

Financial Results Overview for the 2nd Quarter Ended September 30, 2018

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

Announcement: November 12, 2018

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.

1	Summary	P3
2	Results for 2Q FY Mar 2019 (Previous accounting standard)	P4
3	Result forecast for FY Mar 2019 (Previous accounting standard)	P9
4	Business Report	P11
5	Appendix	P22

1. Summary

- ✓ Results for 2Q FY March 2019 (Previous accounting standard)
 - Revenues decreased by 71.9% year on year; final deficit ended at 0.5 billion yen.
 - The decrease in revenues for 2Q FY March 2019 was a reaction to the sale of a large project in 2Q FY March 2018.
 - Write-offs and provision for allowance increased due to the drop in the expected recovery amount of overseas investments
- ✓ Result forecast FY Mar 2019 (Previous accounting standard)
 - No change from start of term; 2Q results were as planned.
 - Gain on sale concentrating in 4Q
 - The pillar of profits is expected to be gain on sales from IPOs in Japan and sales of overseas unlisted shares.
- ✓ Business report
 - VALUENEX Japan Inc. achieved IPO on Oct. 30, 2018.
 - On Oct. 31 The business succession-type buyout fund achieved a total fund amount of 3 billion yen. The fund had been solicitating for subscription and accepted additional investment. Solicitation activities ended successfully.
 - Electricity sales commencement projects from Apr. to Oct. ; 5 projects; 12.5MW

2. Results for 2Q FY March 2019 (Previous accounting standard)

Business Result

Outline of results	P5
--------------------	----

Break down of operating revenue & operating cost	P8
--	----

2. Results for 2Q FY March 2019 – Outline of results (Previous accounting standard)

	FY 2018 2Q (Actual)		FY 2019 2Q (Actual)			Result forecast FY2019	
	Amount (million yen)	Composition ratio	Amount (million yen)	Composition ratio	Change	Amount (million yen)	Progression ratio
Operating revenue	2,547	100.0%	716	100.0%	(71.9%)	3,450	20.8%
Operating cost	1,227	48.2%	638	89.1%	(48.0%)	1,650	38.7%
Operating gross profit	1,319	51.8%	78	10.9%	(94.1%)	1,800	4.4%
SG&A expenses	605	23.8%	543	75.8%	(10.2%)	1,100	49.4%
Operating income	714	28.0%	(465)	(64.9%)	-	700	-
Ordinary Income	640	25.1%	(460)	(64.3%)	-	550	-
Profit attributable to owners of parent	493	19.4%	(534)	(74.6%)	-	470	-
Stable revenues (*)	227	-	228	-	-	330	69.2%
Percentage of stable revenues to SG&A	37.5%	-	42.0%	-	-	30.0%	-

- ✓ Year on year: 71.9% drop in revenues; final deficit of ¥0.5 billion; the drop was a reaction to the sale of four projects worth 36.0 MW, including a large project, in 2Q FY March 2018.
- ✓ Versus full-year forecast: Operating revenue 20.8%; final profit -¥1 billion; results were as planned; expected to achieve forecasts through gain on sale of equity in 4Q.
- ✓ Stable revenues: Maintained the previous year's level as proceeds from mega solar projects compensated for the cost of projects under construction.

(*) Stable revenues: Management fees + project oriented revenues except project oriented investment capital gain and subsidy income + PE investment income gain.

2. Results for 2Q FY March 2019 – Outline of results (Previous accounting standard)

	FY Mar 2018 (Actual)		FY 2019 2Q (Actual)		
	Amount (million yen)	Composition ratio	Amount (million yen)	Composition ratio	Change
Total assets	19,220	100.0%	16,941	100.0%	(11.9%)
(a) Cash and deposits	7,308	38.0%	4,885	28.8%	(33.2%)
(b) Operational investment securities (Renewable energy projects) etc.	3,582	18.6%	4,672	27.6%	30.4%
Operational investment securities after deducting Allowance for possible	6,030	31.4%	5,447	32.2%	(9.7%)

(c) Loans payable	11,954	62.2%	10,288	60.7%	(13.9%)
Total shareholders' equity	6,545	34.1%	5,986	35.3%	(8.5%)

(a) + (b) - (c)	(1,063)	-	(730)	-	-
-------------------	---------	---	-------	---	---

- ✓ Project oriented investment assets increased due to progress of investment execution
- ✓ Outstanding loans payable were ¥10.2 bn. 78% was reduced from the peak (incl. bonds).
- ✓ The balance between the total amount of cash and deposits and renewable energy projects and outstanding borrowings improved from -¥1.0 bn. on March 31, 2018 to -¥0.7 bn. on September 30.

2. Results for 2Q FY March 2019 – Cash Flows – (Previous accounting standard)

(JPY million)	18/3	18/3(2Q)	19/3(2Q)
Operating CF	1,870	(519)	458
Investing CF	238	196	65
Financing CF	(2,173)	(1,659)	(1,668)
Change in Net CF	(57)	(1,989)	(1,158)
Cash & Cash Equivalents at End of Period	4,757	2,825	3,599

- ✓ Operating CF: Net cash provided was ¥0.46 bn. due to the receipt of distributions from funds and tax refunds, despite the booking of losses
- ✓ Financing CF: Net cash used was ¥16.7 bn. due to repayment of borrowings

2. Results for 2Q FY March 2019 –

Break down of operating revenue & operating cost (Previous accounting standard)



(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2018(2Q) (Actual)	FY 2019(2Q) (Actual)	FY 2018(2Q) (Actual)	FY 2019(2Q) (Actual)	FY 2018(2Q) (Actual)	FY 2019(2Q) (Actual)
Operating revenue	2,547	716	424	582	2,123	133
Fund management fees and others	134	129	133	128	1	0
Success Fees	50	-	50	-	-	-
Proceeds of sales of securities	1,053	196	223	172	830	23
Fund interests income etc.	1,261	357	0	261	1,260	95
Income gains	31	9	11	9	20	0
Other operating reveue	14	22	4	9	10	13
Operating Cost	1,227	638	408	621	819	16
Cost of securities sold	894	205	75	188	818	16
Investment write-offs and Provision for allowance for possible investment losses	317	420	317	420	-	-
Fund interests losses etc.	13	8	12	8	0	-
Other operating costs	2	3	2	3	-	-
Operating Gross Profit	1,319	78	15	(39)	1,303	117

- ✓ In private equity investment, investment write-offs increased, while interests income from funds operated by other companies, leading to an operating gross loss.
- ✓ In project oriented investment, fund interests income decreased as a reaction to the sale of projects and subsidy income in 2Q FY March 2018.

