

Financial Results Overview for the Year Ended March 31, 2019

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

Announcement: May 15, 2019

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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 are based on consolidated financial statements prepared in accordance with the previous accounting standards.

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The figures in this document are based on consolidated financial statements prepared in accordance with the previous accounting standards.

1. Summary

- ✓ Results for FY March 2019 (year-on-year basis)
 - Revenues decreased by 54.2% ; net profit decreased by 33.8%.
 - The decrease in revenues was a result of sale of projects in the last year.
 - There were profits (operating revenue, extraordinary income) from funds managed by third parties.
 - Achieved financial soundness targets due to an increase in assets of project oriented investment.
- ✓ Progress of medium-term business plan
 - Achieved 71.7% of operating revenue target, 123.1% of net profit target.
 - Achieved stability of performance by compensating for the shortage of sale of stocks with the sale of mega solar projects.
 - Revised part of the plan, reflecting advance development costs for project oriented investments.
 - While the achievement of an expansion of stable revenue will be delayed, we will increase unrealized gains of project oriented investments through aggressive investment.
 - We will aim for net income of 0.7 billion yen and ROE of 9% for FY March 2021.
- ✓ Result forecast FY Mar 2020
 - Operating revenue forecast: increased by 41.4%; final profit forecast: decreased 13.6%
 - Profit is expected to be concentrated in Q4.
 - Net income is expected to decrease due to a decline in extraordinary income and the incurrence of tax.
 - We expect to acquire gains from the sale of stocks through IPOs in Japan and abroad. If there is a drop in the gains, they will be compensated for by the sale of projects.

2. Results for FY March 2019 (year-on-year basis)

Outline of results	P5
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2. Results for FY March 2019 (year-on-year basis) - Outline of results - I/S

	FY 2018 (Actual)		FY 2019 (Actual)		
	Amount (million yen)	Composition ratio	Amount (million yen)	Composition ratio	Change
Operating revenue	5,403	100.0%	2,475	100.0%	(54.2%)
Operating cost	3,074	56.9%	1,188	48.0%	(61.3%)
Operating gross profit	2,328	43.1%	1,286	52.0%	(44.8%)
SG&A expenses	1,311	24.3%	1,109	44.8%	(15.5%)
Operating income	1,017	18.8%	177	7.2%	(82.6%)
Ordinary Income	954	17.7%	83	3.4%	(91.2%)
Profit attributable to owners of parent	874	16.2%	578	23.4%	(33.8%)
Stable revenues (*)	296	-	348	-	17.4%
Percentage of stable revenues to SG&A	22.6%	-	31.4%	-	-

- ✓ Year on year: 54.2% drop in revenues; 33.8% drop in net profit; the drop was a result of the sale of 9 projects worth 81.8 MW in the last year.
- ✓ A certain level of net income was secured through the generation of extraordinary income.
- ✓ Stable revenues: 17.4% Increased year on year as proceeds from renewable energy 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 FY March 2019 (year-on-year basis) - Outline of results - B/S

	FY Mar 2018 (Actual)		FY 2019 (Actual)		
	Amount (million yen)	Composition ratio	Amount (million yen)	Composition ratio	Change
Total assets	19,220	100.0%	17,305	100.0%	(10.0%)
(a) Cash and deposits	7,308	38.0%	5,564	32.2%	(23.9%)
(b) Operational investment securities (Project oriented investment)	3,582	18.6%	5,514	31.9%	53.9%
Operational investment securities after deducting Allowance for possible investment loss (Private equity)	6,030	31.4%	5,138	29.7%	(14.8%)
(c) Loans payable	11,954	62.2%	9,784	56.5%	(18.2%)
Total shareholders' equity	6,545	34.1%	6,840	39.5%	4.5%
(a) + (b) - (c)	(1,063)	-	1,294	-	-

- ✓ Project oriented investment assets increased due to progress of investment execution and control of the sale
- ✓ Outstanding loans payable were ¥9.7 bn. 79% was reduced from the peak (incl. bonds).
- ✓ The balance between the total amount of cash & deposits and project oriented investments exceeded the balance of outstanding borrowings.
- ✓ We achieved the balance that was the financial soundness target.

2. Results for FY March 2019 (year-on-year basis) - Outline of results - C/F

(JPY million)	18/3	19/3
Operating CF	1,870	299
Investing CF	238	1,224
Financing CF	(2,173)	(2,173)
Change in Net CF	(57)	(675)
Cash & Cash Equivalents at End of Period	4,757	4,082

- ✓ Operating CF: Net cash provided was ¥299 million
The amount of cash provided is less than the previous term due to less sales of stocks and projects.
- ✓ Investing CF: Net cash provided was ¥1,224 million
The amount of cash provided has increased from the previous term due to fund redemption and liquidizing of investment securities.
- ✓ Financing CF: Net cash used was ¥2,173 million due to repayment of borrowings

2. Results for FY March 2019 (year-on-year basis) - Break down of operating revenue & operating cost

(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2018 (Actual)	FY 2019 (Actual)	FY 2018 (Actual)	FY 2019 (Actual)	FY 2018 (Actual)	FY 2019 (Actual)
Operating revenue	5,403	2,475	1,875	1,474	3,528	1,000
Fund management fees and others	277	241	275	239	2	1
Success Fees	86	-	86	-	-	-
Proceeds of sales of securities	3,219	1,746	1,436	865	1,783	881
Fund interests income etc.	1,612	406	20	315	1,592	90
Income gains	64	23	40	22	24	1
Other operating revenue	142	57	16	31	126	26
Operating Cost	3,074	1,188	1,607	960	1,467	228
Cost of securities sold	2,469	554	1,004	325	1,465	228
Investment write-offs and Provision for allowance for possible investment losses	562	579	562	579	-	-
Fund interests losses etc.	36	49	34	49	2	-
Other operating costs	5	6	5	6	-	-
Operating Gross Profit	2,328	1,286	268	514	2,060	772

- ✓ In private equity investment, while proceeds of sales decreased, operating gross profit increased year on year due to a rise in interests income from funds managed by third parties.
- ✓ In project oriented investment, both Proceeds of sales of securities and Fund interests income etc. decreased year on year as a result of the sale of 9 projects, including a large project, of 81.8 MW in total and subsidy income in the last year.

