

Business Plan for FY Mar. 2021

Japan Asia Investment Co., Ltd.
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The figures in this document are based on consolidated financial statements prepared in accordance with the previous accounting standards.

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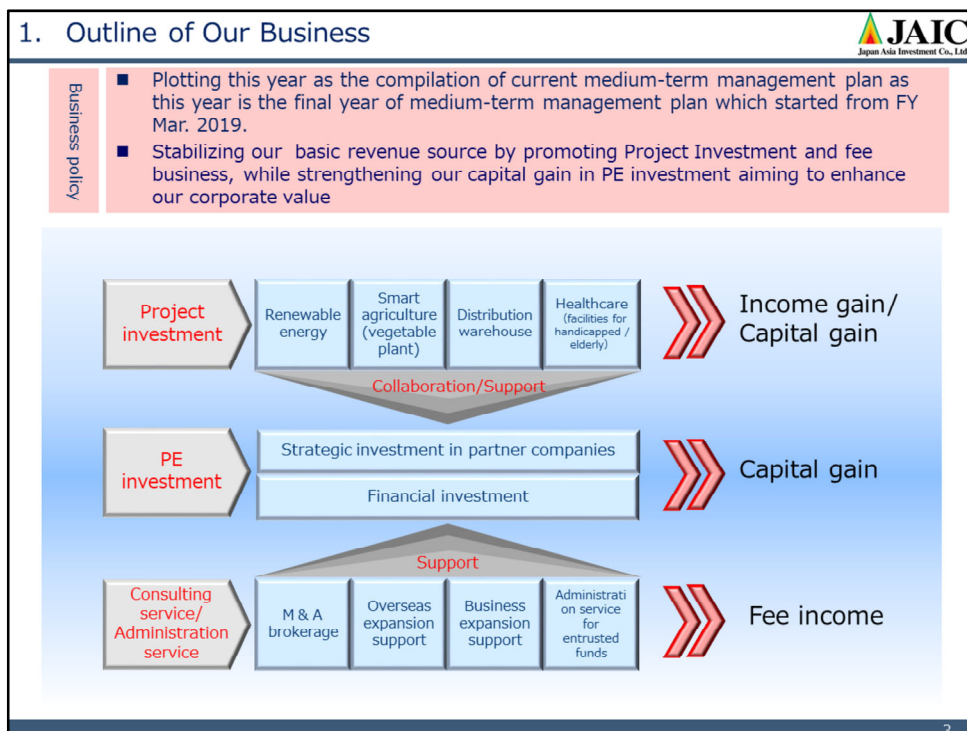
Dear our shareholders,

It is a great pleasure for me as President and CEO of Japan Asia Investment Co., Ltd. to report on our business plan for FY Mar. 2021.

To take this opportunity I would like to express my sincere gratitude to all our shareholders and stakeholders for the continued support and patronage.

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JAIC is currently promoting the three-year medium-term management plan which started from April 2018.

Fiscal Year which ends at Mar. 2021 represents the final year of the current medium-term management plan.

Therefore, we will not only focus on implementing the measures under the current management plan but also we strongly enforce our on-going business activities in order to complete groundwork for the next three-year medium-term management plan.

As shown on this chart, JAIC's business can be largely classified into three segments.

The first segment is the "Project Investment".

Since our Project Investment started with mega solar projects in 2012, we have been successful to expand our investment to wider range of different project.

For example, we have invested in Vegetable Plant, Distribution Warehouses, Facilities for Handicapped people and Elderly people.

A distinctive feature of JAIC's project investment is that we pursue higher investment returns by leveraging investment with non-recourse loans from various financial institutions.

In tandem with Project Investment, we provide Equity Investment to partner venture companies which conduct and operate aforementioned projects.

This combination of Equity Investment and Project Investment is our

unique business model where projects are developed by our partner venture companies and JAIC, as a venture capital, will support these venture companies.

The second segment is the Private Equity Investment. There are two types of PE investment.

The first one is an Equity Investment to partner companies for Project Investment as previously explained. We call this type of Equity Investment as “Strategic Equity Investment”.

For other type of PE investments are, “Financial Equity Investment”.