3. Result forecast for FY Mar 2019 (Previous accounting standard)

Result forecast for FY Mar 2019 (Previous accounting standard) P10

3. Result forecast for FY Mar 2019 (Previous accounting standard)

Previous accounting standard	Result forecast FY2019	Actual 2019/3(2Q)	
	Amount (million yen)	Amount (million yen)	Progression ratio
Operating revenue	3,450	716	20.8%
Fund management operation	240	129	53.9%
Proceeds of sales of securities (private equity)	2,800	172	6.2%
Proceeds of sales of securities (project)	-	23	-
Fund interests income etc. (private equity)	-	261	-
Fund interests income etc. (project)	400	95	24.0%
Others	10	32	329.2%
Operating cost	1,650	638	38.7%
Cost of securities sold (private equity)	1,300	192	14.8%
Cost of securities sold (project)	-	13	-
Investment write-offs & provision for allowance for possible investment losses	350	420	120.2%
Others	-	12	-
Operating gross profit	1,800	78	4.4%
SG&A expenses	1,100	543	49.4%
Operating income	700	(465)	-
Ordinary Income	550	(460)	-
Profit attributable to owners of parent	470	(534)	-

Difference in results and the outlook

- Proceeds of private equity sales and cost of private equity securities sold consist mainly of IPOs in Japan and sales of overseas unlisted shares, which is expected to be concentrated in 4Q.
- Investment write-offs exceeded the forecast as of the start of term.
- Interests income from private equity funds operated by other companies, which was not forecast at the start of term, was generated in the fund interests income, etc. of operating revenue. This will supplement the excessive investment write-offs.
- The sale of renewable energy projects and income from mega solar projects are expected in fund interests income, etc.

- ✓ No change from start of term; results were as planned.
- ✓ Gains on sale of shares are expected to be concentrated in 4Q.

The result forecast are based upon the information currently available to JAIC at the time of writing and certain assumptions. The achievement is not promised. Various factors could cause actual results to differ materially from these result forecasts.

Private equity investment	P12
---------------------------	-----

Project oriented investment	P17
-----------------------------	-----

4. Business report

- Private equity investment – investment funds (as of the end of Oct. 2018)

Business succession fund reached a total of ¥3 bn. as of the final closing

~Established with the aim of contributing to regional revitalization and providing solutions to the business succession challenges facing SMEs in Japan~

Name	Succession Investment Limited Partnership, I
Fund management company	AJ Capital Co., Ltd. * A 50:50 joint venture by JIAC and Aozora Bank, Ltd.
Investors	AJ Capital, Aozora Bank, Ehime Bank, Financial Products Group, Kirayaka Bank, Towa Bank, Tottori Bank, Bank of Toyama, Hokuto Bank, Miyazaki Taiyo Bank, Japan Post Bank, JAIC, as well as other financial institutions
Total commitment amount	¥ 3 billion (as of Oct 2018)
Main investment target	SMEs in Japan with business succession challenges
Date of establishment	June 26, 2017

Two funds currently being planned

Theme	Assist globalization of small and medium-sized companies across Japan (Support overseas business expansion and assist growth by capturing inbound demand)
Expected investors	Regional financial institutions
Expected establishment date	After March 2019

Theme	Assist the growth of Japan's medium-sized manufacturers in cooperation with overseas investors
Expected investors	Chinese institutional investors
Expected establishment date	After March 2019

VALUENEX Japan Inc.

Listed on TSE Mothers on Oct. 30, 2018

Business :

Providing ASP licensing services for big data analytics of patents (TechRadar) and documents (DocRadar), and offering consulting services utilizing these tools and unique methodologies

Enterprise value based on first price :
11.8 billion yen

The Valuenex logo, consisting of the word "VALUENEX" in a large, white, bold, sans-serif font, with the tagline "intellectual innovator" in a smaller, white, sans-serif font below it, all set against a dark blue square background.

Investment execution : 2 companies, ¥0.1 bn.

JAIC Venture Capital Investment L. P.
(Secondary investment fund for venture companies)

Shenyang Wanrun-JAIC Venture Capital Enterprise
(Targeting promising companies in Shenyang City)



LIGUA, Inc.

Top-class share in solution services for orthopedic and osteopathic clinics

- Provides enhancement of patient information management through system introduction, introduction of own expense menu using treatment devices such as EMS, personnel training support, and accounting support
- Capital (incl. capital reserve): ¥280 million; employees: 81



Patient information management system
"LigooPOS&CRM"



Electric treatment device
"EMS-indepth-"



瀋陽中元宜和
生物科技有限公司

Start-up firm that develops and manufactures artificial insemination medical device for medical institutions

- Obtained approval from China Food and Drug Administration (CFDA) on domestic manufacture and sale of egg cell collectors, embryo transplant conduits, and artificial fertilization tubes
- Established April 2011; capital: 6.7 million yuan