3. Progress of medium-term business plan

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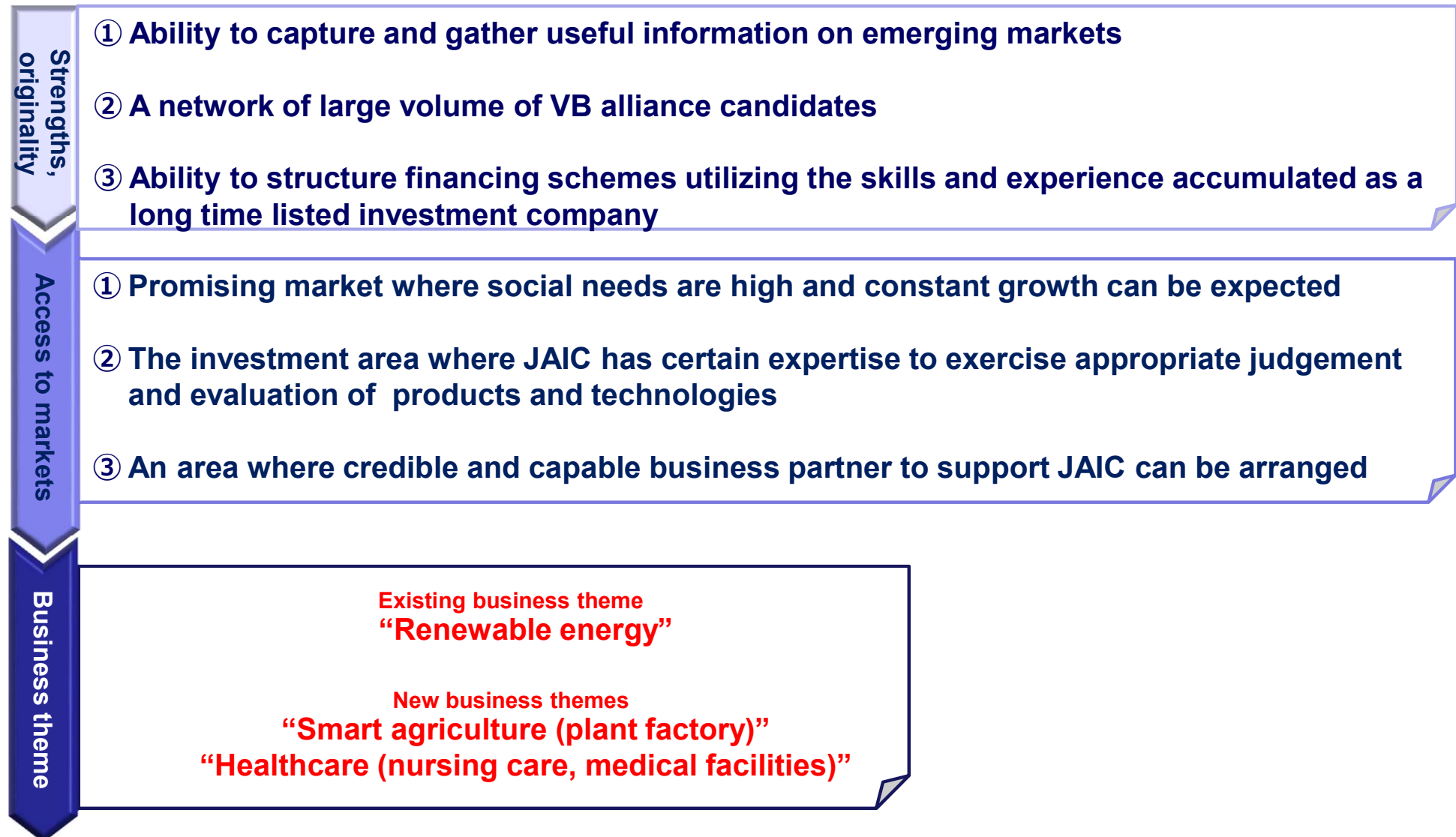
3. Progress of medium-term business plan – Outline of the medium-term business plan

- JAIC aims to secure profit and funds through the sale of private equity (PE)'s existing portfolio.
- JAIC aims to increase stable revenues by replacing private equity (PE)'s existing portfolio to more lucrative assets based on a new investment policy.
- Reduce contractual repayments and vitalize investment activities by increasing borrowings on a fund consolidated basis
- Its ultimate aim is to secure further sustainable growth investment activity derived from stable revenues and cash flows .



3. Progress of medium-term business plan – Selected business themes

Business themes are selected in view of JAIC's strengths, originality, size of the markets and capability to access the markets.

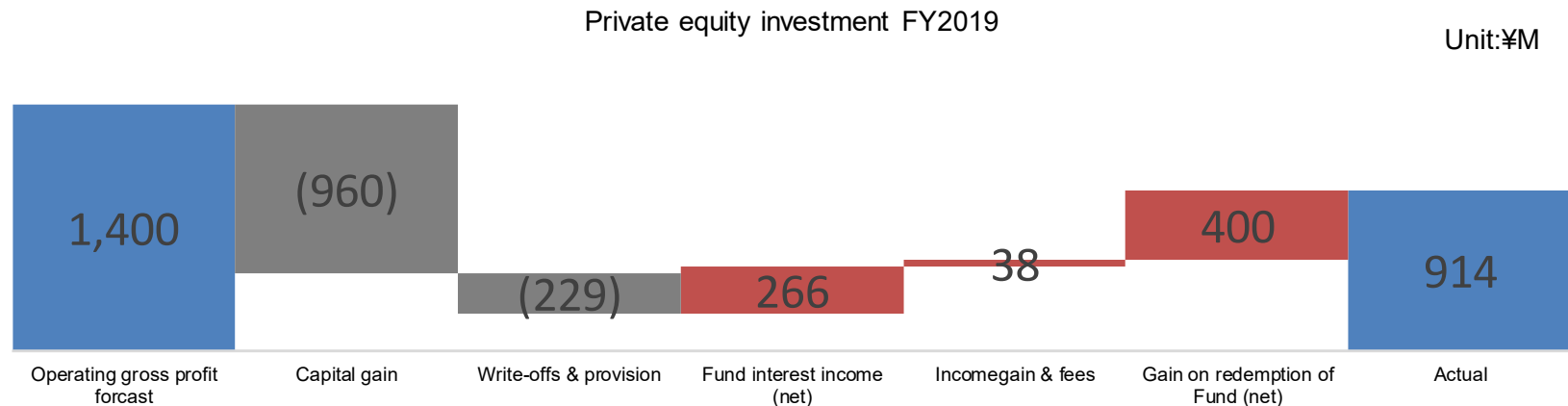


3. Progress of medium-term business plan – Achievement of financial result forecast

Previous accounting standard	Result forecast FY2019 at the start of term	Actual 2019/3	
	Amount (million yen)	Amount (million yen)	Progression ratio
Operating revenue	3,450	2,475	71.7%
Fund management operation	240	241	100.6%
Proceeds of sales of securities (private equity)	2,800	865	30.9%
Proceeds of sales of securities (project)	-	881	-
Fund interests income etc. (private equity)	-	315	-
Fund interests income etc. (project)	400	90	22.6%
Others	10	81	810.9%
Operating cost	1,650	1,188	72.1%
Cost of securities sold (private equity)	1,300	325	25.1%
Cost of securities sold (project)	-	228	-
Investment write-offs & provision for allowance for possible investment losses	350	579	165.5%
Others	-	55	-
Operating gross profit	1,800	1,286	71.5%
SG&A expenses	1,100	1,109	100.8%
Operating income	700	177	25.3%
Ordinary Income	550	83	15.3%
Profit attributable to owners of parent	470	578	123.1%

- ✓ **Achieved 71.7% of operating revenue target, 123.1% of net income target**
- ✓ **A drop in the sales of stocks was the factor for failure to achieve the operating revenue target**
- ✓ **Interests income from funds managed by third parties, an increase in project sales, and the generation of extraordinary income compensated for the shortage of the sale of stocks**
- ✓ **Net income surpassed the targeted level**

3. Progress of medium-term business plan – Private equity investment



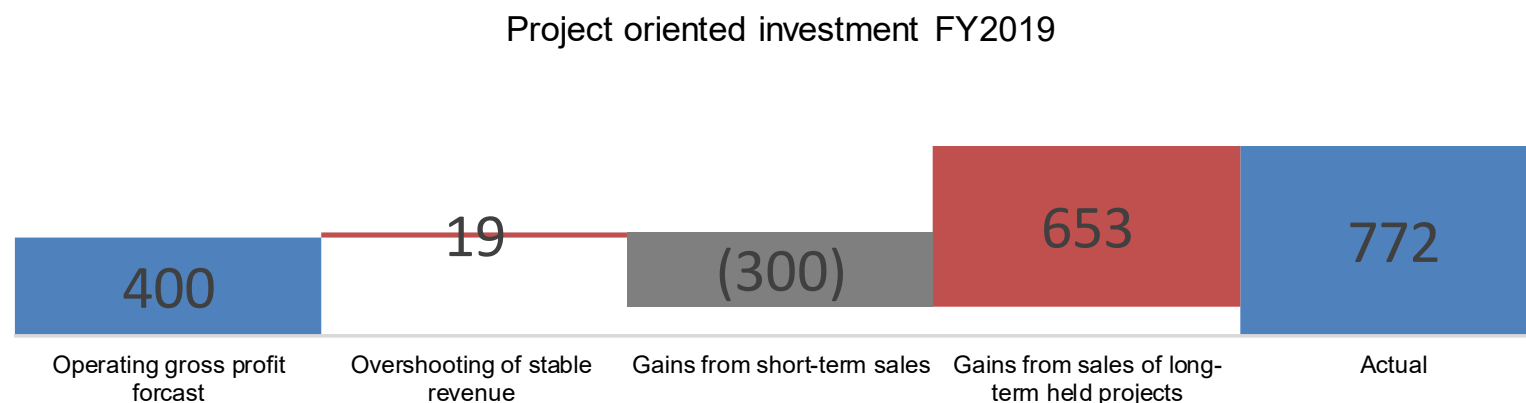
- ✓ Gains from the sale of stocks dropped due to failure of IPOs of investees and sales negotiations to proceed as planned.
- ✓ More write-offs and allowances for overseas investees with a long investment period were incurred than planned
- ✓ Fund interests income/loss (operating revenue, operating cost) from funds managed by third parties were generated earlier than expected.
- ✓ Gain/loss on redemption of funds (extraordinary loss/income) were generated from private equity funds that were transferred from operating assets to investment securities in the process of past restructuring.