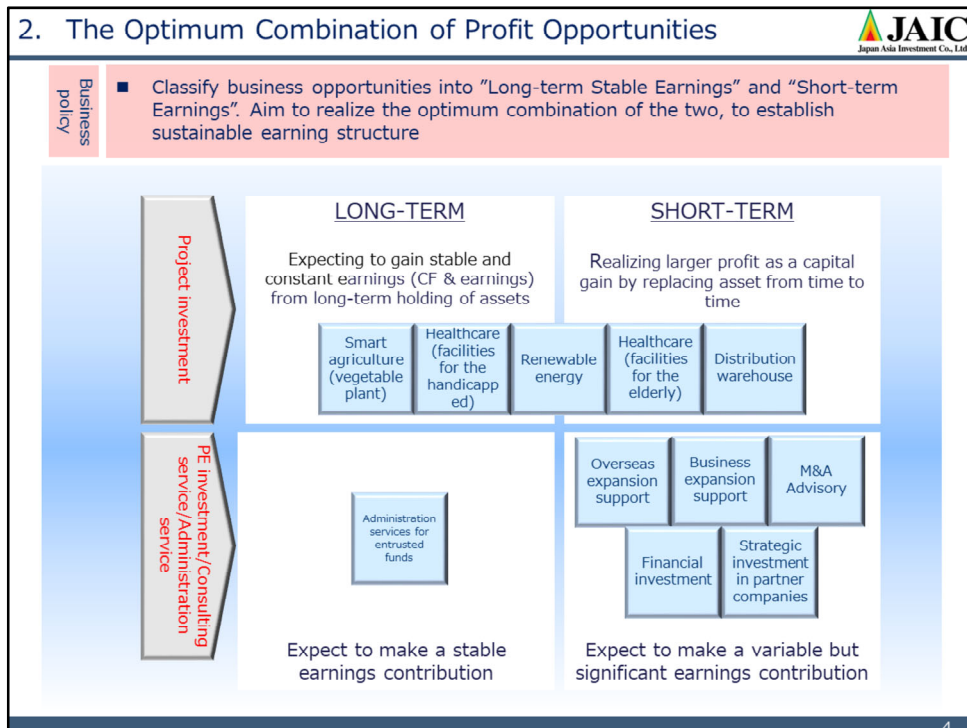
This investment activities are conducted through independently arranged and established special purpose investment funds contributed from outside investors as Limited Partners.

The third segment is Fee Business which consists of advisory and consulting service and administration service.

We have recently initiated services such as M&A Advisory Service, Consultation and Business Matching Services to support small and medium company’s business expansion activities. We fully take an advantage of our wide overseas business network to promote this service.

Meanwhile, Administration Service for funds such as fund accounting and capital management are provided for the funds mainly operated by JAIC Group’s outside third parties.

We are planning to increase revenues from Project Investment, shown at the top of this chart and Fee Income from the third segment to create steady revenue source while seeking to boost additional earnings through capital gains from PE investment as shown in the middle part of this chart, and thus endeavor to enhance our corporate value.



This chart shows more detailed breakdown of JAIC’s business opportunities.

Please have your attention to the left-top box.

In the segment of Project Investment, Vegetable Plants, Group Homes for Handicapped people and Renewable Energy, excluding Mega Solar Projects, are positioned as investments that are expected to generate stable earnings through long-term holding.