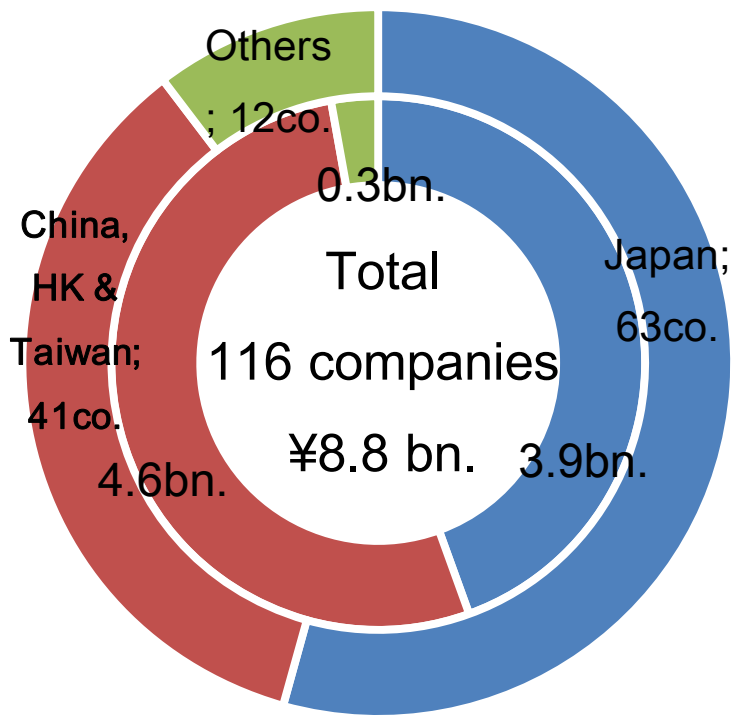
Egg cell collector

Artificial fertilization tube

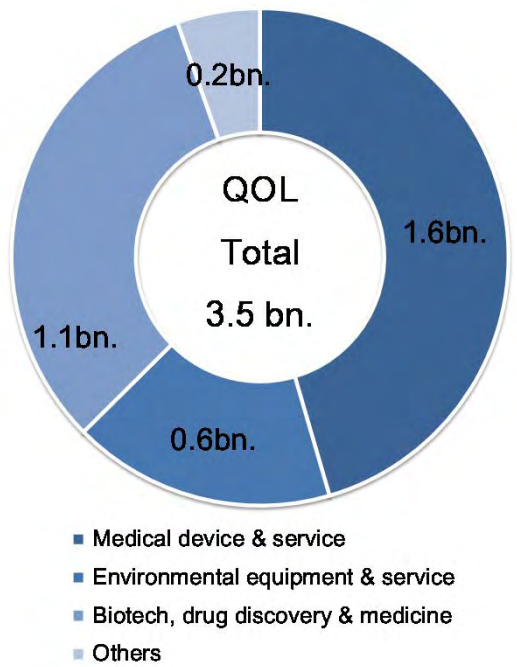
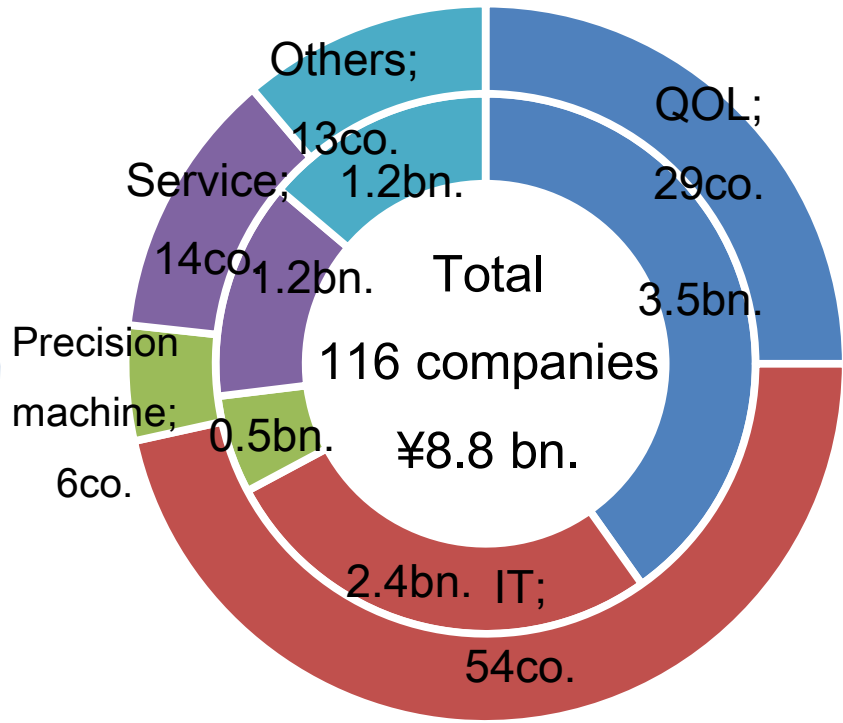
Embryo transplant conduit

Investment balance : 116 companies, ¥8.8 bn.

【Breakdown by area】



【Breakdown by industry】



Average investment amount per company (unit: ¥ million) :
 Japan 62, China, HK & Taiwan 113 / QOL 122, IT 44

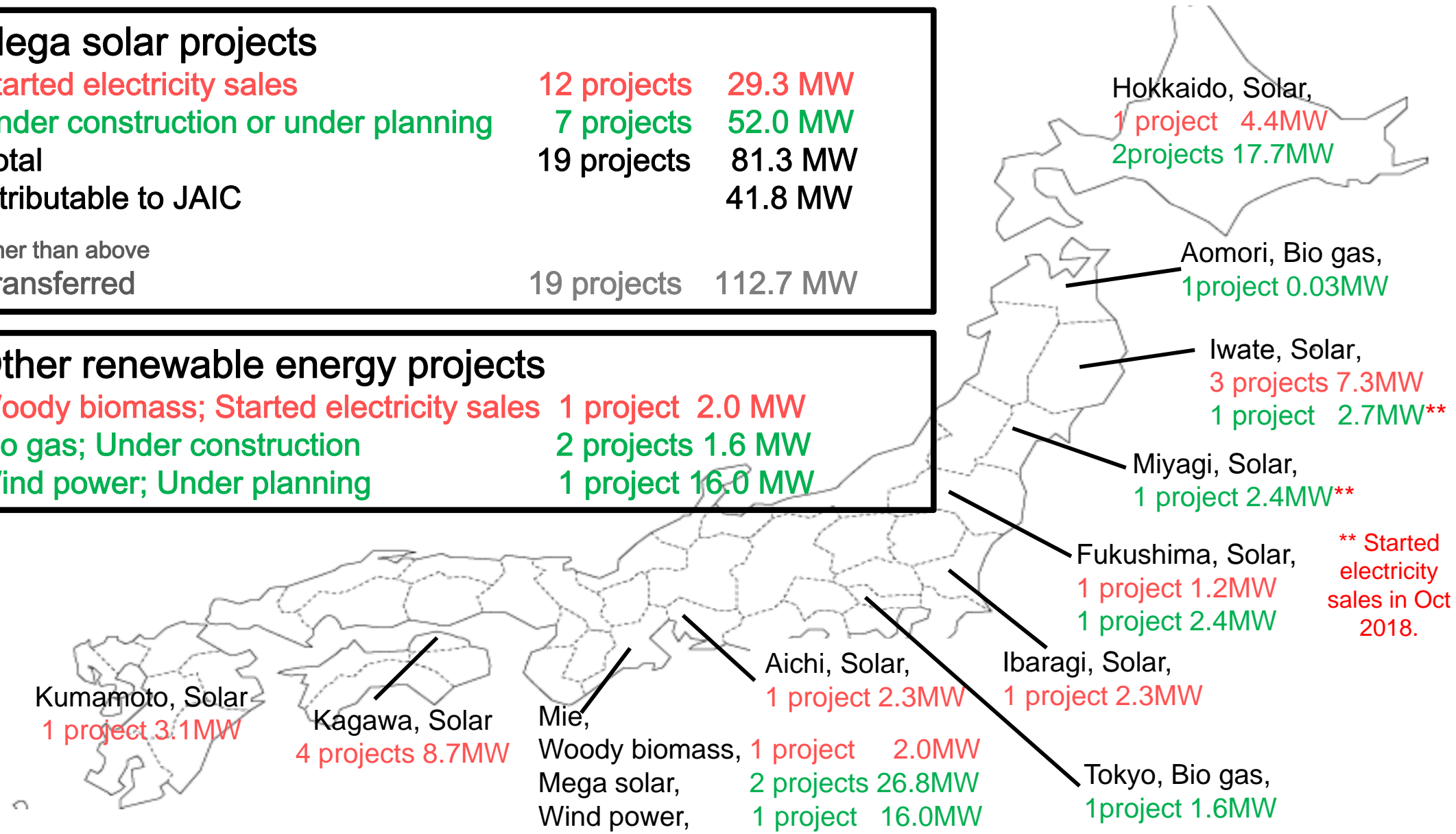
Investment execution : 5 projects, ¥1.35 bn.

Location	Energy source	Generation capacity	Notes
Mie	Wind	16.0MW	Additional investment in an existing project
Hokkaido	Solar	2.0MW	New project
Gifu	Solar	20.0MW	New project (short-term recovery planned)
Aomori	Bio gas	0.03MW	New project
Iwate	Solar	2.7MW	Additional investment in an existing project

4. Business report - Project oriented investment - Renewable energy projects as of Sep. 30, 2018

Mega solar projects		
Started electricity sales	12 projects	29.3 MW
Under construction or under planning	7 projects	52.0 MW
Total attributable to JAIC	19 projects	81.3 MW
other than above		41.8 MW
Transferred	19 projects	112.7 MW

Other renewable energy projects		
Woody biomass; Started electricity sales	1 project	2.0 MW
Bio gas; Under construction	2 projects	1.6 MW
Wind power; Under planning	1 project	16.0 MW