3. Progress of medium-term business plan – Private equity investment

Item	Plan	Progress
Financial Investment (Investments by funds under management)	Sale of existing portfolio	<ul style="list-style-type: none"> • IPOs and sale negotiations for expected investees did not proceed as planned, resulting in gains on sales falling short of target. • Unplanned profits from third party funds to compensate for part of the shortage.
	Establishment of funds	<ul style="list-style-type: none"> • A ¥3 billion investment fund that targets SMEs with business succession problems was established with the Aozora Bank. • Currently planning two funds with Asian themes.
Strategic investment (Principal investments)	Investments in partner companies	<ul style="list-style-type: none"> • If further cooperation with partner companies of existing projects progresses, they can be expected as candidates for strategic investment. • We are discovering venture firms with whom business cooperation is possible and considering them as our partner company candidates.
Contracted CVC operation	Increase administrative contract fees by accepting contracts of fund administration.	<ul style="list-style-type: none"> • We have gained a total of 37 billion yen of new fund administration contract work for nine investment funds, mainly CVC, at subsidiary JAIC Business Service Co., Ltd.

3. Progress of medium-term business plan – Project oriented investment

Unit:¥M



- ✓ **Gains from sales of projects for Short-term trading fell short of target as the time spent from investment to sale was more than expected.**
- ✓ **Projects for long-term holding purposes were sold, achieving an overall profit that exceeded the target.**
- ✓ **The ability to compensate for the drop in other revenues with the sale of projects for long-term holding purposes is the fruit of the expansion of unrealized gains of project oriented investment assets over the last several years.**

3. Progress of medium-term business plan – Project oriented investment

Item	Plan	Progress
Renewable energy	<ul style="list-style-type: none"> Carry out investment in projects meant for short-term sale and acquire gains from the sales 	<ul style="list-style-type: none"> Although one 1-billion-yen investment was made and recovered, the recording of the profit will be delayed to FY March 2020. We increased sales of projects for long-term holding purposes to compensate for the above, with four projects (8.2 MW) sold during the term. We added a ¥0.1 billion investment into a project that was changed from long-term holding purpose to short-term sale.
	<ul style="list-style-type: none"> Carry out investment in high-FIT projects, mainly in mega solar 	<ul style="list-style-type: none"> We carried out a total of ¥2 billion investments in nine projects, including a renewable energy project other than mega solar.
Smart agriculture	<ul style="list-style-type: none"> Carry out investment in plant factories 	<ul style="list-style-type: none"> Invested in the first project, which was launched in March 2019.
Healthcare	<ul style="list-style-type: none"> Carry out investment in nursing care facility projects 	<ul style="list-style-type: none"> Although there were three planned projects, neither of them were successful in the bid for the land and failed to be originated as projects Although investment to improve the value of an existing nursing care facility was considered, we failed to invest, as we were preceded by another company.

3. Progress of medium-term business plan – Priority measures for year 2 and onwards

Private equity investment

- In addition to achieving sale proceeds from IPOs, liquidize unlisted shares and non-operating assets.
- Establish two funds those aim to assist overseas expansion of Japanese companies and foreign direct investment into Japan.
- Strengthen external networks (in Japan and Asia) and establish a global support structure. Start initiatives in FA business centered around cross-border M&As.
- Create a new bankable (i.e., debt financing from financial institutions is possible) business and carry out strategic investments in partner companies in addition to investing in projects of the business.

Project oriented investment

- Renewable energy : Place top priority on mega solar projects but continue aggressive investment in new biogas and biomass projects as well, despite initial development costs, since investment opportunities in high profitability projects have time constraints.
- Smart agriculture : Although there will be initial development costs, put the first plant factory on track, expecting to expand scale in a short period of time, and invest in subsequent projects.
- Healthcare : Since bidding for construction land has become difficult due to a surge in land prices, focus on profitability instead of quantity and invest selectively in nursing care facility development projects.

3. Progress of medium-term business plan – New KPI (Key Performance Indicator)

Key goal indicator	FY2021
Final profit	0.7 billion yen
ROE	9%

Strategy	Measures	KPI FY2019	KPI FY2021
Expand stable revenue from project oriented investment assets	Balance of project oriented investment assets	5.5 billion yen	9.0 billion yen
	Unrealized gains of project oriented investment assets (expected cumulative profits before discounting)	7.0 billion yen	20 billion yen
	Balance between the sum of cash and deposits and project oriented investment assets and borrowings	+ 1.3 billion yen	+5.6 billion yen
Replacement of private equity investment assets	Promotion of early liquidizing and monetization of existing assets	Balance of investment 5.1 billion yen (net of provisions)	Balance of investment 1.0 billion yen (net of provisions)
	<ul style="list-style-type: none"> Establishment of funds for new investments Implementation of strategic investments 	Balance of investment 0.37 billion yen	Balance of investment 1.0 billion yen

4. Result forecast for FY Mar 2020

- ✓ **The private equity investment business conducted by the Group will be significantly affected by changing factors such as stock markets, given the characteristics of the business. In addition, it has been difficult to forecast results reasonably in the rapidly changing environment.**
- ✓ **For the convenience of investors and shareholders, however, we disclose “result forecast consolidated under the Previous Accounting Standard” even though it doesn’t have enough rationality.**
- ✓ **The “result forecast consolidated under the Previous Accounting Standard” and any other forward-looking statements in this document 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.**

4. Result forecast for FY Mar 2020

Previous accounting standard	Actual FY 2019	Result forecast FY2020	Change	Result forecast FY2020 (2Q) accumulated
	Amount (million yen)	Amount (million yen)	Change	Amount (million yen)
Operating revenue	2,475	3,500	41.4%	600
Operating cost	1,188	1,600	34.6%	290
Operating gross profit	1,286	1,900	47.7%	310
SG&A expenses	1,109	1,100	(0.8%)	550
Operating income	177	800	350.9%	(240)
Ordinary Income	83	650	674.8%	(320)
Profit attributable to owners of parent	578	500	(13.6%)	(330)
ROE	8.6%	7.4%	-	-

- ✓ **We expect 41.4% increase in operating revenue, 674.8% increase in ordinary income, 13.6% drop in net income. And ROE is expected to drop due to a decline in net income.**
- ✓ **We anticipate IPOs of investees in Japan and abroad, with expected increases in revenue and ordinary income due to sales of stocks.**
- ✓ **Net income is expected to drop due to lack of extraordinary income and incurrence of tax.**
- ✓ **If there is a drop in the sales of stocks, they will be compensated for by sales of projects.**
- ✓ **Gains from sales of stocks are expected to be concentrated in 4Q, with a deficit expected in the first half.**

Private equity investment	P22
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Project oriented investment	P27
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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 JAIC and Aozora Bank, Ltd.
Investors	AJ Capital, Aozora Bank, Ehime Bank, Financial Products Group, Kirayaka Bank, Towa Bank, Tottori Bank, Bank of Toyama, JAIC, Hokuto Bank, Miyazaki Taiyo Bank, Japan Post Bank 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

We are planning two funds with Asian themes

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	During FY2020

Theme	Assist the growth of Japan’s medium-sized manufacturers in cooperation with overseas investors
Expected investors	Chinese institutional investors
Expected establishment date	During FY2020

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

MINKABU THE INFONOID, Inc.