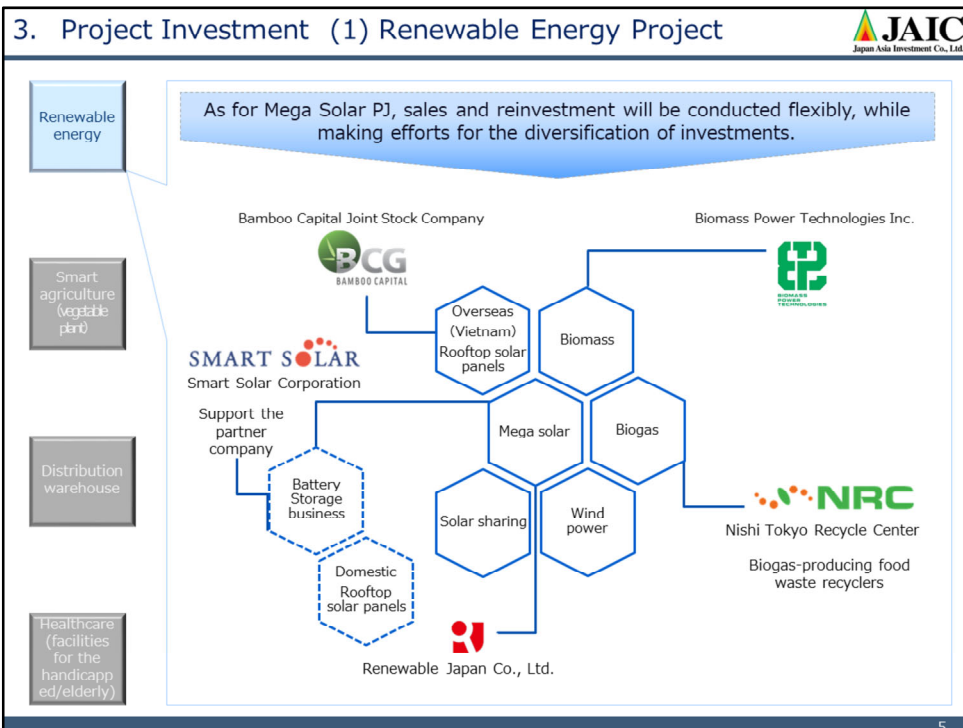
On the other hand, Mega Solar Projects, Nursing Care Facilities for Elderly people, Distribution Warehouses are positioned as investments that are expected to generate relatively larger profit by constant turnover of invested assets with the average cycle of 2-3 years. We will focus on new investment into projects in this field going forward.

The left-bottom box shows business that are expected to make a stable earnings. JAIC’s subsidiary will provide fund administration services for JAIC group’s funds as well as funds operated by third parties. We plan to establish sustainable revenue structure by earnings generated by these 3 segments.

The right-bottom box features PE investment and fee businesses such as M&A Advisory Services. Although this segment may be vulnerable, significant earnings can be expected, if large deal is realized.

Meanwhile, as for PE investment, we aim to achieve higher investment performance through reshuffle of current portfolio by carefully managing divestiture and execution of each individual investment.

We have a fundamental policy to develop revenue structure with both sustainability and high growth potential. We will pursue this policy by investing certain amount to equity assets in the fields where up-side potential is expected, simultaneously, we will continue to invest into Project Investment in the area where stable earnings contribution is expected.



As for mega solar projects, when we started this business in 2012, our initial plan was to hold each project for such a long period as until the expiry of electricity sales period.

However, we have been approached by numbers of external investors who wish to acquire our projects which have started to generate electricity.

In addition, we have accumulated our experience in Project Investment and we were able to increase and diversify our investment opportunity.

Considering this change of our investment environment in renewable energy area, we have decided to modify our investment approach with more flexibility by accelerating asset turnover with more frequent sales and reinvestment to enhance profitability.

Since solar power generation is suitable for remote operation and management, we believe that effectiveness of this system will be recognized by more people under Post-Corona-Virus circumstances.

As mentioned before and as shown in this diagram, our investment

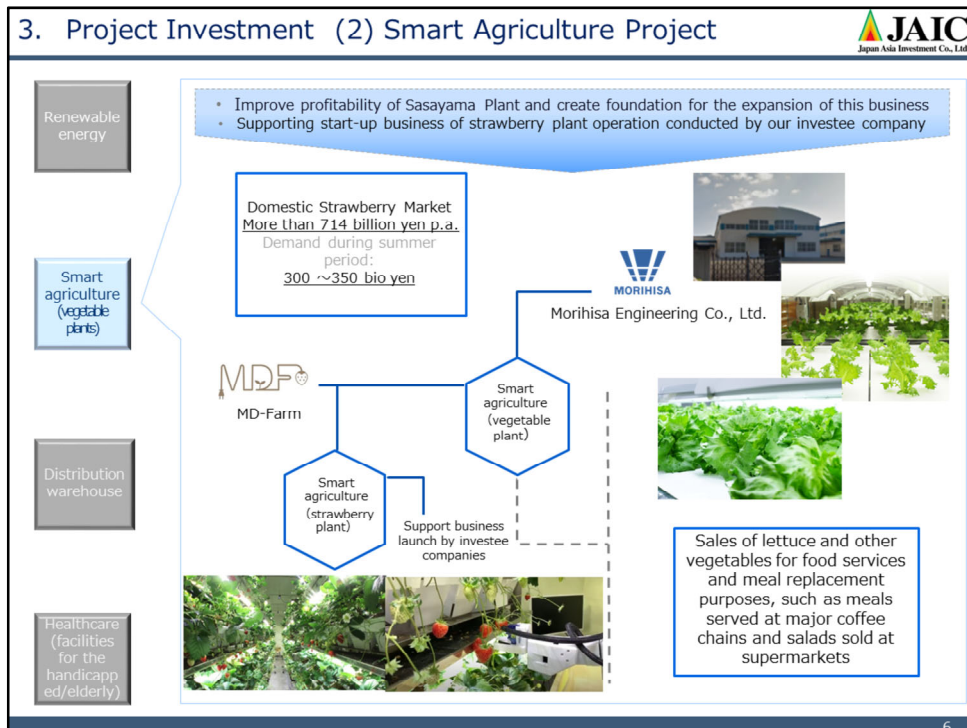
target in renewable energy industry have been diversified. We have invested in renewable energy other than solar power generation such as Bio-Mass, Bio-Gas, Wind-Power, and currently we are working to complete roof-top solar project in Vietnam.

