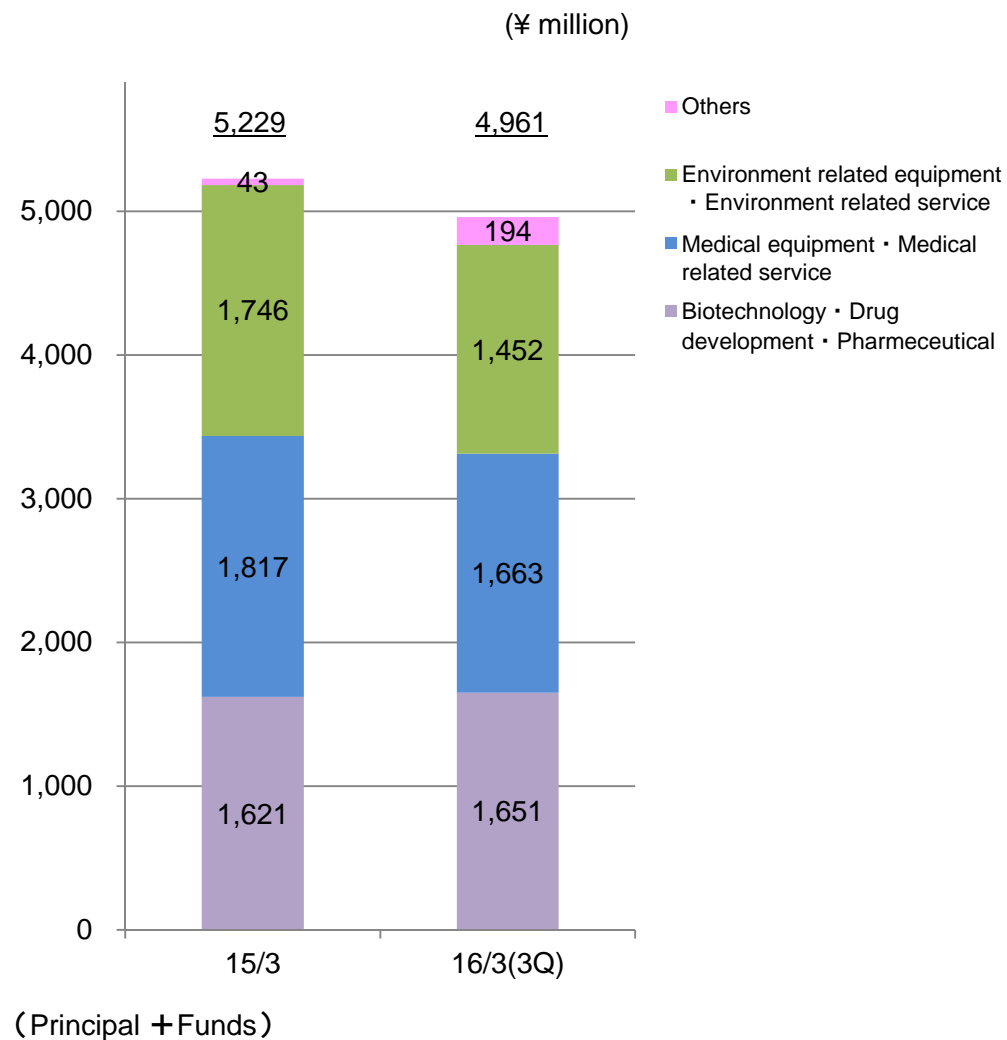
# Investment Portfolio Breakdown



## ◆ By Industry

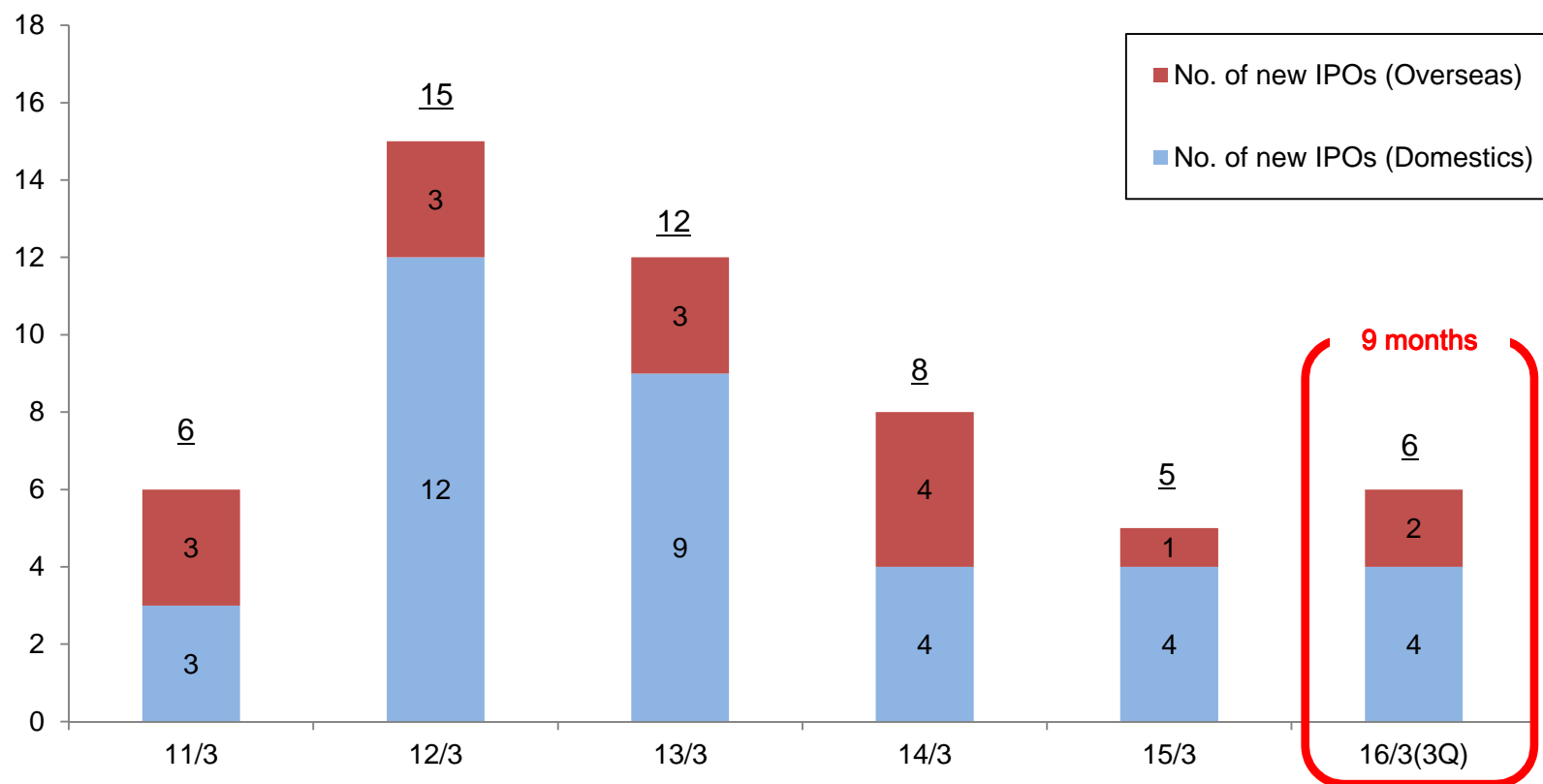


## ◆ Breakdown of QOL(Quality of Life) Related



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(3Q). 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(3Q)
Domestics	1.9	1.4	1.5	15.2	4.9	1.6
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 2 in 16/3(3Q)).

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 :

1 project 2.2MW

Projects that have started electricity sales :