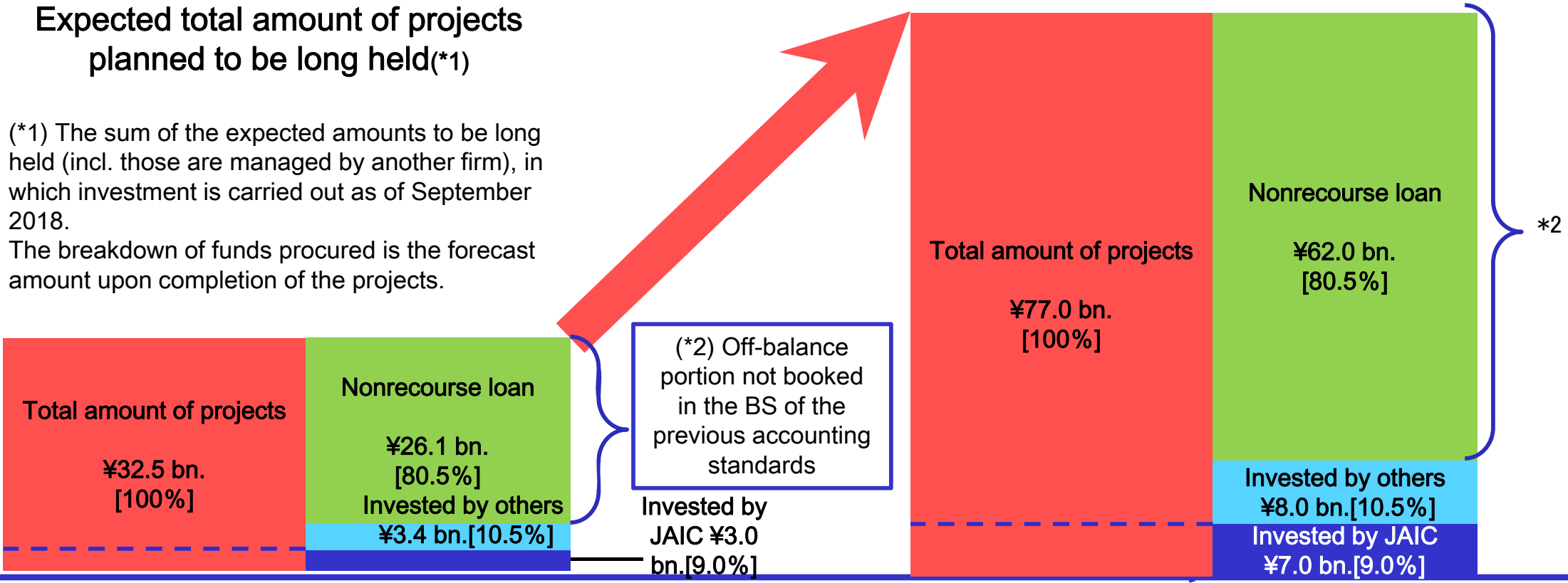
**** Started electricity sales in Oct 2018.**

* Since our investment ratio differs in each project, the amount of JAIC's investment or revenues from mega solar projects that are attributable to JAIC are not necessarily linked to the MW figure of the project.

4. Business report - Project oriented investment - total project amount

Expected total amount of projects planned to be long held(*1)

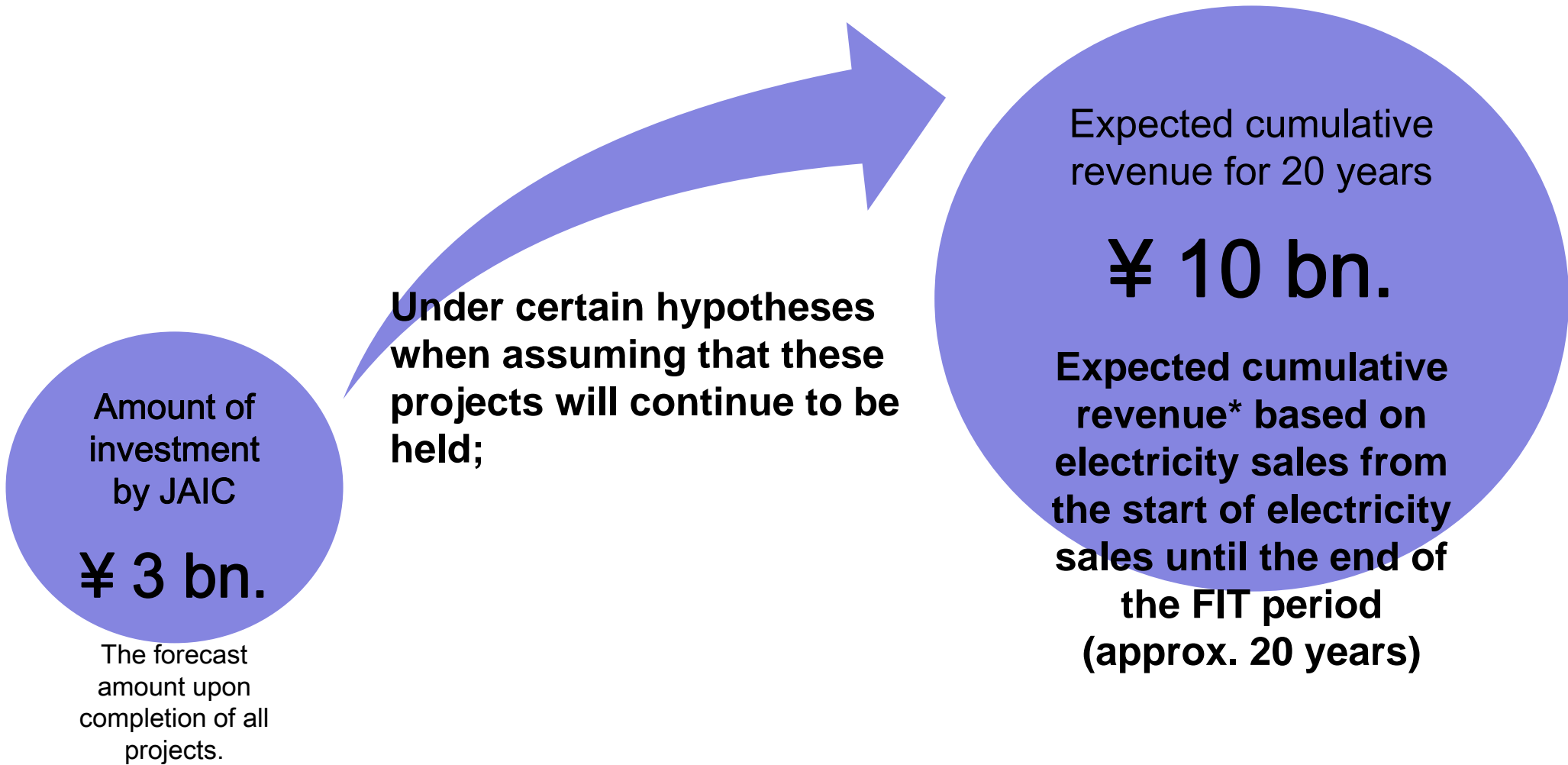
(*1) The sum of the expected amounts to be long held (incl. those are managed by another firm), in which investment is carried out as of September 2018.
The breakdown of funds procured is the forecast amount upon completion of the projects.



- ✓ The expected total amount of project to be long held as of September 2018 is ¥32.5 billion.
- ✓ Based on the previous accounting standards, other than ¥3.0 billion “invested by JAIC” (9.0%) of the total amount of projects are off-balance^{*2}.
- ✓ In the medium-term management plan,^{*3} JAIC aims to increase investment by JAIC to ¥7 billion by end of March 2021. Assuming that the same percentage of funding will be carried out in projects invested in the future as in existing projects to be long held, the total amount of projects that correspond to JAIC’s investment of ¥7 billion will increase to ¥77.0 billion.

