

Financial Results Overview for the 3rd Quarter Ended December 31, 2019

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

Announcement: February 14, 2020

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

1	Summary	P3
2	Results for Current Quarter (Cumulative Total)	P4
3	Full-year result forecasts	P12
4	Business Report	P15
5	Appendix	P22

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

1. Summary

- ✓ Results for Current Quarter (Cumulative Total)
 - Revenues decreased 22.8% year on year; deficit expanded ¥ 555 million year on year.
 - Profit from private equity funds managed by other companies decreased.
- ✓ Full-year result forecasts
 - Result forecasts have been revised downward to operating revenue of ¥2.6 billion (down 25.7%) and final profit of ¥0.1 billion (down 80.0%).
 - The gains on sale of shares expected for the fourth quarter will likely decline more than initially anticipated.
 - While the decline will be partly covered by the sale of mega solar projects and the sales of other shares and non-operating assets, all the decline is unlikely to be covered.
- ✓ Business Report
 - 3 new investments of mega solar projects with a ¥30-level FIT price have been executed.
 - 4 cases of “strategic investment” in a partner company in project oriented investment have been carried out.
 - 3 IPOs in 3Q: While FunPep Co., Ltd. received approval for listing, the company has postponed listing procedures.
 - Investment in logistics warehouse construction projects and a medium-term project oriented investment in income property (commercial building) were carried out; cultivated new fields for project oriented investment

2. Results for Current Quarter (Cumulative Total)

Outline of results	P5
Break down of operating revenue & operating cost	P8
Progression status of KPI	P9

2. Results for Current Quarter (Cumulative Total) – Outline of results – I/S

	FY Mar 2019 (3Q) (Actual)	FY Mar 2020 (3Q) (Actual)	
	Amount (million yen)	Amount (million yen)	Change
Operating revenue	1,214	↓ 937	(22.8%)
Operating cost	857	815	(4.9%)
Operating gross profit	356	121	(65.9%)
SG&A expenses	816	780	(4.4%)
Operating income	(459)	(658)	-
Ordinary Income	(512)	(753)	-
Profit attributable to owners of parent	(197)	↓ (752)	-

- ✓ Year on year change: 22.8% (¥277 million) decrease in revenue; ¥555 million increase in deficit
- ✓ Attributable mainly to a decline in income from private equity funds managed by other companies.
Effects on results: Operating revenue: decrease by ¥201 million; Extraordinary income: decrease by ¥425 million

2. Results for Current Quarter (Cumulative Total) – Outline of results – B/S

	As of Mar 2019 (Actual)	FY Mar 2020 (3Q) (Actual)	
	Amount (million yen)	Amount (million yen)	Change
Total assets	17,305	14,972	(13.5%)
(a) Cash and deposits	5,564	2,125	(61.8%)
(b) Project oriented investment securities & loans	5,514	↑ 6,281	13.9%
Strategic investment securities in partner companies	373	↑ 855	129.4%
Private equity investment securities after deducting Allowance for possible investment loss except strategic investment in partner companies	4,765	4,644	(2.6%)
(c) Loans payable	9,784	8,166	(16.5%)
Total shareholders' equity	6,840	6,427	(6.0%)
(a) + (b) - (c)	1,294	↓ 240	(81.4%)

- ✓ Outstanding project oriented investment securities & loans: The balance increased due to steady investment and loan execution
- ✓ Outstanding strategic investment: The balance increased due to 4 investments
- ✓ Financial balance: Maintained a positive balance despite a decrease due to progress of investment
(Cash & deposits + project oriented investment – loans payable)

2. Results for Current Quarter (Cumulative Total) – Outline of results – C/F

(JPY million)	FY Mar 2019 (3Q) (Actual)	FY Mar 2020 (3Q) (Actual)
Operating CF	994	(950)
Investing CF	703	64
Financing CF	(2,173)	(1,617)
Change in Net CF	(491)	(2,524)
Cash & Cash Equivalents at End of Period	4,265	1,557

- ✓ Operating CF: Net cash used was 950 million yen
Ended in negative cash flow due to the implementation of investment
- ✓ Investing CF: Net cash provided was 64 million yen
Proceeds from redemption of investment fund decreased year on year
- ✓ Financing CF: Net cash used was 1,617 million yen
The extent of negative cash flow improved year on year due to the reduction of the repayment amount to correct the financing policy of placing priority on repayment

2. Results for Current Quarter (Cumulative Total) – Break down of operating revenue & operating cost

(JPY million)	Total		Private equity investment		Project oriented investment	
	FY Mar 2019 (3Q) (Actual)	FY Mar 2020 (3Q) (Actual)	FY Mar 2019 (3Q) (Actual)	FY Mar 2020 (3Q) (Actual)	FY Mar 2019 (3Q) (Actual)	FY Mar 2020 (3Q) (Actual)
Operating revenue	1,214	937	1,055	798	158	138
Fund management fees etc.	187	153	186	151	1	2
Proceeds of sales of securities	602	566	579	566	23	0
Fund interests income etc.	391	187	276	71	114	116
Other operating revenue	32	29	13	9	19	19
Operating Cost	857	815	841	700	16	115
Cost of securities sold	272	436	255	436	16	0
Investment write-offs and Provision for allowance for possible investment losses	540	237	540	237	-	-
Fund interests losses etc.	40	137	40	22	-	115
Other operating costs	4	4	4	4	-	-
Operating Gross Profit	356	121	213	98	142	23