We are also cultivating new business opportunities related to our Project Investment activities.

For example, in a Bio-Gas project, we invested in a company which supplies biogas utilized for biogas power generation. The company engages in food waste recycling which is capable of reducing the amount of waste to approximately one-fifth while generating biogas from the waste.

Smart Solar Corporation, one of the JAIC's strategic partner companies for the Mega Solar Projects, is engaged in household battery storage business and rooftop solar power generation business for various municipalities.

JAIC has been supporting Smart Solar Corporation for these businesses as a shareholder by introducing potential business partners and providing financial assistance.



The right side of the chart introduces Sasayama Vegetable Plant, which is our first vegetable plant for the project.

We grow lettuce and other vegetables at our plant and supply products to companies which engage in producing cooked food and meals. Our products are served to make sandwiches sold at a major coffee chains and salads sold at supermarkets.

In recent years, due to the factors such as the aging of the agricultural population and severe climate change, it has become difficult to supply field grown vegetables constantly from quantity-wise as well as quality-wise in a certain area and season.

As a solution for this phenomenon, JAIC launched this project of growing vegetables in indoor factory where climate is managed and products are supplied under controlled quality, quantity and pricing.

We started the operation of Sasayama Vegetable Plant in March 2019 and have been currently working on the improvement of plant operations and expanding distribution channels in collaboration with Morihiisa Engineering Co., Ltd, our Strategic Partner Company.

Through our business promotion activities, we have learned that, as we had originally envisioned, there is a strong demand for plant vegetables that can be supplied stably with high quality.

The vegetables grown at Sasayama Vegetable Plant have been highly evaluated by our customers, and we are confident that this positive signs may spread among our potential clients.

At present, we have been working hard to reach break-even point since our plant has just started its operation. With making the project profitable soon, we will go on to the second plant project.

The left side of the chart shows our Year-Round Strawberry Plant.

Strawberries are difficult to ship in summer when grown outdoors.

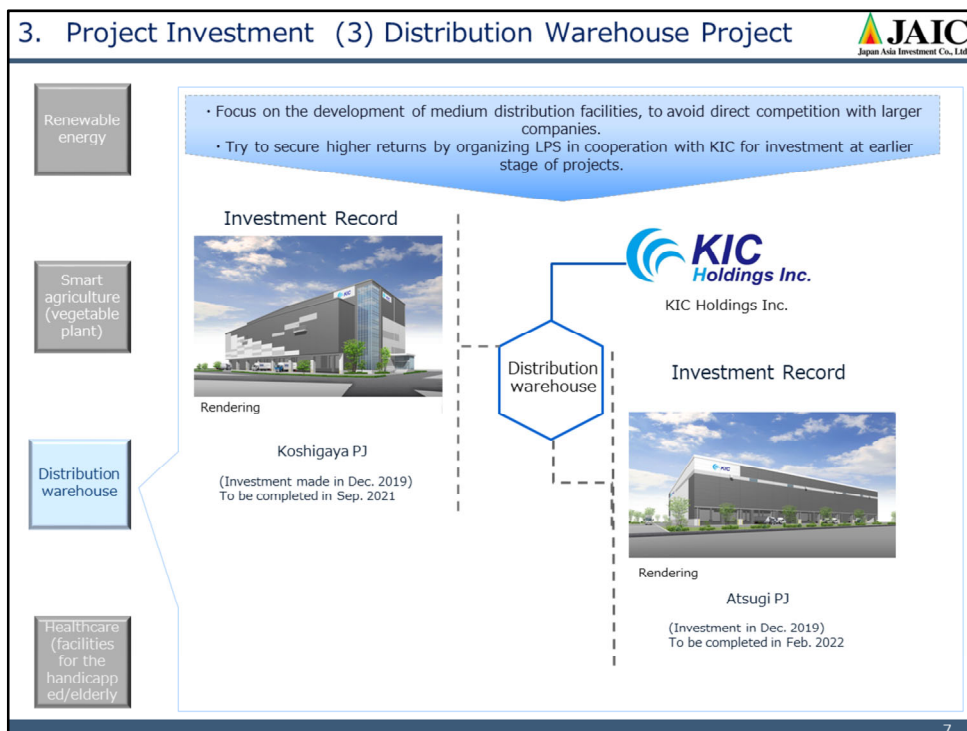
Considering huge demands on strawberries all year round, including summer season, we expect that it will be a great business opportunity to grow them in the plant equipped with special LED lights.