(*3) Medium-term business plan for March 2019 through March 2021. The medium-term business plan and 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. Various factors could cause actual results to differ materially.

Estimation of cumulative revenue from electricity sales from projects to be long held as of September 2018



* Revenues from electricity sales minus depreciation, interest expenses, etc.

4. Business report – Project oriented investment - Renewable energy projects – case study 1

Aquatic power plant in Nakaoudaike and Higashioudaike, Sanuki, Kagawa Prefecture started electricity sales



Nakaoudaike solar power plant

Started electricity sales in Apr. 2018

Maximum output : approx. 2.4MW

*Solar cell panel system capacity basis

Feed-in tariff : 36/kWh [ex. Tax]



Higashioudaike solar power plant

Started electricity sales in July. 2018

Maximum output : approx. 2.4MW

*Solar cell panel system capacity basis

Feed-in tariff : 36/kWh [ex. Tax]

- ✓ By constructing the power plant on water, costs for reclamation work to flatten the ground for panel installation will become unnecessary
- ✓ Solar radiation conditions are good since there are no obstacles around
- ✓ The temperature of the panels are kept low due to the cooling effect of the water's surface, enabling the power plant to maintain power generation efficiency

4. Business report – Project oriented investment

- Renewable energy projects – case study 2

Mega solar sharing power plant



Ichinoseki-shi Yoshitaka solar power plant

Ichinoseki-shi Yoshitaka solar power plant

Maximum output: approx. 2.6MW

*Solar cell panel system capacity basis

Started electricity sales in June 2018

Ichinoseki-shi Suzugasawa solar power plant

Maximum output: approx. 2.6MW

*Solar cell panel system capacity basis

Started electricity sales in October 2018

- ✓ Joint investment with Renewable Japan Co., Ltd. and TOKYU LAND CORPORATION
- ✓ Project finance from The Tohoku Bank, Ltd. and EPC by Mitsubishi Electric System & Service Co., Ltd.
- ✓ Sharing sunlight between power generation and agriculture
- ✓ Posts are planted on farmland and panels are installed at certain intervals, under the panels barley is grown using large agricultural machines
- ✓ Part of the income of the power generation business will be paid as farming support costs over twenty years to contribute to regional re-creation

4. Business report – Project oriented investment

– Investment in a vegetable plant

October 2018 Invested in JAIC's first vegetable plant project ~ Investment in a pilot project ~



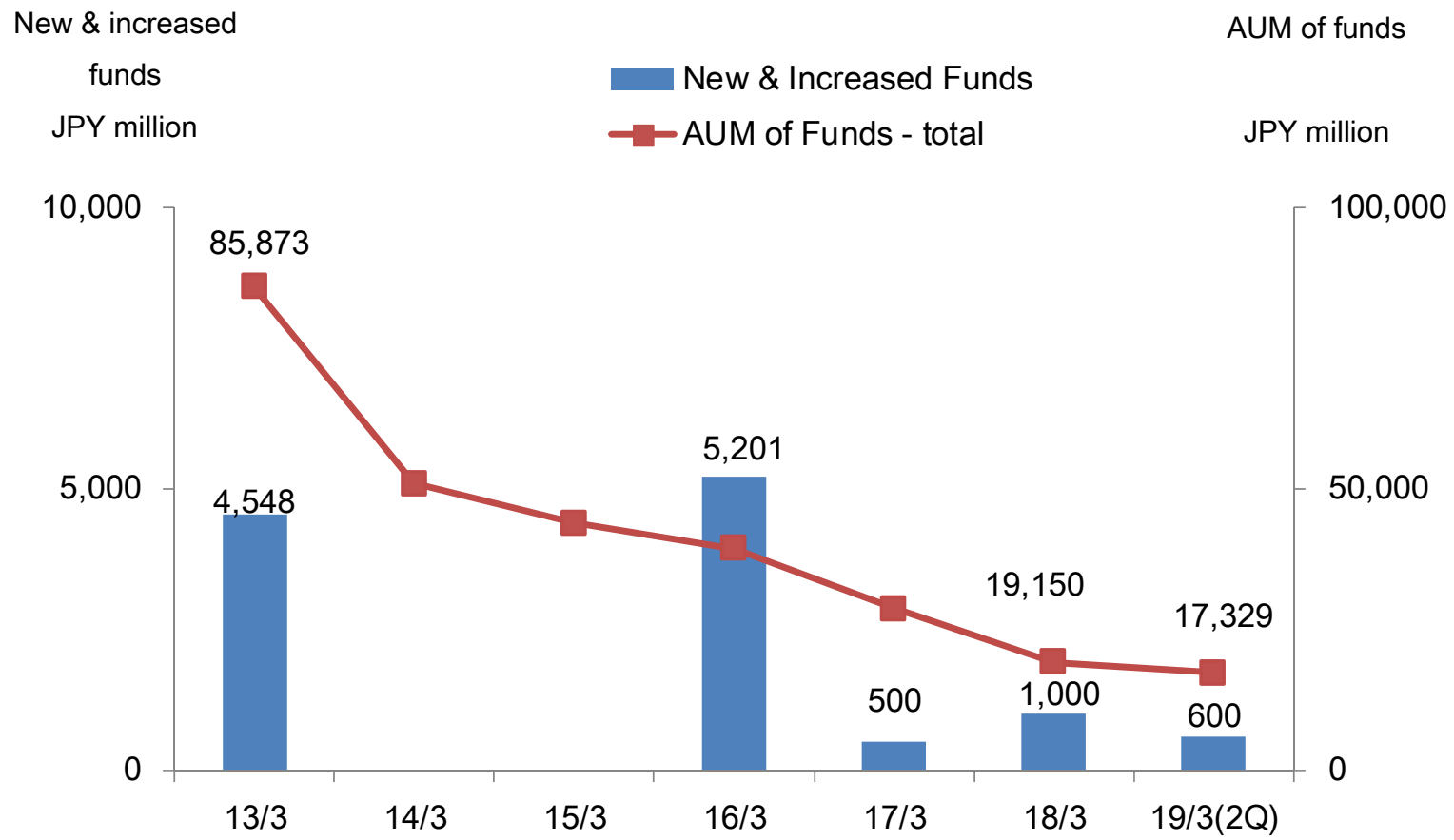
Note: The photo is a simulated image.

Scheduled construction site	Hyogo prefecture
Site area	Approx. 820 m ²
Plant type	Completely closed
Planned crops	Frilled lettuce, etc.
Start of construction	October 2018
Scheduled full operation	After April 2019

- ✓ In cooperation with a venture firm with experience in the construction and operation of vegetable plants
- ✓ The venture firm will be in charge of the operation while JAIC will invest part of the construction and operation costs.