Listed on TSE Mothers on Mar. 19, 2019



Business:

Financial media business and informational fintech solution business, utilizing content generating technology with its proprietary artificial intelligence and crowd inputs

Investment execution : 4 companies, ¥0.13 bn.



LIGUA, Inc.

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



Patient information management system "LigooPOS&CRM"



Electric treatment device "EMS-indepth-"



中元宜和 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



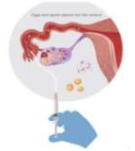
Egg cell collector



Artificial fertilization tube

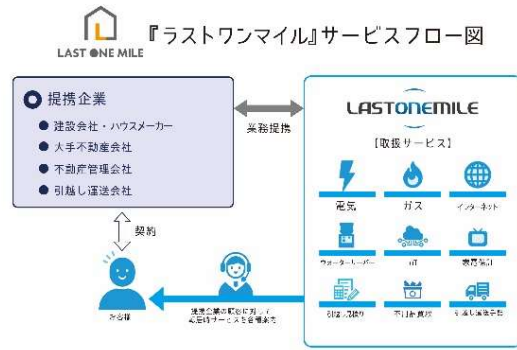


Embryo transplant conduit



Last One Mile Co., Ltd.

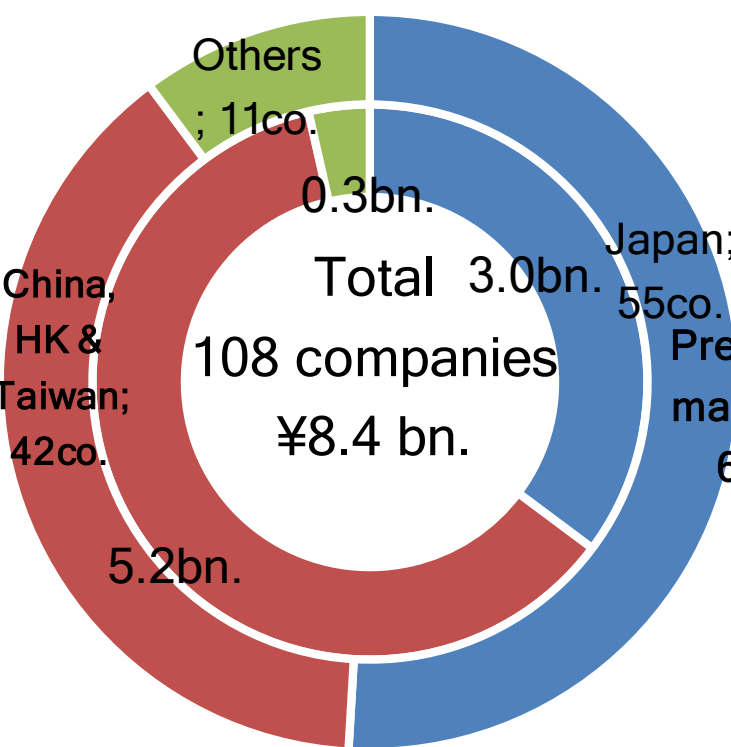
Last one mile businesses that provide a one-stop service for lifelines, IT services, IoT and infrastructure.



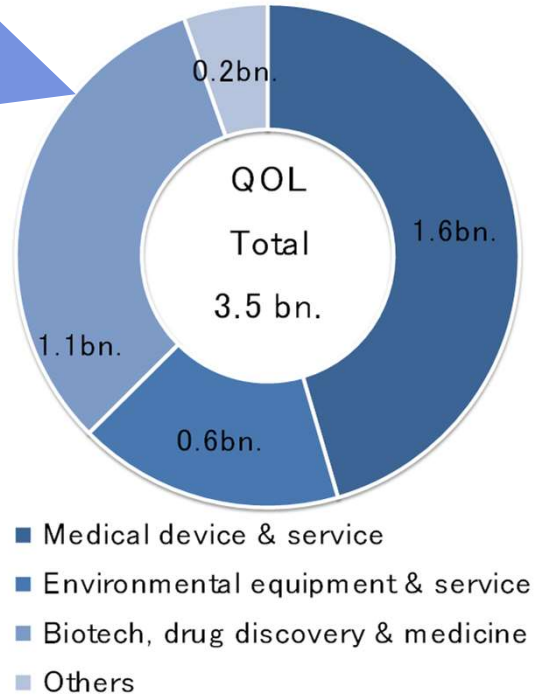
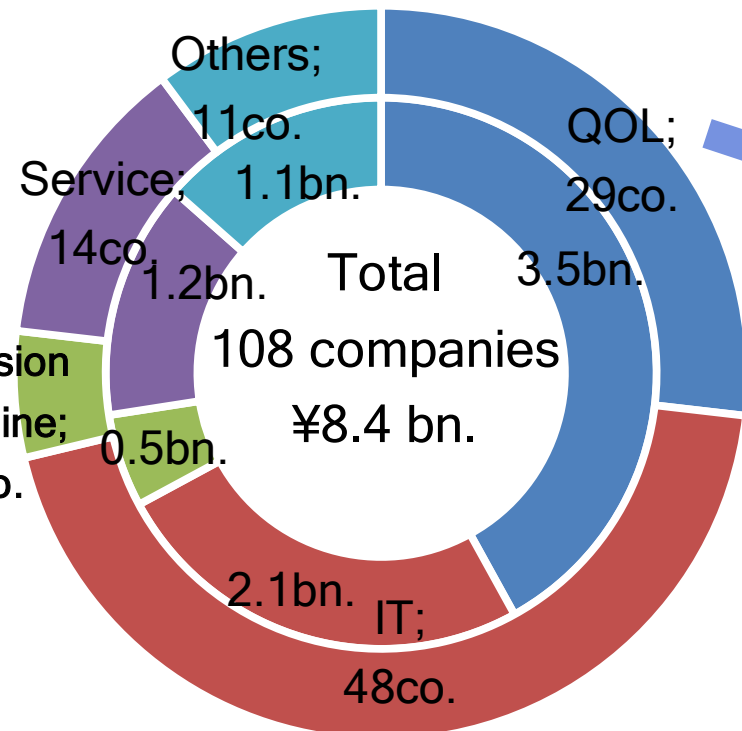
1 IoT-related company

Investment balance : 108 companies, ¥8.4 bn.

【Breakdown by area】



【Breakdown by industry】



Average investment amount per company (unit: ¥ million):
Japan 54, China, HK & Taiwan 122 / QOL 122, IT 44

Investment execution : 12 projects, ¥3.6 bn.