- ✓ Private equity investment;
 - Of operating revenue, fund interests income etc. decreased due to a drop in profit from investment funds managed by other companies.
 - Of operating cost, cost of securities sold increased reflecting a decline in sales of listed shares with higher investment returns and the recording of a loss on sales by prioritizing liquidation of large-scale unlisted shares. Meanwhile, investment write-offs and provision for allowance decreased.
- ✓ Project oriented investment;
 - Fund interests losses etc., an operating cost item, increased due to advance expenditure for vegetable factory.

2. Results for Current Quarter (Cumulative Total) – Progression status of the medium-term business plan – Private equity

Item	Plan	Progress
Sale of existing portfolio	In addition to achieving sale proceeds from IPOs, liquidize unlisted shares and non-operating assets.	<ul style="list-style-type: none"> Shares of Japanese companies that carried out IPOs were sold and a large Chinese investee was liquidated. As gains on sale of shares expected for the fourth quarter will likely decline significantly, the initial results forecast has been revised downward.
Establishment of funds	Establish two funds those aim to assist overseas expansion of Japanese companies and foreign direct investment into Japan.	<ul style="list-style-type: none"> Solicitation of investor candidates underway, aiming for establishment during the current fiscal year. The establishment of a fund to support foreign direct investment into Japan has been delayed due to difference in the way of thinking between we and investors.
Network, M&A	<ul style="list-style-type: none"> Strengthen external networks (in Japan and Asia) and establish a global support structure. Start initiatives in FA business centered around cross-border M&As. 	<ul style="list-style-type: none"> Cooperation agreements were signed with China's Xi'an Hi-Tech Industries Development Zone, Yantai Investment Development Board and Wuhan Municipal People's Government respectively. Cooperation agreements were signed with local venture capital and local security company in Bangkok. M&A deals from Asian business partners being introduced to listed Japanese companies using our domestic network.
Investments in partner companies	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.	<ul style="list-style-type: none"> Project to build a group home for persons with disabilities started in October 2019. We carried out 4 strategic investment deals: <ul style="list-style-type: none"> - Morihisa Engineering Co., Ltd. (plant factories) - Social Inclu Co., Ltd. (group homes) - Smart Solar Corporation (mega solar projects) - MD-Farm (strawberry cultivation system)

2. Results for Current Quarter (Cumulative Total) – Progression status of the medium-term business plan – Project oriented investment

Item	Plan	Progress
Renewable energy	Place top priority on mega solar projects but continue aggressive investment in new biogas and biomass projects as well since investment opportunities in high profitability projects have time constraints.	<ul style="list-style-type: none"> Investment executed in operator of intermediate processing facility for waste materials to be used as fuel for biogas power plants. Investment executed in new 3 mega solar projects with a ¥30-level FIT price.
Smart agriculture	Put the first vegetable factory on track and invest in subsequent projects.	<ul style="list-style-type: none"> No. 1 plant succeeded in developing sales channels to large restaurant chains. However, as sales have been lower than the plan, it will be delayed until April 2020 to achieve profitability on a monthly basis as a result of full-scale operations. The plan is to invest in No.2 Plant after making preparations to expand the scale of No. 1 Plant.
Healthcare	Focus on profitability instead of quantity and invest selectively in nursing care facility development projects.	Investment in a project decided. Investment planned to be executed in 4Q after developer works out overall plans for the project.
Other new investment field	Cultivate new fields where investment in profitable projects is possible	<ul style="list-style-type: none"> Executed medium-term investment in income property (commercial building) in Japan. Executed investment in logistics warehouse construction projects in Japan.

2. Results for Current Quarter (Cumulative Total)

– Progression status of key performance indicators

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

Strategy	Measures	KPI FY Mar. 2020-3Q	KPI FY Mar. 2021
Expand stable revenue from project oriented investment assets	Balance of project oriented investment assets	6.2 billion yen	9.0 billion yen
	Expected cumulative profits from project oriented investment to be long held (*)	5.9 billion yen	20.0 billion yen
	Balance between the sum of cash and deposits and project oriented investment assets and borrowings	+0.2 billion yen	+5.6 billion yen
Replacement of private equity investment assets	Promotion of early liquidizing and monetization of assets except strategic investments etc.	Balance of investment 4.6 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 0.8 billion yen	Balance of investment 1.0 billion yen

(*) Estimation of cumulative profits from projects managed by JAIC Group under certain hypotheses when assuming that these projects will continue to be held.