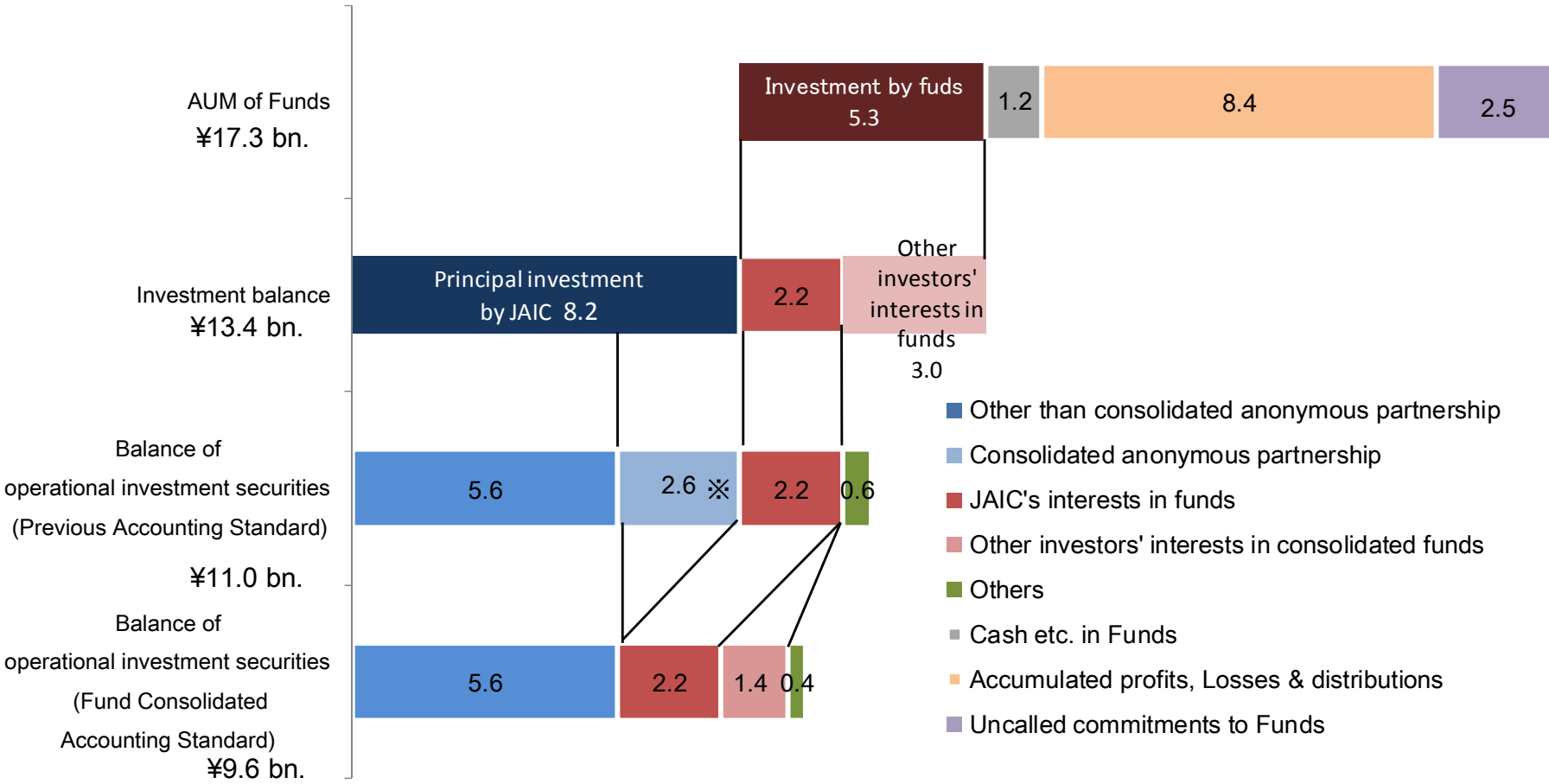
AUM of Funds	P25
AUM of Funds, Investment balance & balance of operational investment securities	P26
Funds & investment activities	P27
Business results & financial position (Previous accounting standards)	P28
Statement of Income – break down (Previous accounting standard)	P29
Break down of investment income (Previous accounting standard)	P30
Updates on investee companies	P31
List of renewable energy projects	P32
Core competence	P34
Profit structure	P35
Company data	P37

5. Appendix – AUM of Funds



- ✓ Obtained investment of ¥600 million through additional solicitation for subscription to business succession-type buyout fund
- ✓ AUM decreased, affected by funds that decreased its AUM and handed over management to another firm

5. Appendix – AUM of Funds, Investment balance & balance of operational investment securities



Note:
 Of the principal investment by JAIC, the investment portion in anonymous partnership, which is subject to consolidation, is deemed investment in a subsidiary under the fund consolidated accounting standards, and investment is offset by capital.
 On the other hand, renewable energy power generation facilities held by anonymous partnerships are booked as property, plant and equipment under the fund consolidated accounting standard.

5. Appendix - Funds & investment activities

(JPY million)	13/3	14/3	15/3	16/3	17/3	18/3	19/3(2Q)
New & Increased Funds	4,548	-	-	5,201	500	1,000	600
AUM of Funds - total	85,873	50,888	43,897	39,335	28,753	19,150	17,329
AUM of Funds - JAIC				14,004	9,427	5,867	5,584
New Investnemts	4,746	4,189	2,728	4,093	4,315	3,887	1,459
Balance of Investments	33,886	25,862	19,722	18,783	16,558	13,981	13,485

5. Appendix - Business results, financial position (Previous accounting standards)



(JPY million)	13/3	14/3	15/3	16/3	17/3	18/3	19/3(2Q)
Business Results							
Operating Revenues	3,784	6,155	4,532	4,043	3,926	5,403	716
Operating Gross Profit	176	2,474	882	1,554	2,176	2,328	78
SG&A Expenses	2,000	1,621	1,433	1,472	1,339	1,311	543
Operating Income	(1,823)	852	(550)	82	836	1,017	(465)
Ordinary Income	(2,612)	374	(610)	612	726	954	(460)
Net Income	(2,575)	462	(850)	597	553	874	(534)
Financial Position							
Cash and deposits	8,550	10,428	9,437	8,202	6,213	7,308	4,885
Operational investment securities of project related investment	-	608	1,337	3,722	4,081	3,582	4,672
Operational investment securities after deducting allowance for possible investment loss (Private equity)	15,452	12,380	10,364	8,226	7,356	6,030	5,447
Loans payable, bonds & bonds with subscription rights to shares	25,433	24,010	20,193	16,910	14,128	11,954	10,288
Total shareholders' equity	1,565	2,573	3,373	4,976	5,686	6,545	5,986
Total assets	28,272	27,302	24,396	22,680	20,305	19,220	16,941