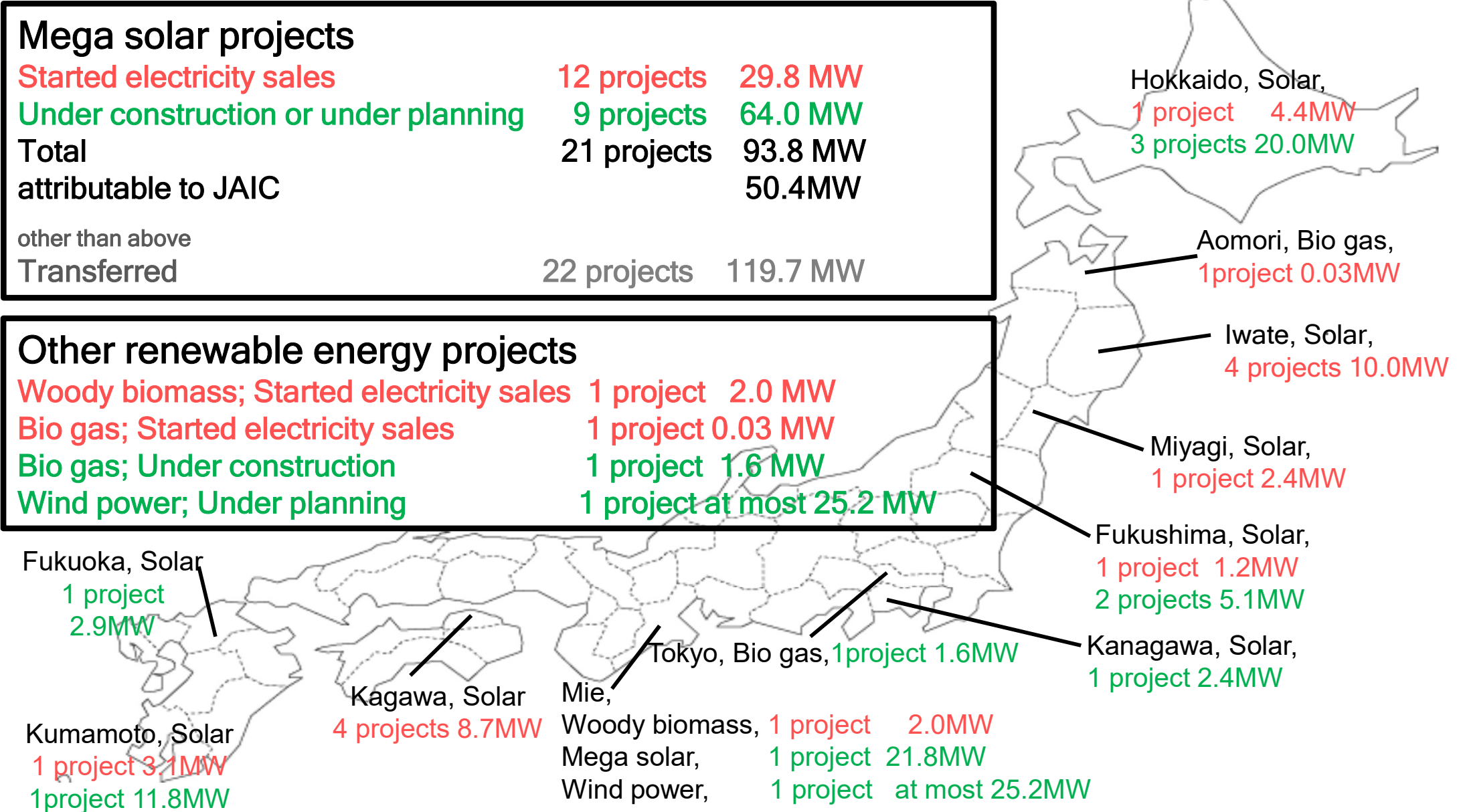
No.	Location	Project type	Generation capacity	Notes
1	Mie	Wind power	At most 25.2MW	Existing project
2	Hokkaido	Solar power	2.0MW	New project
3	Gifu	Solar power	20.0MW	Short-term recovery planned project (Already recovered during the term)
4	Aomori	Bio gas power	0.03MW	New project
5	Iwate	Solar power	2.7MW	Existing project
6	Hyogo	Plant factory	-	1 st project for JAIC
7	Kumamoto	Solar power	11.8MW	New project
8	Fukushima	Solar power	2.7MW	New project
9	Fukuoka	Solar power	2.9MW	New project
10	Kanagawa	Solar power	2.4MW	New project
11	Mie	Solar power	21.8MW	Existing project
12	Hokkaido	Solar power	2.3MW	New project

5. Business report - Project oriented investment - Renewable energy projects
as of March. 31, 2019



Mega solar projects			
Started electricity sales	12 projects	29.8 MW	
Under construction or under planning	9 projects	64.0 MW	
Total	21 projects	93.8 MW	
attributable to JAIC		50.4MW	
other than above			
Transferred	22 projects	119.7 MW	

Other renewable energy projects			
Woody biomass; Started electricity sales	1 project	2.0 MW	
Bio gas; Started electricity sales	1 project	0.03 MW	
Bio gas; Under construction	1 project	1.6 MW	
Wind power; Under planning	1 project	at most 25.2 MW	



* 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.

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

Mega solar sharing power plant



Ichinoseki-shi Yoshitaka solar power plant

Started electricity sales in June 2018

Maximum output: approx. 2.6MW

*Solar cell panel system capacity basis



Ichinoseki-shi Suzugasawa solar power plant

Started electricity sales in October 2018

Maximum output: approx. 2.7MW

*Solar cell panel system capacity basis

- ✓ 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

5. Business report - Project oriented investment - Renewable energy projects - case study 3



Kami Solar Park
(Kami-cho, Miyagi)

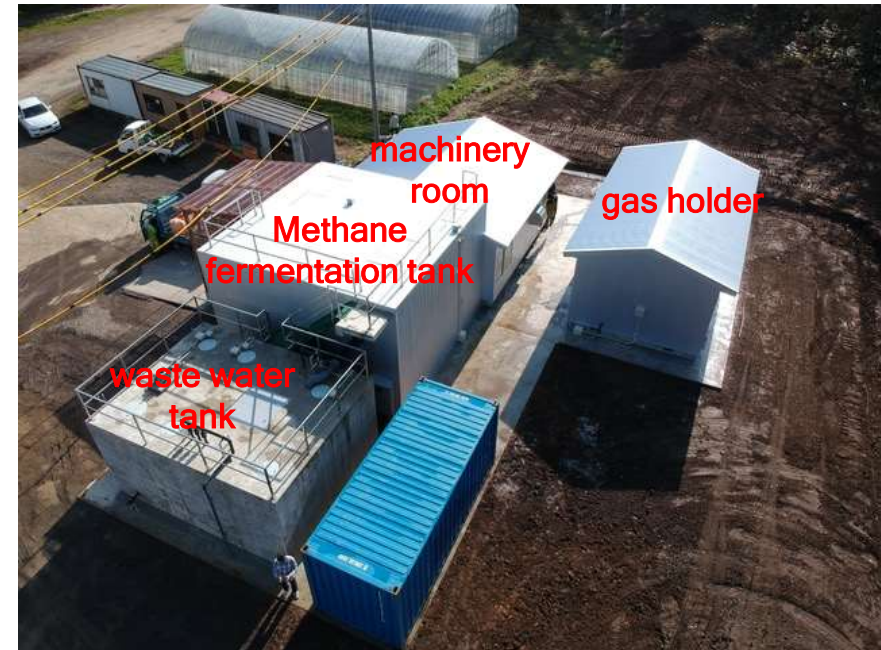
Started electricity sales in Oct. 2018

Maximum output : approx. 2.4MW

*Solar cell panel system capacity basis

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

Increased power generation by 20% by installing many solar power panels at a mountain fold shape facing east and west instead of the usual south.



Aomori Touhokumachi Solar Power Plant
(Touhoku-machi, Kamikita-gun, Aomori)

Started electricity sales in Nov. 2018

Maximum output : approx. 30KW

Feed-in tariff : 39/kWh [ex. Tax]

A power generation plant driven by biogas, which is generated by methane fermentation of the discarded sections (residue) of 'nagaimo' yam.