(*) **Excluding six projects to be sold during the fiscal year ending March 2020.**

3. Full-year result forecasts

Cautionary Statements with Respect to Forward-looking Statements P13

Full-year result forecasts P14

3. Full-year result forecasts - Cautionary Statements

- ✓ 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 and certain assumptions. The achievement is not promised. Various factors could cause actual results to differ materially from these result forecasts.

3. Full-year result forecasts –

Result forecast consolidated under the Previous Accounting Standard



	Result forecast FY2020 (Disclosed on May 15, 2019)
	Amount (million yen)
Operating revenue	3,500
Operating cost	1,600
Operating gross profit	1,900
SG&A expenses	1,100
Operating income	800
Ordinary Income	650
Profit attributable to owners of parent	500

Revised result forecast FY2020 (Disclosed on Feb 14, 2020)		
Amount (million yen)	Change (million yen)	Change (%)
2,600	(900)	(25.7%)
1,400	(200)	(12.5%)
1,200	(700)	(36.8%)
1,130	30	2.7%
70	(730)	(91.3%)
(60)	(710)	-
100	(400)	(80.0%)

Breakdown:	
Proceeds of sales of securities	(2,350)
Proceeds of sales of mega solar projects	+ 1,350
Others	+ 100
Total	(900)

Breakdown:	
Capital gains of securities	(1,810)
Capital gains of mega solar projects	+ 960
Extraordinary income & Decrease of corporate income tax	+ 310
Others	+ 140
Total	(400)

- ✓ Result forecast has been revised downward to operating revenue of ¥2.6 billion (down ¥0.9 billion) and final profit of ¥0.1 billion (down ¥0.4 billion).
- ✓ The gains on sale of shares expected for the fourth quarter will likely decline more than initially anticipated due to the postponement of IPOs, drop in sale prices, failure in concluding sale negotiations, worsening of sale terms, etc.
- ✓ While the decline will be partly covered by the sale of mega solar projects (sale price: ¥1.35 billion; gains from sale: ¥0.96 billion), extraordinary income from the sale of non-operating assets and the decline in tax expenses (¥0.31 billion in total), all the decline is unlikely to be covered.

4. Business report

Private equity investment	P16
Project oriented investment	P19
Asia business network	P21

Investment execution : 9 companies, ¥ 977 million

4 strategic investments in partner companies



Smart Solar Corporation

Business:

Mega solar power generation related business,
Smart city related business for public facilities and
industrial facilities
Residential solar power generation related business



MoriHisa Engineering Co., LTD.

Business:

Development, planning, construction and operation
of vegetable factories
Production of high-end vegetables under the brand
name "Morvel".



MD-Farm

Business:

Development and sales of strawberry cultivation
system
Agriculture business support consulting services, etc.



Social Inclu Co., LTD.

Business:

Operating "Social Includ Home", group homes for
persons with disabilities

4. Business report - Private equity investment – Investment execution

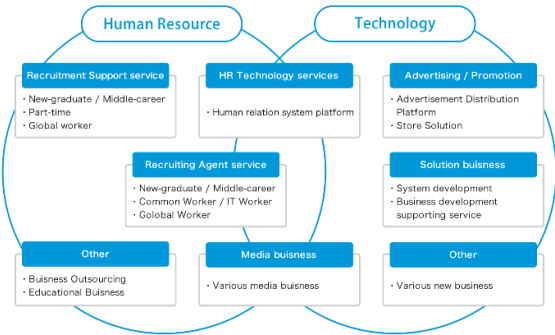
5 investments in other private companies

Investment execution case:

Neo Career Co., Ltd.

“「Human」 × 「Technology」 bring individuals valuable futures”

OUR BUSINESS FIELDS



- Business development in four areas including the human resources business, HR Tech (IT, Media) business, healthcare business, and global business.
- The services the company provides cover a wide range of areas, including staffing, recruitment consulting, recruitment support, advertising promotion, media management, outsourced system development, new business development in IT, and HR Tech.
- In the future, the company plans to focus on the HR Tech business in particular, and expand in-house developed products such as "jinjer" (SaaS platform service for HR), "Calling" (web conferencing system) and "wakumo" (one-off part-time job matching application).
- In the human resources business, the company focuses on the healthcare field for nursing care providers, childcare workers and medical service providers.
- Utilizing the know-how acquired in Japan, the company provides recruitment consulting services "REERACOEN" at 21 locations in 10 Asian countries, as well as business process outsourcing (BPO) services.



StemRim Inc.

Research, development, manufacture and sales of pharmaceuticals and medical devices that promote regeneration of damaged tissues by activating and utilizing patient's own stem cells in the body, and gene therapy products for intractable diseases

Stock market: TSE Mothers (4599)
IPO date: 9 August 2019



PBsystems, Inc.

"Secure Cloud Systems Business" which provides an enterprise's Core Systems as cloud computing systems, and "Emotional Systems Business" which manufactures and sells VR-theater "4D king"

Stock market: FSE Q-Board (4447)
IPO date: 12 September 2019



Fangdd Network Group Ltd.