5. Appendix - Statement of Income - break down (Previous accounting standard)

(JPY:million)	13/3	14/3	15/3	16/3	17/3	18/3	18/3(2Q)	19/3(2Q)	Change (%)
1 . Fund management operation									
<i>Fund management fees and others</i>	815	733	571	441	364	277	134	129	(4.0%)
<i>Success Fees</i>	37	132	63	288	101	86	50	-	-
Operating Revenue	852	865	634	729	466	364	185	129	(30.3%)
Operating Cost	-	-	-	-	-	-	-	-	-
Operating Gross Profit	852	865	634	729	466	364	185	129	(30.3%)
2 . Investment operation									
<i>Proceeds of sales of securities (A)</i>	2,411	4,656	3,651	2,954	2,275	3,219	1,053	196	(81.4%)
<i>Fund interests income etc.</i>	194	357	100	295	1,128	1,612	1,261	357	(71.6%)
<i>Income gains</i>	95	121	93	49	30	64	31	9	(68.6%)
Operating Revenue	2,701	5,134	3,844	3,300	3,434	4,897	2,346	563	(76.0%)
<i>Cost of securities sold (B)</i>	1,385	2,133	1,767	1,863	1,423	2,469	894	205	(77.1%)
<i>Investment write-offs and Provision for allowance for possible investment losses (C)</i>	2,038	1,480	1,704	569	274	562	317	420	32.7%
<i>Fund interests losses etc.</i>	158	52	168	47	46	36	13	8	(37.2%)
Operating Cost	3,582	3,666	3,640	2,481	1,744	3,069	1,225	634	(48.2%)
Operating Gross Profit	(880)	1,468	203	818	1,690	1,827	1,121	(70)	-
3 . Others									
Operating Revenue	229	154	53	13	25	142	14	22	57.6%
Operating Cost	25	15	9	7	6	5	2	3	28.7%
Operating Gross Profit	204	139	44	5	19	136	11	19	64.5%
Total									
Operating Revenues	3,784	6,155	4,532	4,043	3,926	5,403	2,547	716	(71.9%)
Operating Cost	3,607	3,681	3,650	2,488	1,750	3,074	1,227	638	(48.0%)
Operating Gross Profit	176	2,474	882	1,554	2,176	2,328	1,319	78	(94.1%)

5. Appendix - Break down of investment income (Previous accounting standard)

(JPY million)

	Total	Domestic listed stock	Domestic unlisted stock	Overseas unlisted stock
2018/3 (2Q)				
(A) Proceeds of sales of securities	1,053	149	870	34
(B) Cost of securities sold	894	51	826	16
(A)-(B) Realized capital gains	159	97	44	17
(C) Investment write-offs and Provision for allowance for possible investment losses	317	-	276	40
(A)-(B)-(C) Invstment income	(157)	97	(232)	(22)

	Total	Domestic listed stock	Domestic unlisted stock	Overseas unlisted stock
2019/3 (2Q)				
(A) Proceeds of sales of securities	196	19	88	89
(B) Cost of securities sold	205	9	71	124
(A)-(B) Realized capital gains	(8)	9	16	(35)
(C) Investment write-offs and Provision for allowance for possible investment losses	420	-	24	395
(A)-(B)-(C) Invstment income	(429)	9	(8)	(431)

- ✓ Decrease in sale of domestic listed shares >>> Decrease in proceeds of sales and realized capital gains
- ✓ Domestic unlisted shares >>> Large amount of both proceeds of sales of securities and cost of securities sold in 2Q FY March 2018 due to transfer of interest in investment in a project. They decreased in 2Q FY March 2019 since there were only sales of shares.
- ✓ Drop in expected amount of sales of overseas unlisted shares >>> Increase in write-offs and provision for allowance

5. Appendix – Updates on investee companies



TMS Co., Ltd.

Development of treatment for acute-stage cerebral infarction patients

- Aims to extend the time limit from onset to treatment from 4–5 hours for existing drugs to 12 hours.
- In June 2018, TMS concluded an option contract with Biogen, an U.S. major bio pharmaceuticals firm.
- TMS earned approx. ¥0.4 billion of lump-sum payment from this contract.
- Approx. ¥1.8 billion will be paid to TMS when Biogen exercises its option in the future.
- TMS can also receive up to approx. ¥33.5 billion of lump-sum payment depending on the the development and sales situations and royalties in stages depending on sales.
- Established February 2005; capital: ¥99 million



mtes Neural Networks Co., Ltd.

IoT platform using LoRa

- An IoT platform business and health monitoring business covering energy, human, and structures, using LoRa, a wifi communication system that covers a broad range with few electric power.
- In June 2018, a capital increase by third-party allotment by TOPPAN FORMS CO., LTD. was decided. mtes will be an affiliate of Toppan Forms after the capital increase.
- The procured funds will be allocated to the establishment of an IoT platform, the development of an AI robot center, and the employment of personnel specializing in AI.
- A capital partnership was formed with TOPPAN FORMS in October 2017. The relationship will further deepen due to this capital increase, with mtes accepting one officer.
- Established March 2015; capital: ¥715 million

5. Appendix – List of renewable energy projects as of September 30, 2018

Energy Source	No.	Name of power plant or Location	Generation Capacity [MW]	Current status	FIT [tax excluded, ¥]	Total amount of project [¥ bn.]
Solar	1	Nishiki-cho, Kuma-gun, Kumamoto	3.1	Started electricity sales in Dec. 2015	40	approx. 1.05
	2	Aichi Tokoname A solar park	2.3	Started electricity sales in Aug. 2016	36	approx. 0.78
	3	Ichinosekishi Fujisawacho solar power plant	2.3	Started electricity sales in Sep. 2016	36	approx. 0.73
	4	Solar park Tsukubamirai	2.3	Started electricity sales in Mar. 2017	36	approx. 0.85
	5	Nomaike solar power plant	2.4	Started electricity sales in May. 2017	36	approx. 0.8
	6	Fukushima Inawashiro solar power plant	1.2	Started electricity sales in Sep. 2017	36	approx. 0.34
	7	Mitakabeike solar power plant	1.5	Started electricity sales in Sep. 2017	32	approx. 0.5
	8	Iwate Ichinoseki solar park	2.4	Started electricity sales in Jan. 2018	36	approx. 0.8
	9	Obihiro solar park	4.4	Started electricity sales in Mar. 2018	40	approx. 2.2
	10	Nakaoudaie solar power plant	2.4	Started electricity sales in Apr. 2018	36	approx. 0.86
	11	Ichinoseki-shi Yoshitaka solar power plant	2.6	Started electricity sales in Jun. 2018	36	—
	12	Higashioudaie solar power plant	2.4	Started electricity sales in Jul. 2018	36	—
	13	Ichinosekishi Suzugasawa solar power plant	2.7	Under construction or Under planning (※Started electricity sales in Oct.. 2018)	36	—
	14	Miyagi	2.4	Under construction or Under planning (※Started electricity sales in Oct. 2018)	36	—
	15	Mie	2.4	Under construction or Under planning	32	—
	16	Mombetsu-shi Kodo solar power plant	15.7	Under construction or Under planning	40	approx. 6.6
	17	Hokkaido	2.0	Under construction or Under planning	36	—
	18	Mie	24.4	Under construction or Under planning	24	—
	19	Fukushima	2.4	Under construction or Under planning	32	—
Total 81.3MW [attributable to JAIC 41.8MW]						

5. Appendix - List of renewable energy projects as of September 30, 2018

Energy Source	No.	Location	Generation Capacity [MW]	Current status	FIT [tax excluded, ¥]	Total amount of project [¥ bn.]
Solar		Gifu	20.0	Under construction or Under planning (short-term recovery planned)	40	—
Woody biomass		Matsusaka-shi, Mie	2.0	Started electricity sales in Jan. 2018	—	—
Bio gas		Hamura-shi, Tokyo	1.6	Under construction or Under planning	39	—
		Aomori	0.03	Under construction or Under planning	39	—
Wind power		Mie	16.0	Under construction or Under planning	22	—

5. Appendix – Core competence

Capability to capture up-to-date business information

Through the activity of exploring promising companies and investment opportunities, JAIC has capability to capture highly professional and cutting-edge information on various corporates.