5. Business report - Project oriented investment

-Investment in a vegetable plant

March 2019: Launch of the first vegetable plant



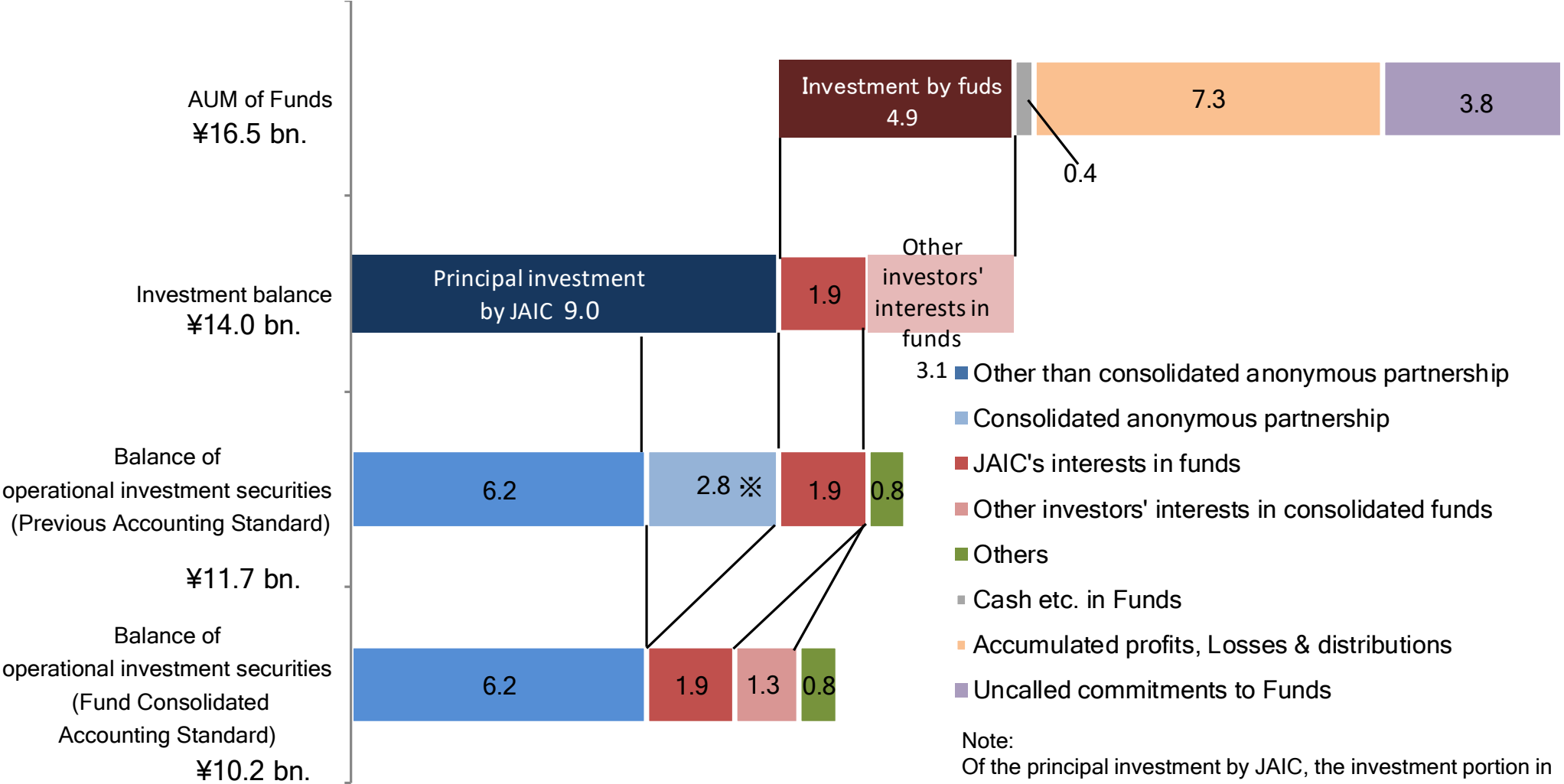
Construction site	Hyogo prefecture
Site area	Approx. 820 m ²
Plant type	Completely closed
Crops (plan)	Vegetables for business use such as leaf lettuce, watercress, Akamizuna, and head lettuce
Annual production (plan)	Approx. 200 tons
Total project amount	Approx. ¥0.7 bn. (A majority is planned to be financed with project finance from financial institutions)

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

6. Appendix

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6. 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.

6. Appendix - Funds & investment activities

(JPY million)	14/3	15/3	16/3	17/3	18/3	19/3
New & Increased Funds	-	-	5,201	500	1,000	2,000
AUM of Funds - total	50,888	43,897	39,335	28,753	19,150	16,494
AUM of Funds - JAIC			14,004	9,427	5,867	5,344
New Investnemts	4,189	2,728	4,093	4,315	3,887	3,749
Balance of Investments	25,862	19,722	18,783	16,558	13,981	13,951

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

(JPY million)	14/3	15/3	16/3	17/3	18/3	19/3
Business Results						
Operating Revenues	6,155	4,532	4,043	3,926	5,403	2,475
Operating Gross Profit	2,474	882	1,554	2,176	2,328	1,286
SG&A Expenses	1,621	1,433	1,472	1,339	1,311	1,109
Operating Income	852	(550)	82	836	1,017	177
Ordinary Income	374	(610)	612	726	954	83
Net Income	462	(850)	597	553	874	578
Financial Position						
Cash and deposits	10,428	9,437	8,202	6,213	7,308	5,564
Operational investment securities of project related investment	608	1,337	3,722	4,081	3,582	5,514
Operational investment securities after deducting allowance for possible investment loss (Private equity)	12,380	10,364	8,226	7,356	6,030	5,138
Loans payable, bonds & bonds with subscription rights to shares	24,010	20,193	16,910	14,128	11,954	9,784
Total shareholders' equity	2,573	3,373	4,976	5,686	6,545	6,840
Total assets	27,302	24,396	22,680	20,305	19,220	17,305

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



(JPY:million)	14/3	15/3	16/3	17/3	18/3	19/3	Change (%)
1. Fund management operation							
<i>Fund management fees and others</i>	733	571	441	364	277	241	(13%)
<i>Success Fees</i>	132	63	288	101	86	-	-
Operating Revenue	865	634	729	466	364	241	(34%)
Operating Cost	-	-	-	-	-	-	-
Operating Gross Profit	865	634	729	466	364	241	(34%)
2. Investment operation							
<i>Proceeds of sales of securities (A)</i>	4,656	3,651	2,954	2,275	3,219	1,746	(46%)
<i>Fund interests income etc.</i>	357	100	295	1,128	1,612	406	(75%)
<i>Income gains</i>	121	93	49	30	64	23	(64%)
Operating Revenue	5,134	3,844	3,300	3,434	4,897	2,176	(56%)
<i>Cost of securities sold (B)</i>	2,133	1,767	1,863	1,423	2,469	554	(78%)
<i>Investment write-offs and Provision for allowance for possible investment losses (C)</i>	1,480	1,704	569	274	562	579	3%
<i>Fund interests losses etc.</i>	52	168	47	46	36	49	34%
Operating Cost	3,666	3,640	2,481	1,744	3,069	1,182	(61%)
Operating Gross Profit	1,468	203	818	1,690	1,827	993	(46%)
3. Others							
Operating Revenue	154	53	13	25	142	57	(59%)
Operating Cost	15	9	7	6	5	6	12%
Operating Gross Profit	139	44	5	19	136	51	(62%)

Total							
Operating Revenues	6,155	4,532	4,043	3,926	5,403	2,475	(54%)
Operating Cost	3,681	3,650	2,488	1,750	3,074	1,188	(61%)
Operating Gross Profit	2,474	882	1,554	2,176	2,328	1,286	(45%)

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

(JPY million)