A venture company in Niigata called MD-Farm is conducting research and development to grow this year-round strawberries on plant cultivation.

JAIC is providing equity to the company and supporting their R&D.

We are supporting this company to implement their production line in full-scale by providing advice, based on our experience and knowledge which we have accumulated through our vegetable plant business.

As we plan to develop these projects from long term perspective, we do not expect to sell them in the short term. Rather we consider them as long-term investment projects.



Distribution Warehouse Project is a new investment subject which we initiated during the previous fiscal year.

Up to present, we have already invested in two projects. These investments in Distribution Warehouses are originated and developed by KIC Holdings Inc., our Strategic Partner Company.

While the construction of large-scale distribution warehouses are driven by major companies in recent years, our main investment targets are medium-sized distribution warehouses that are smaller in scale but can be tailored to meet customers' needs.

The Company has a strong knowledge and source of information regarding possible construction sites and has the ability to coordinate with stakeholders to develop profitable projects while avoiding competition with big competitors.

We have set up a special purpose fund jointly with KIC.

Acquisition of land and construction of facilities are financed through this fund at an earlier stage of the project, for example, from the stage of obtaining a development license.

In the later stage, as the construction of facilities progresses, additional

financing may be necessary to complete the project.

Additional financing will be raised from other investors and financial institutions by means of non-recourse loans.

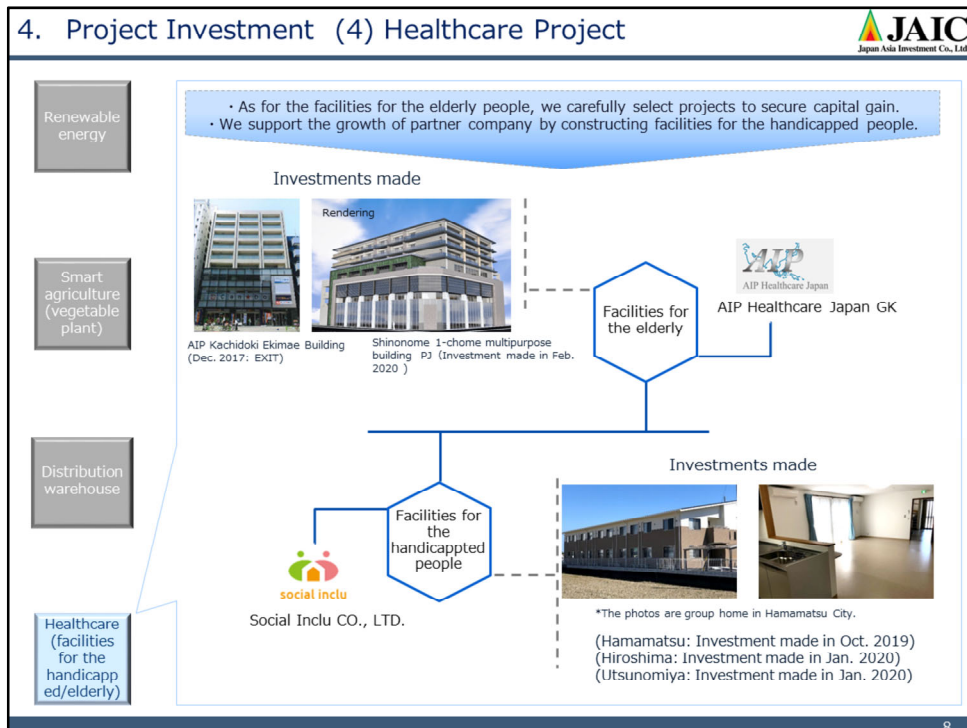
As JAIC has entered into this project at early-stage, compared to later investors, JAIC is in the position to enjoy higher returns which are provided by leveraged loans.