Operator of "房多多", china's largest online real estate marketplace

Stock market: NASDAQ Global (DUO)
IPO date: 1 November 2019

Investment execution : 9 projects, ¥ 1,950 million

No.	Location	Project type	Generation capacity	Notes
1	Tochigi	Solar power	2.0MW	New project; FIT ¥32
2	Tochigi	Solar power	2.0MW	New project; FIT ¥32
3	Tochigi	Solar power	2.0MW	New project; FIT ¥36
4	Tokyo	Biogas power	1.6MW	Investment in operator of adjoining waste processing plants
5	Hyogo	Vegetable factory	-	Additional investment of the factory's operation funds
6	Kumamoto	Solar power	11.8MW	Additional investment; FIT¥36
7	Aichi	Commercial building	-	Mid-term investment in income property
8	Saitama	Logistics warehouse	-	Investment in construction project
9	Kanagawa	Logistics warehouse	-	Investment in construction project

- Investments in 3 mega solar projects with a ¥30-level FIT price are executed.
- In the new fields, investments in logistics warehouse construction projects and income property (commercial building) were carried out.
- In addition to those listed above, a loan was provided to a project on group home for disabled persons.

4. Business report - Project oriented investment - Renewable energy projects
as of December 31, 2019



Mega solar projects

Started electricity sales	12 projects	29.8 MW
Under construction or under planning	12 projects	70.0 MW
Total	24 projects	99.8 MW
attributable to JAIC		56.4MW
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

Fukuoka, Solar
1 project
2.9MW

Kumamoto, Solar
1 project 3.1MW
1project 11.8MW

Kagawa, Solar
4 projects 8.7MW

Mie,
Woody biomass, 1 project 2.0MW
Mega solar, 1 project 21.8MW
Wind power, 1 project at most 25.2MW

Tokyo, Bio gas,
1project 1.6MW

Hokkaido, Solar,
1 project 4.4MW
3 projects 20.0MW

Aomori, Bio gas,
1project 0.03MW

Iwate, Solar,
4 projects 10.0MW

Miyagi, Solar,
1 project 2.4MW

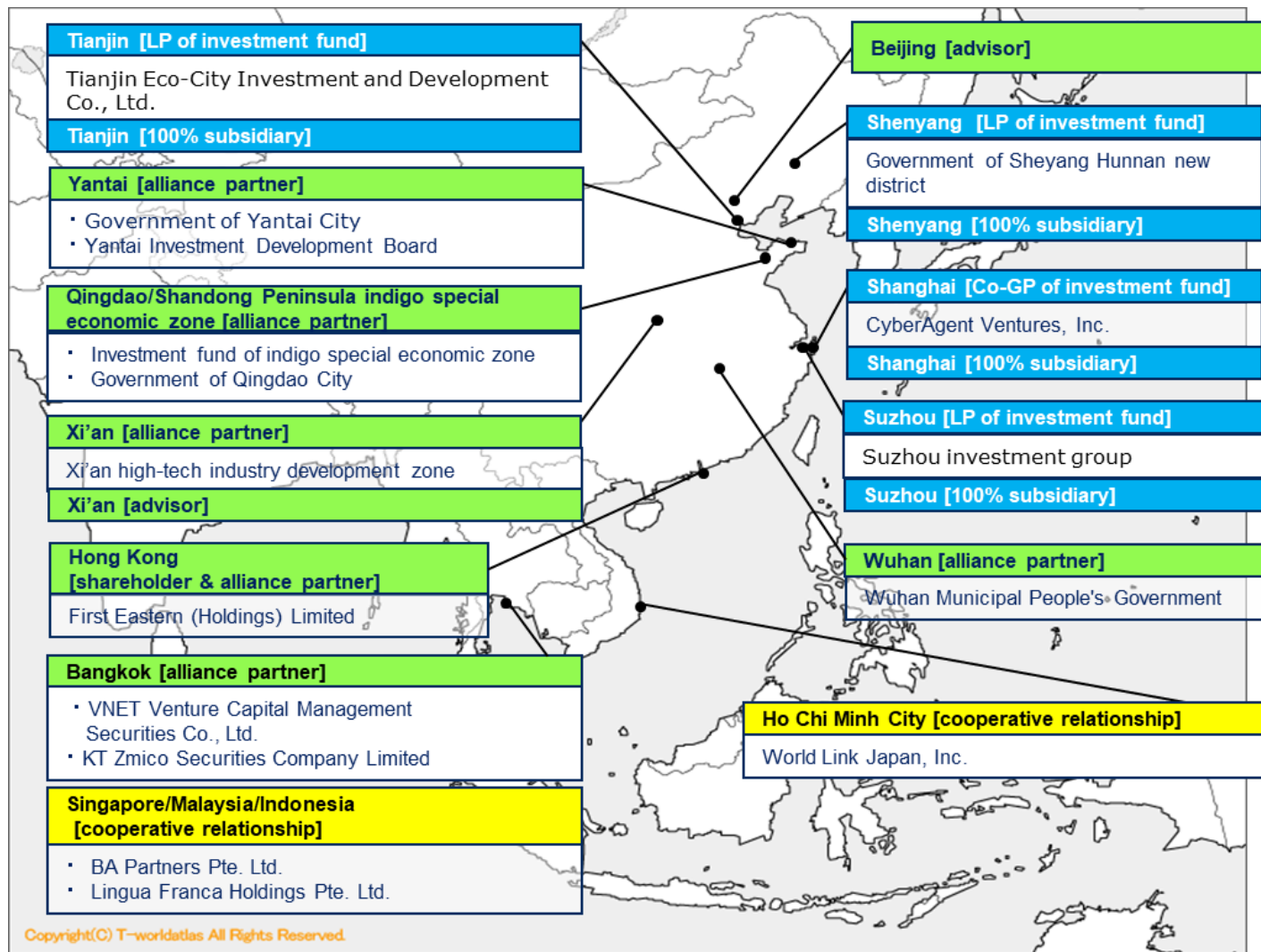
Fukushima, Solar,
1 project 1.2MW
2 projects 5.1MW