Historical background in Asian region

Since its establishment in 1981 by the Japan Association of Corporate Executives (Keizai Doyukai), JAIC has contributed to economic exchange between Japan and Asian countries over 35 years which led to high name recognition.



Wide range of network with venture companies

JAIC has track record of leading more than 300 invested venture companies to “Going Public”. Through the long time investment activities, JAIC enjoys close relationship with wide range of venture companies. Based on this intangible asset, JAIC is utilizing the network to create value for invested companies through business matching and cultivating new business theme for JAIC’s own.

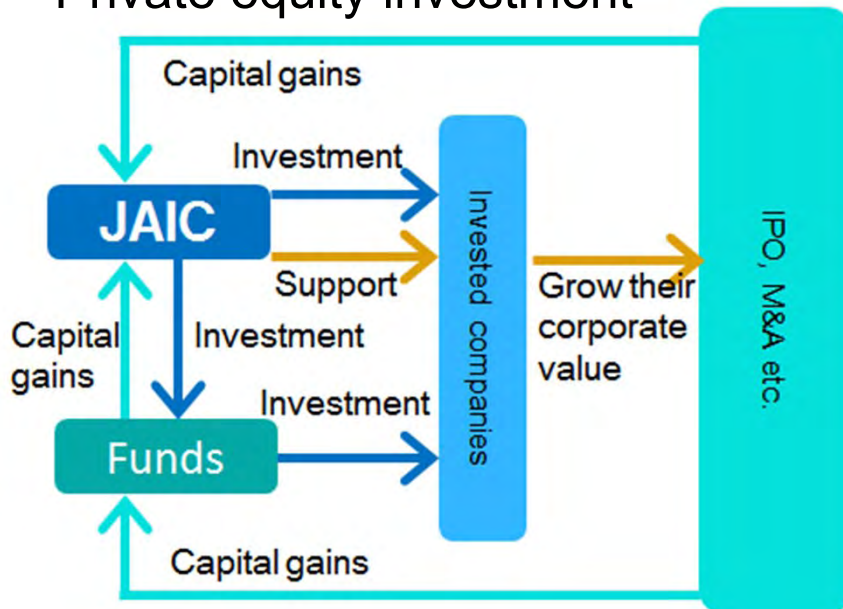
Expertise to structure sophisticated finance scheme

JAIC’s accumulated invested volume inside and outside of Japan is Japanese Yen 330 billion.

For the project oriented investment, in addition to providing direct equity investment, JAIC has been arranging various financing scheme utilizing project-finance approach and leverage financing together with financial institutions.

5. Appendix – Profit structure

• Private equity investment

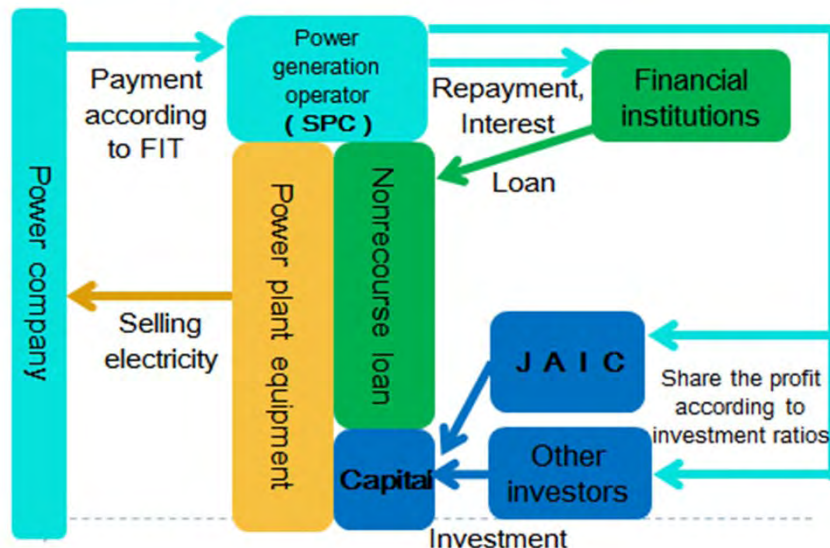


There are the following two types of investment capital:

- Contribution from JAIC's cash reserves
- Capital that is entrusted for investment by fund investors in Japan and abroad through the fund

JAIC also invests in the fund and acquires capital gains according to its investment ratio.

• Renewable energy project investment



The power generation operator procures funds for the construction of power plants by the following two ways and owns the power plants:

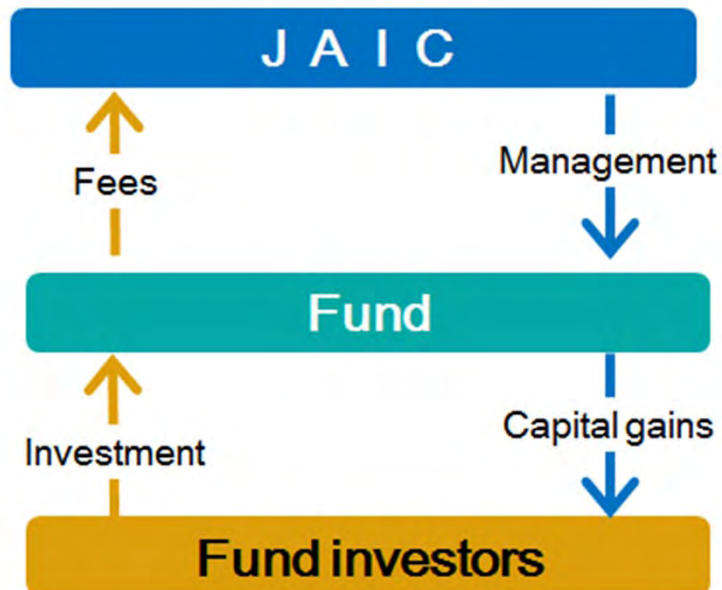
- Investment by JAIC and other investors
- Loans from financial institutions

The generated power is purchased by power companies at FIT.

JAIC and other investors obtain stable revenue from electricity sales according to their investment ratios.

5. Appendix – Profit structure

- Fund management



In fund management, there are the following two types of fees:

- Management fee received as compensation for recurring management and operation
- Success fees received according to the fund's performance

5. Appendix - Company data (as of September 30, 2018)

Company name	Japan Asia Investment Co., Ltd. Abbreviation; JAIC
Head office	3-11 Kandnishiki-cho, Chiyoda-ku, Tokyo 101-8570, Japan
Established	July 10, 1981
Paid-in capital	5,426 million yen
Listed market	Tokyo Stock Exchange, 1st Section (Securities code 8518)
Number of employees	41 (Consolidated) /24 (Non-consolidated)
Main business	<ul style="list-style-type: none"> ▪ Private equity investment ▪ Project oriented investment
Directors	<p>Chairman [Outside] Yoshiaki Kawamata ; Chairman of the Board</p> <p>President & CEO Tetsuro Shimomura</p> <p>Managing Director Kazunori Omori ; Chairman of Audit & Supervisory Committee</p> <p>Director [Outside/Independent] Hitoshi Yasukawa ; Member of Audit & Supervisory Committee</p> <p>Director [Outside/Independent] Tadashi Nunami ; Member of Audit & Supervisory Committee</p>

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:

Kenji Kishimoto, Executive Officer

Miyuki Maruyama, Administration Group

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

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.