We will seek the opportunity to exit from the projects within two to three years from our investment upon the completion of the facility.

With the proceeds obtained from such divestiture, we will repeatedly invest in the same type of projects with the Partner.

In recent years, because of strong expansion of e-commerce market, together with the problem of declining birthrate and aging population, land transportation industry has been suffering to secure sufficient numbers of truck drivers and a workforce for logistic facilities.

As a result, there is a growing demand for the distribution warehouses with convenient transportation location, efficient delivery system and cargo management. We expect that investment opportunities for this project to increase rapidly in the near future.



Our Strategic Partner Company, AIP Healthcare Japan GK develops Facilities for Elderly People.

The Company focuses on the development of large-scale multi-functional elderly facilities in central part of Tokyo, where aged population is expected to increase rapidly in the future. In most cases, the facilities developed by the Company will be sold to REITs or investment funds shortly after the completion of construction. JAIC has already made two investments to date developed by the Company. We will continue to select projects carefully for further investment to capture the opportunity to obtain capital gain.

In the previous fiscal year, we have started to develop and invest in Group Home facilities for Handicapped people as a new project together with our Strategic Partner Company, a venture company called Social Inclu CO., LTD.

We have already developed three projects while providing equity finance to the Company. We will strongly support the growth of the Company by constructing many projects together with them.

Both businesses are indispensable to create the society with more stable and secured system. JAIC is determined to further support these venture companies which contribute to develop social infrastructures for better and safe life.

In this way, we are involved in a variety of Project Investments. JAIC will maximize its effort to build appropriate investment allocation for each segment of Project Investment.



In this section, I will explain about our Private Equity Investment activities.

First category is an equity investment to our Strategic Partner Companies, which are basically the operators for our Project Investment. We call this type of equity investment as “Strategic Equity Investment.”

JAIC has currently made equity investment in six companies listed here as Strategic Equity Investment.

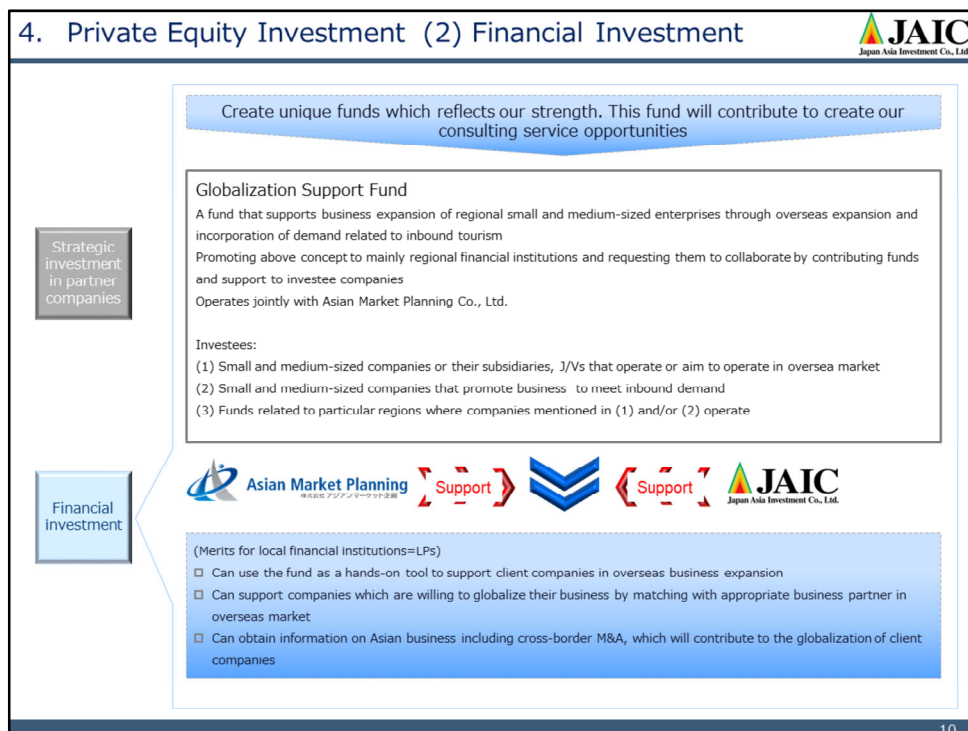
At the same time, JAIC is making Project Investment together with them for Renewable Energy, Healthcare, Smart Agriculture and Distribution Warehouse projects mainly operated by these companies.