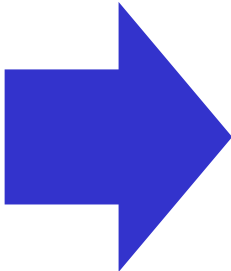
5 projects 18.0MW

Projects under construction:

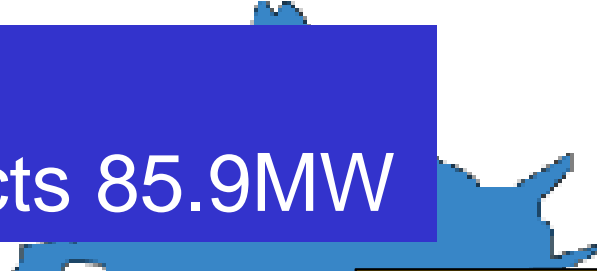
5 projects 23.9MW

Projects under planning:

7 projects 41.8MW



**Total:  
18 projects 85.9MW**



Shizuoka, Izunokuni  
kitaema 11.3MW  
Shizuoka, Izunokuni  
Ukihashi 2.5MW

- Iwate, Ichinoseki 2.3MW
- Iwate, Ichinoseki Kazawa 10.8MW
- Iwate, Ichinoseki Fujisawa 2.3MW
- Miyagi, Kurihara Kurikoma 7.0MW
- Miyagi, Kesennuma 1.0MW
- Fukushima, Iwaki 2.2MW
- Ibaragi, Tsukubamirai 2.3MW
- Aichi, Tokoname 2.3MW