Tochigi, Solar,
3 projects 6.0MW

Kanagawa, Solar,
1 project 2.4MW

* 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 - Asia business network



- ✓ Asia business network, JAIC's strength, further strengthened.
- ✓ To be used for the launch of M&A business and support of investee companies.
- ✓ Cooperation agreement signed with China's Xi'an Hi-Tech Industries Development Zone, Yantai Investment Development Board and Wuhan Municipal People's Government, respectively.
- ✓ Cooperative agreements signed with local venture capital and local security company in Thailand, respectively.

5. Appendix

List of project oriented investments	P23
Break down of private equity investment balance	P25
AUM of Funds, Investment balance & balance of operational investment securities	P26
Funds & investment activities	P27
Business results & financial position	P28
Break down of operating revenue & operating cost	P29
Core competence	P30
Profit structure	P31
Company data	P33

5. Appendix - List of project oriented investments

Type of project	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	Nomaike 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	—
	22	Tochigi	2.0	Under construction or Under planning	36	—
	23	Tochigi	2.0	Under construction or Under planning	32	—
	24	Tochigi	2.0	Under construction or Under planning	32	—
Total 99.8MW [attributable to JAIC 56.4MW]						

5. Appendix - List of project oriented investments

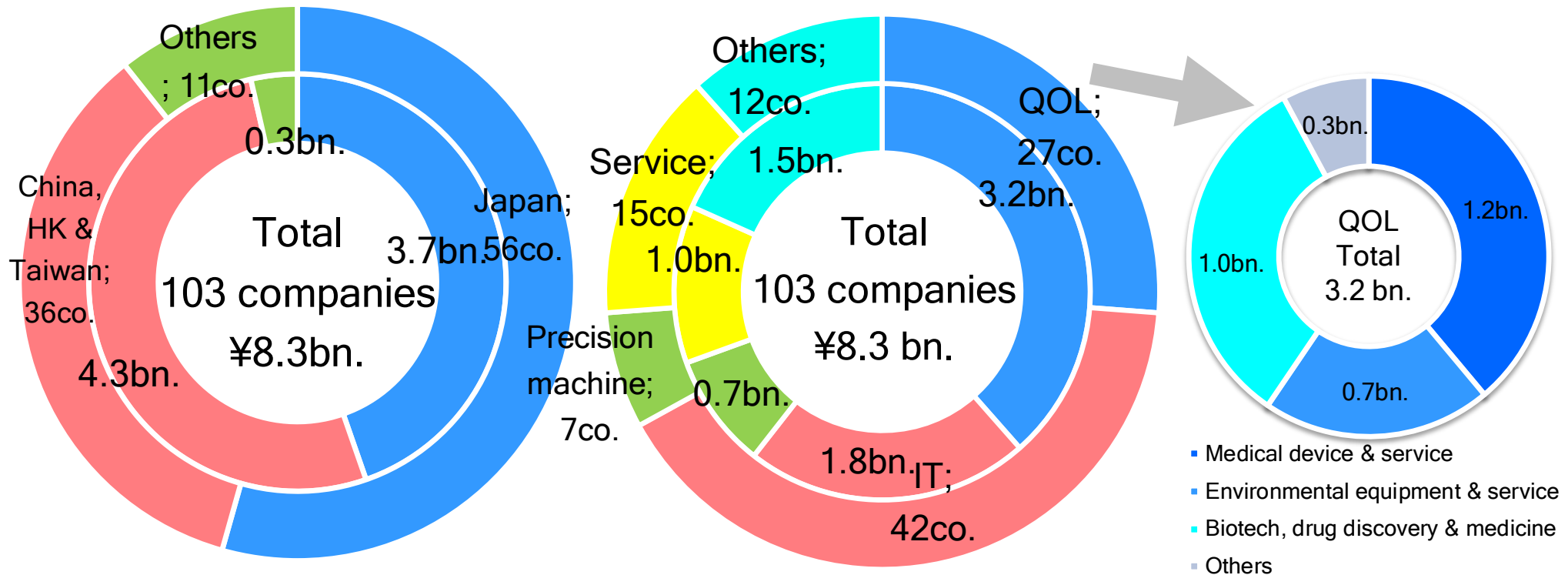
Type of project	No.	Location	Generation Capacity [MW]	Current status	FIT [tax excluded, ¥]	Total amount of project [¥ bn.]
Woody biomass		Matsusaka-shi, Mie	2.0	Started electricity sales in Jan. 2018	—	—
Bio gas	1	Tokyo	1.6	Under construction or Under planning	39	—
				operator of adjoining waste processing plants	—	—
	2	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	—
Vegetable plant		Tambasayama-shi, Hyogo	—	Started operation	—	Approx. 0.7
Group home		Hamamatsu-shi, Shizuoka	—	Under construction	—	—
Commercial building		Aichi	—	Opened *investment in building which has already started operation	—	—
Logistics warehouse	1	Saitama	—	Under planning	—	—
	2	Kanagawa	—	Under planning	—	—