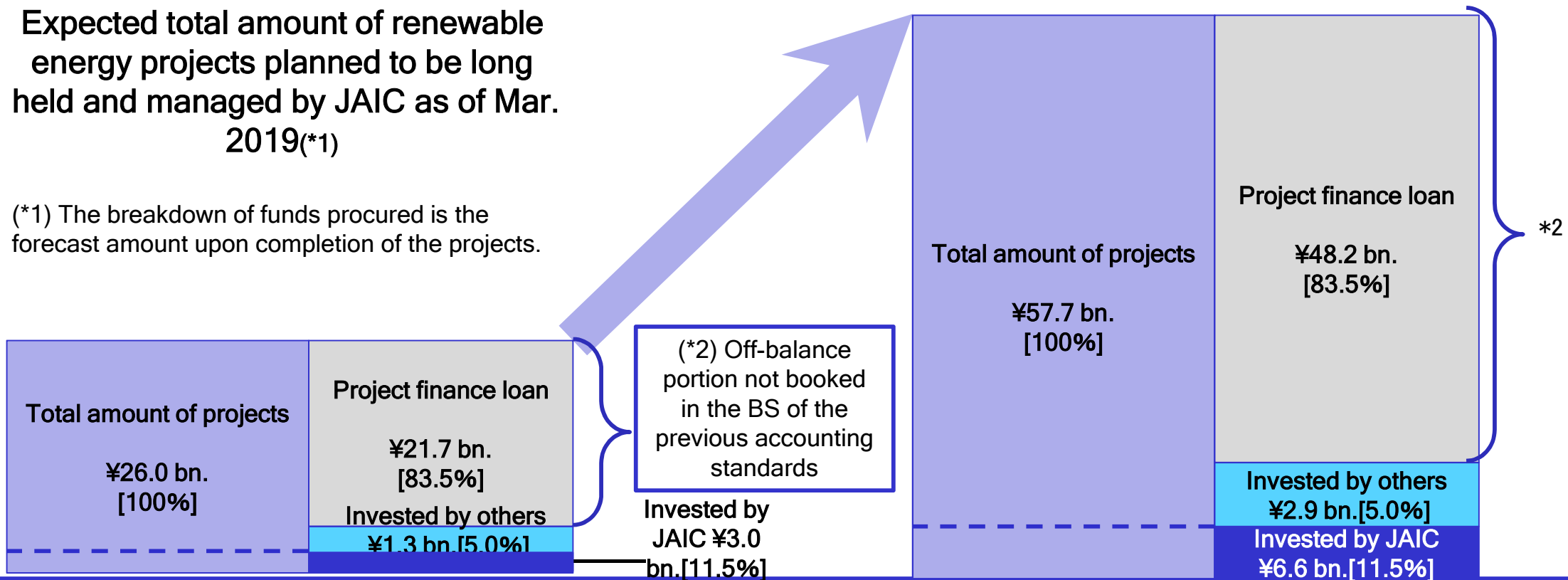
	Total	Domestic listed stock	Domestic unlisted stock	Overseas listed stock	Overseas unlisted stock	Project oriented investment
FY 2018/3						
(A) Proceeds of sales of securities	3,219	179	1,209	11	36	1,783
(B) Cost of securities sold	2,469	61	906	11	24	1,465
(A)-(B) Realized capital gains	749	117	302	-	11	318
(C) Investment write-offs and Provision for allowance for possible investment losses	562	-	493	-	69	-
(A)-(B)-(C) Invstment income	187	117	(190)	-	(58)	318

	Total	Domestic listed stock	Domestic unlisted stock	Overseas listed stock	Overseas unlisted stock	Project oriented investment
FY 2019/3						
(A) Proceeds of sales of securities	1,746	371	403	-	90	881
(B) Cost of securities sold	554	37	163	-	124	228
(A)-(B) Realized capital gains	1,192	334	239	-	(34)	652
(C) Investment write-offs and Provision for allowance for possible investment losses	579	(21)	203	-	396	-
(A)-(B)-(C) Invstment income	613	355	35	-	(430)	652

6. Appendix - Project oriented investment - total project amount

Expected total amount of renewable energy projects planned to be long held and managed by JAIC as of Mar. 2019(*1)

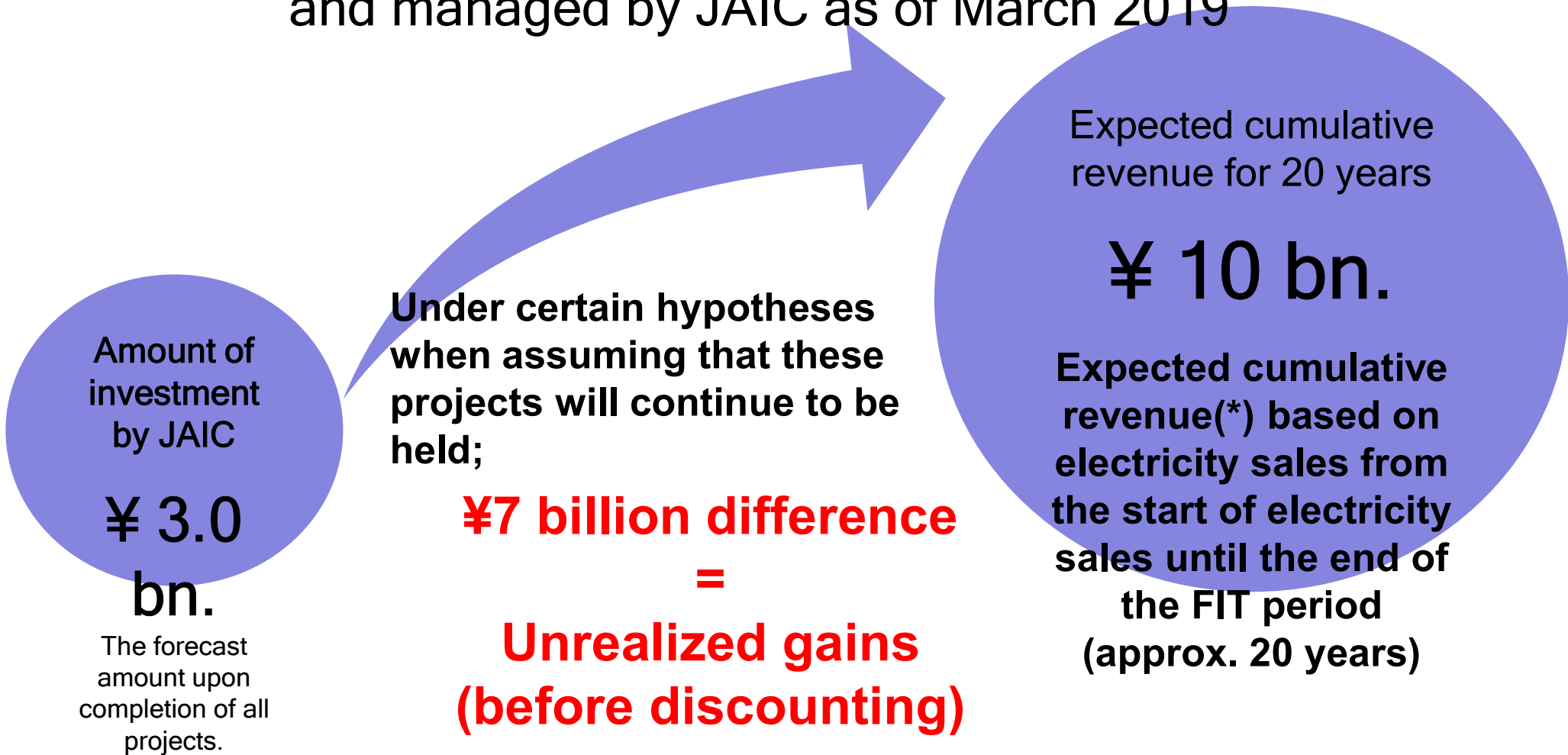
(*1) The breakdown of funds procured is the forecast amount upon completion of the projects.



- ✓ The expected total amount of renewable energy projects to be long held and managed by JAIC as of Mar. 2019 is ¥26.0 billion.
- ✓ Based on the previous accounting standards, other than ¥3.0 billion “invested by JAIC” (11.5%) of the total amount of projects are off-balance*2.
- ✓ JAIC aims to increase “investment by JAIC” to ¥6.6 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 ¥6.6 billion will increase to ¥57.7 billion.