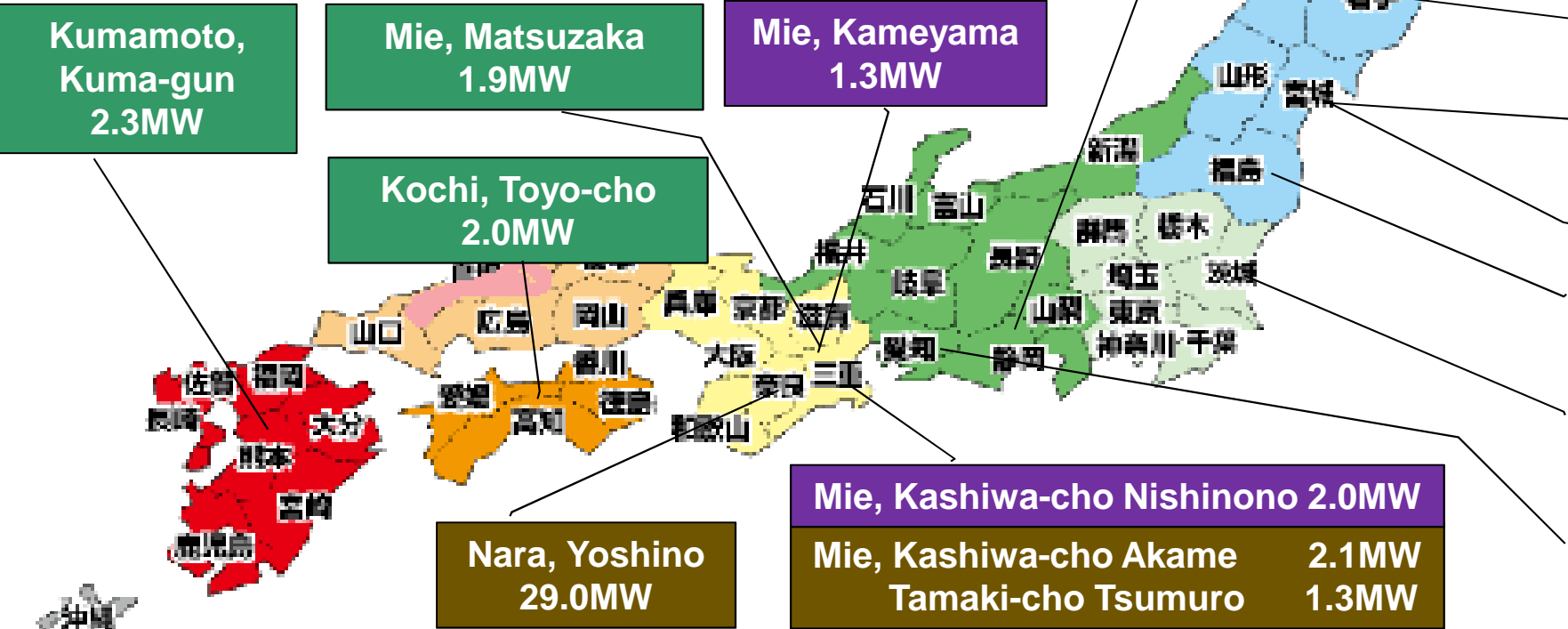
Mie, Matsuzaka 1.9MW  
Kochi, Toyo-cho 2.0MW