5. Appendix - Break down of private equity investment balance

Investment balance : 103 companies, ¥8.3 bn.

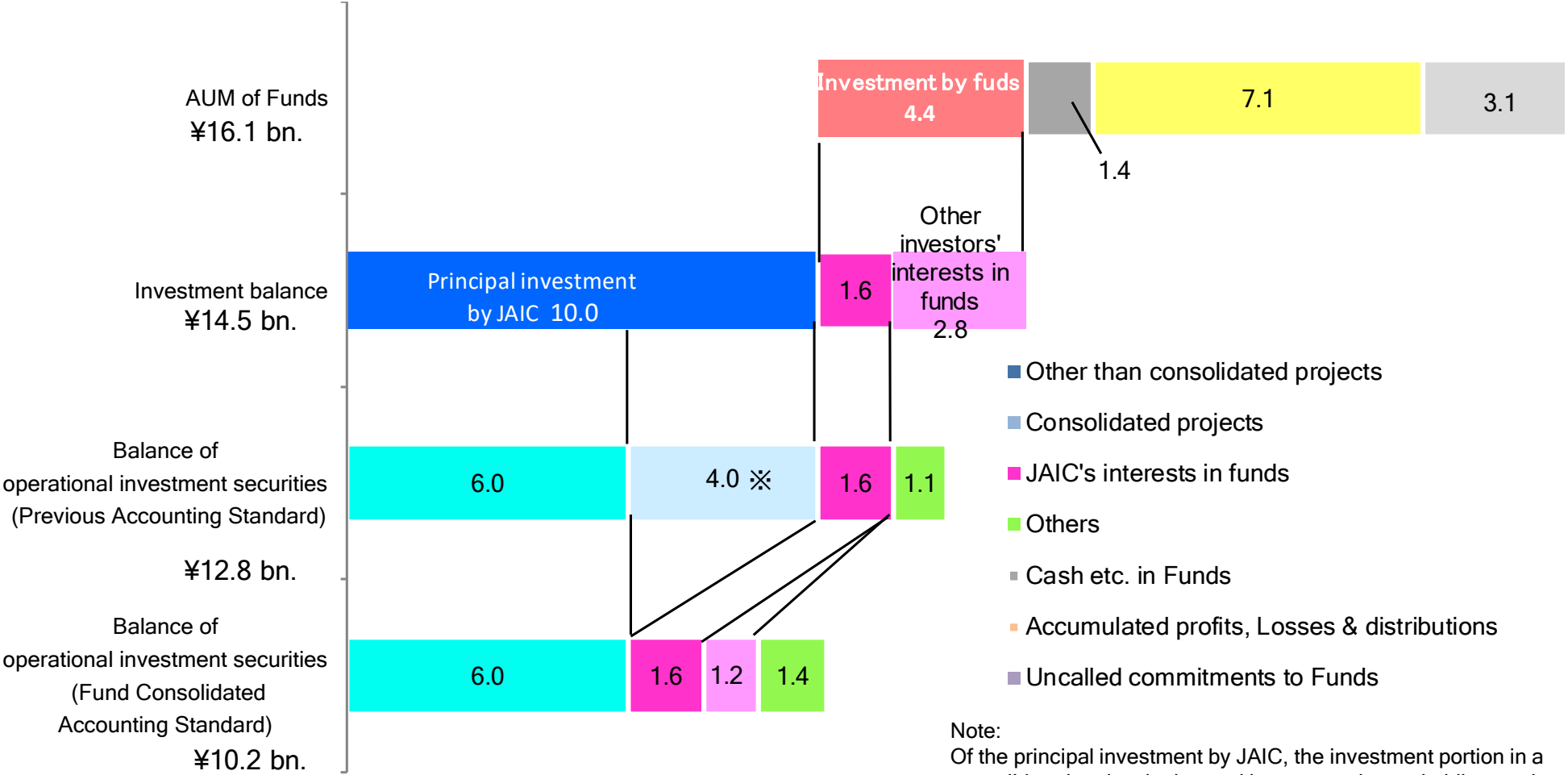
【Breakdown by area】

【Breakdown by industry】



Average investment amount per company (unit: ¥ million):
Japan 66, China, HK & Taiwan 119 / QOL 118, IT 43