* 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 renewable energy projects to be long held and managed by JAIC as of March 2019



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

5. Appendix - List of renewable energy projects as of December 31, 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	Ichinosekishi Fujisawacho solar power plant	2.3	Started electricity sales in Sep. 2016	36	approx. 0.73
	3	Nomaie solar power plant	2.4	Started electricity sales in May. 2017	36	approx. 0.8
	4	Fukushima Inawashiro solar power plant	1.2	Started electricity sales in Sep. 2017	36	approx. 0.34
	5	Mitakabeike solar power plant	1.5	Started electricity sales in Sep. 2017	32	approx. 0.5
	6	Iwate Ichinoseki solar park	2.4	Started electricity sales in Jan. 2018	36	approx. 0.8
	7	Obihiro solar park	4.4	Started electricity sales in Mar. 2018	40	approx. 2.2
	8	Nakaoudaie solar power plant	2.4	Started electricity sales in Apr. 2018	36	approx. 0.86
	9	Ichinoseki-shi Yoshitaka solar power plant	2.6	Started electricity sales in Jun. 2018	36	—
	10	Higashioudaie solar power plant	2.4	Started electricity sales in Jul. 2018	36	approx. 0.86
	11	Ichinosekishi Suzugasawa solar power plant	2.7	Started electricity sales in Oct.. 2018	36	—
	12	Kami solar park	2.4	Started electricity sales in Oct. 2018	36	approx. 0.96
	13	Mombetsu-shi Kodo solar power plant	15.7	Under construction or Under planning	40	approx. 6.6
	14	Hokkaido	2.0	Under construction or Under planning	36	—
	15	Mie	21.8	Under construction or Under planning	24	—
	16	Fukushima	2.4	Under construction or Under planning	32	—
	17	Fukushima	2.7	Under construction or Under planning	40	
	18	Kumamoto	11.8	Under construction or Under planning	38	
	19	Hokkaido	2.3	Under construction or Under planning	40	
	20	Kanagawa	2.4	Under construction or Under planning	32	
	21	Fukuoka	2.9	Under construction or Under planning	36	
Total 93.8MW [attributable to JAIC 50.4MW]						

5. Appendix - List of renewable energy projects as of December 31, 2018

Energy Source	No.	Location	Generation Capacity [MW]	Current status	FIT [tax excluded, ¥]	Total amount of project [¥ bn.]
Woody biomass		Matsusaka-shi, Mie	2.0	Started electricity sales in Jan. 2018	—	—
Bio gas		Tokyo	1.6	Under construction or Under planning	39	—
		Aomori Touhokumachi solar power plant	0.03	Started electricity sales in Nov. 2018	39	—
Wind power		Mie	At most 25.2	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.

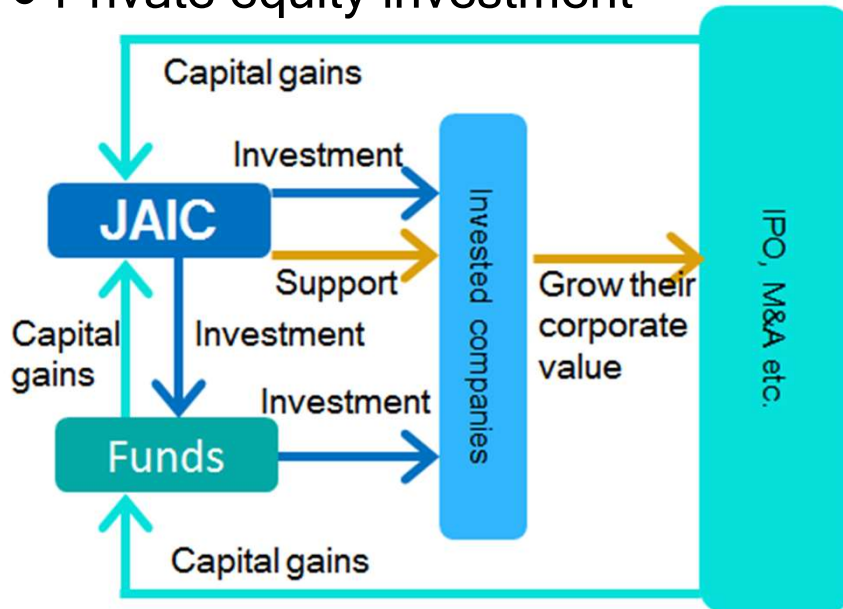
Expertise to structure sophisticated finance scheme

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

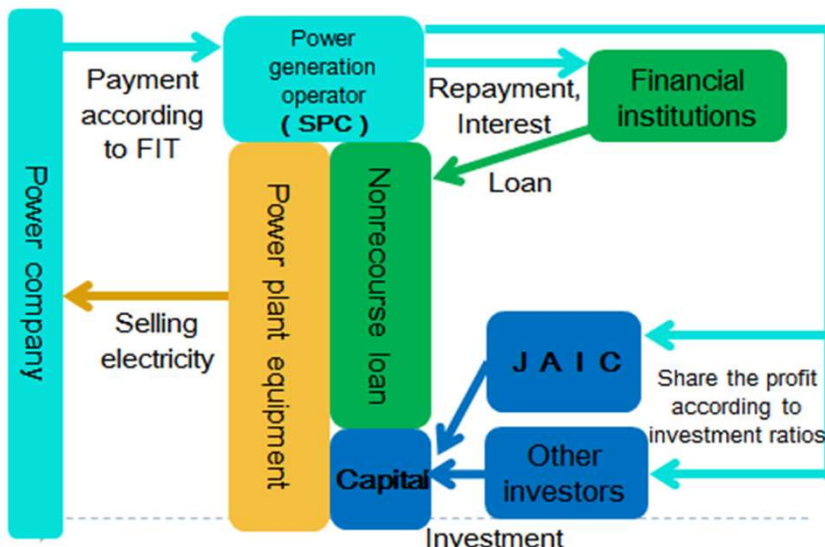


There are the following two types of investment capital:

- 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



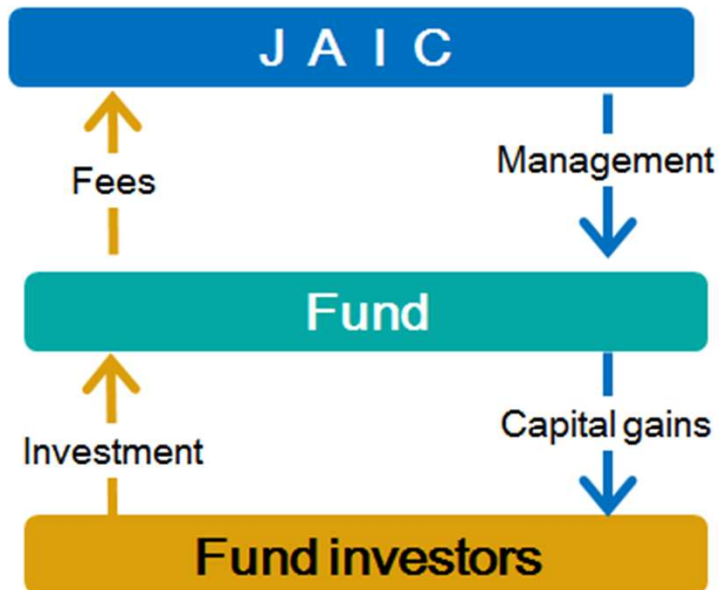
The power generation operator procures funds for the construction of power plants by the following two ways and owns the power plants:

- 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 March 31, 2019)

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	5,426 million yen
Listed market	Tokyo Stock Exchange, 1st Section (Securities code 8518)
Number of employees	40 (Consolidated) /22 (Non-consolidated)
Main business	Private equity investment / Project oriented investment
Directors	<p>Chairman :Yoshiaki Kawamata [Outside/Independent] ; Chairman of the Board</p> <p>President & CEO :Tetsuro Shimomura</p> <p>Managing Director :Kazunori Omori ; Chairman of Audit & Supervisory Committee</p> <p>Director :Hitoshi Yasukawa [Outside/Independent] ; Member of Audit & Supervisory Committee</p> <p>Director :Tadashi Nunami [Outside/Independent] ; Member of Audit & Supervisory Committee</p>

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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.