Mie, Kameyama 1.3MW

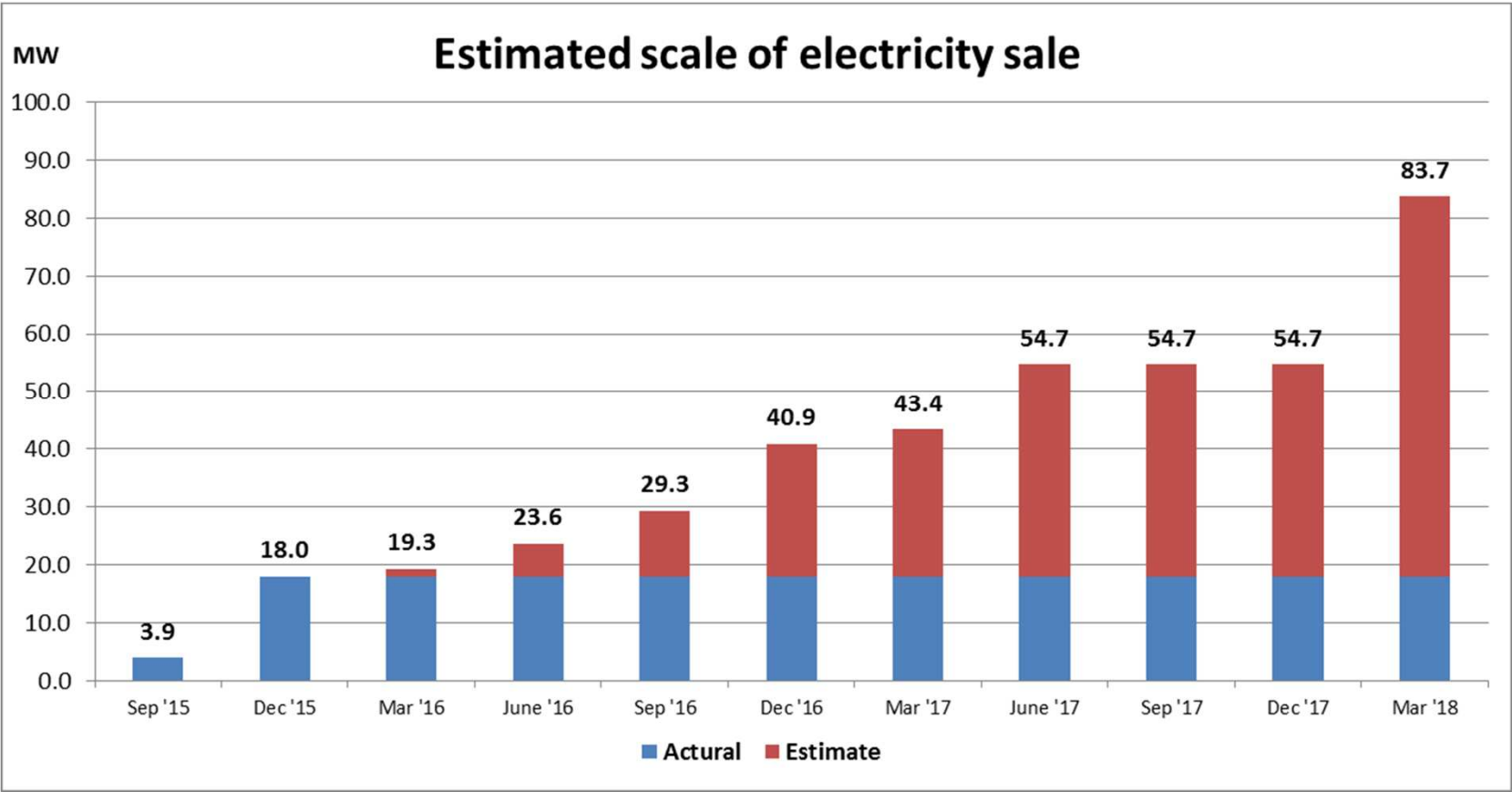
Kumamoto, Kuma-gun 2.3MW

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

Nara, Yoshino 29.0MW







## Environment & Energy-related



### KOYO ELECTRIC CORPORATION

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



### Renewable Japan Co., Ltd.

Solar light/wind power/ground heat/small hydroelectric business, their related equipment import business, financial instruments transaction business and consulting business



### Renova, Inc.

- Renewable energy power plant development
- Solar power plant development
- Plastic recycling
- Green business development in Asia
- Research and consulting



### NAGAOKA INTERNATIONAL CORPORATION

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



### Refinverse Inc.

Material manufacturers using waste as raw material  
Manufacture/sales of refine powder, which is the synthetic resin raw material recycled from the used tile carpet by applying the precision processing technology

## Internet-related



**Eltes Co.,Ltd.**

Offering of solutions by analyzing big data specialized in risk detection



**Access Bright, Inc.**

Publishing mobile game centering on smartphone in China



**Rich Media Co., LTD.**

Providing internet media in the beauty and health domain



**webrage CO.,LTD.**

Third-party quality assurance/measuring business/mobile quality assurance business and cloud sourcing assurance business and other assurance business relating to Web services, and other validation business



**MICS Network Inc.**

Offering of "SITE PUBLIS" series, base tool to operate Web site



**Net Marketing Co.,Ltd.**

Affiliate agent business, trading desk business, own company media operation business and license business

## 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

### Rozetta Corp.

Development/operation of the next generation online automatic translation Jukko, innovative entrusted translation service by IT technology



### 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)



### SQUSE Co., Ltd

FA (factory automation) business, robot business and solutions business

## Medical, Nursing, Bio & Healthcare



### Shenyang Quan Hui International Geriatric Rehabilitation Ltd.

operating nursing homes and providing nursing and rehabilitation care services



### 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



### Megakaryon Corporation

R&D on human iPS cells derived platelet



### Tianjin Plastic Research Institute

Developing, producing and selling medical plastics product

### GreenPeptide Co., Ltd.

Research, development, manufacture and sale of immunotherapeutic anticancer drugs



### 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



### iHeart Japan Corporation

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



### Sinomed Holding Limited

Manufacture/sales of in-plant medical equipment based in Beijing

# JAIC

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**IR e-mail : [ir@jaic-vc.co.jp](mailto:ir@jaic-vc.co.jp)**

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