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



Note:
 Of the principal investment by JAIC, the investment portion in a consolidated project is deemed investment in a subsidiary under the fund consolidated accounting standards, and the investment is offset.
 On the other hand, renewable energy power generation and vegetable plant facilities held by consolidated projects are booked as property, plant and equipment under the fund consolidated accounting standard.

5. Appendix - Funds & investment activities

(JPY million)	15/3	16/3	17/3	18/3	19/3	19/3(3Q)	20/3(3Q)
New & Increased Funds	-	5,201	500	1,000	2,000	2,000	-
AUM of Funds - total	43,897	39,335	28,753	19,150	16,494	18,062	16,094
AUM of Funds - JAIC		14,004	9,427	5,867	5,344	5,377	5,191
New Investnemts (Private Equity)	1,470	1,304	1,131	1,205	136	136	977
Balance of Investments (Private Equity)	18,385	15,061	11,981	10,398	8,437	8,558	8,298
New Investnemts (Project oriented investment)	1,257	2,788	3,184	2,681	3,612	2,683	1,950
Balance of Investments (Project oriented investment)	1,337	3,722	4,576	3,582	5,514	4,836	6,191

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



(JPY million)	15/3	16/3	17/3	18/3	19/3	19/3(3Q)	20/3(3Q)
Business Results							
Operating Revenues	4,532	4,043	3,926	5,403	2,475	1,214	937
Operating Gross Profit	882	1,554	2,176	2,328	1,286	356	121
SG&A Expenses	1,433	1,472	1,339	1,311	1,109	816	780
Operating Income	(550)	82	836	1,017	177	(459)	(658)
Ordinary Income	(610)	612	726	954	83	(512)	(753)
Net Income	(850)	597	553	874	578	(197)	(752)
Financial Position							
Cash and deposits	9,437	8,202	6,213	7,308	5,564	4,931	2,125
Operational investment securities and operating loans of project oriented investment	1,337	3,722	4,081	3,582	5,514	4,836	6,281
Operational investment securities of strategic investment in partner companies	-	100	100	373	373	373	855
Operational investment securities after deducting allowance for possible investment loss (Private equity except strategic investment in partner companies)	10,364	8,126	7,256	5,657	4,765	4,839	4,644
Loans payable, bonds & bonds with subscription rights to shares	20,193	16,910	14,128	11,954	9,784	9,784	8,166
Total shareholders' equity	3,373	4,976	5,686	6,545	6,840	6,255	6,427
Total assets	24,396	22,680	20,305	19,220	17,305	16,646	14,972

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



(JPY:million)	15/3	16/3	17/3	18/3	19/3	19/3(3Q)	20/3(3Q)	Change(%)
1. Fund management operation								
<i>Fund management fees and others</i>	571	441	364	277	241	187	153	(18.0%)
<i>Success Fees</i>	63	288	101	86	-	-	-	-
Operating Revenue	634	729	466	364	241	187	153	(18.0%)
Operating Cost	-	-	-	-	-	-	-	-
Operating Gross Profit	634	729	466	364	241	187	153	(18.0%)
2. Investment operation								
<i>Proceeds of sales of securities (A)</i>	3,651	2,954	2,275	3,219	1,746	602	566	(6.0%)
<i>Fund interests income etc.</i>	193	345	1,159	1,677	429	391	187	(52.1%)
Operating Revenue	3,844	3,300	3,434	4,897	2,176	994	753	(24.2%)
<i>Cost of securities sold (B)</i>	1,767	1,863	1,423	2,469	554	272	436	60.4%
<i>Investment write-offs and Provision for allowance for possible investment losses (C)</i>	1,704	569	274	562	579	540	237	(56.0%)
<i>Fund interests losses etc.</i>	168	47	46	36	49	40	137	238.7%
Operating Cost	3,640	2,481	1,744	3,069	1,182	852	811	(4.8%)
Operating Gross Profit	203	818	1,690	1,827	993	141	(57)	-
3. Others								
Operating Revenue	53	13	25	142	57	32	29	(9.1%)
Operating Cost	9	7	6	5	6	4	4	(17.2%)
Operating Gross Profit	44	5	19	136	51	27	25	(7.7%)

Total								
Operating Revenues	4,532	4,043	3,926	5,403	2,475	1,214	937	(22.8%)
Operating Cost	3,650	2,488	1,750	3,074	1,188	857	815	(4.9%)
Operating Gross Profit	882	1,554	2,176	2,328	1,286	356	121	(65.9%)

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.

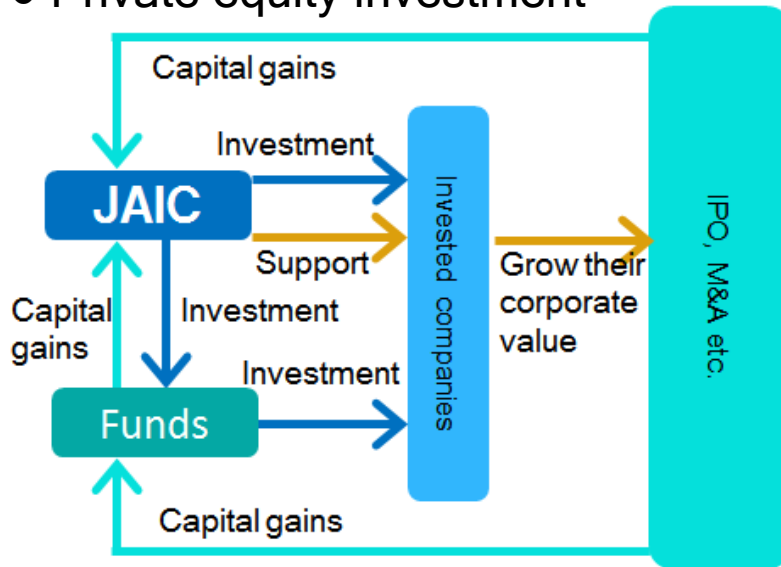
Expertise to structure sophisticated finance scheme

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

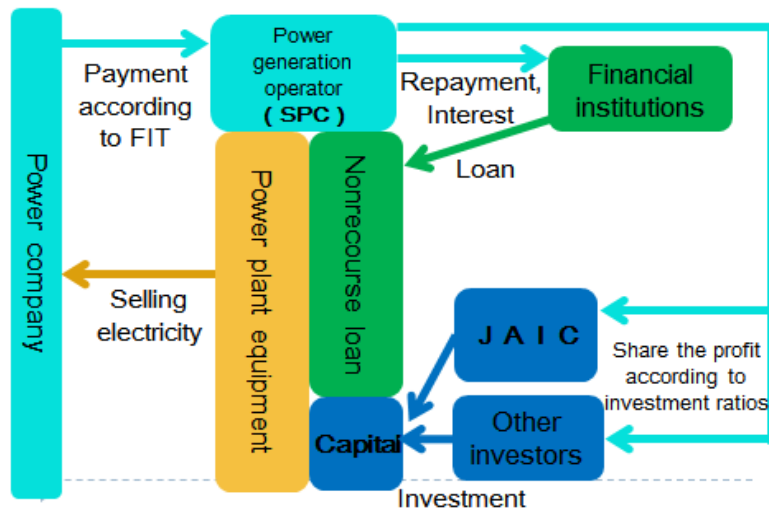


There are the following two types of investment capital:

- 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



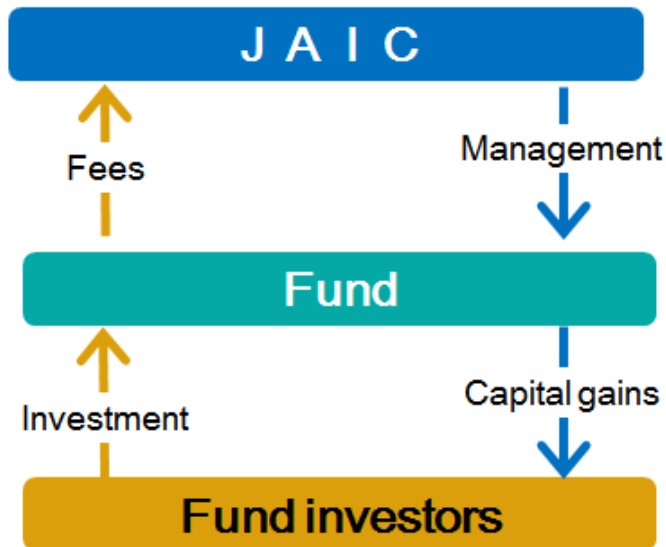
The power generation operator procures funds for the construction of power plants by the following two ways and owns the power plants:

- 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 December 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)
Employees	39 (Consolidated) /21 (Non-consolidated)
Main business	Private equity investment / Project oriented investment
Directors	Chairman of the Board :Yoshiaki Kawamata [Outside/Independent] President & CEO :Tetsuro Shimomura In charge of New Energy Investment Group :Masafumi Hatta Chairman of Audit & Supervisory Committee :Kazunori Omori Member of Audit & Supervisory Committee :Hitoshi Yasukawa [Outside/Independent] :Tadashi Nunami [Outside/Independent] :Harumi Katagiri [Outside/Independent]

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.