We are creating a value added cycle to leverage on Project Investments as a prop to help our Strategic Partner Companies grow and become sustainable.

Going forward, we are expecting these Strategic Partner Companies to go public as a result of our support through Project Investment as well

as our Strategic Equity Investment.

In addition, in the course of Strategic Equity Investment, JAIC holds substantial portion of stakes as a shareholder for some of these partner companies. We expect to achieve a fair amount of gain from the trade sales of the shares in the event that IPOs do not take place.



In this section, I will touch on the other type of equity investment. We are categorizing equity investment other than Strategic Equity Investment as "Financial Equity Investment."

In the case of Financial Equity Investments, in principle, investments are executed through the funds which are mainly contributed by external investors. Such funds are operated individually and separately in accordance with the purpose of different investors.

We are focusing on creating distinctive funds which make use of JAIC's strengths and expertise.

The newly established fund is a good example. This new fund, although the size is limited, is created to support the globalization of Japan's regional economy.

The fund is managed by JAIC together with Asian Market Planning Co., Ltd., our partner company. This fund will provide necessary finance and know-how to local SMEs to support their overseas expansion as well as business expansion related to inbound tourism.

We are inviting regional banks and financial institutions as fund investors. This fund will collaborate with regional banks and financial institutions to support their client companies.

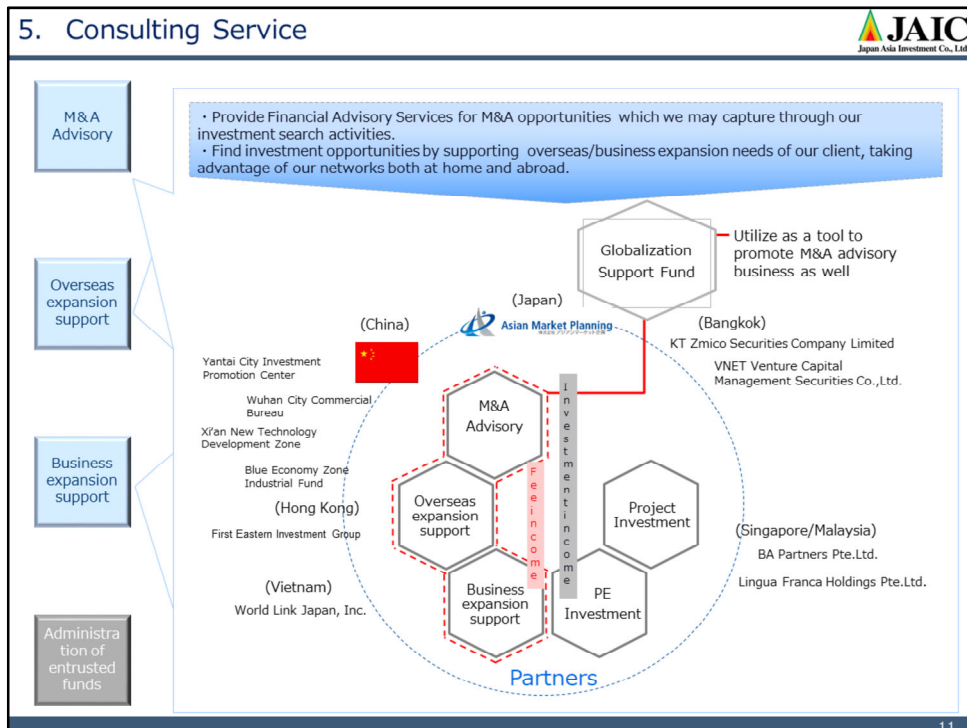
With this investment fund, the regional banks and financial institutions,

which are investors of this fund, will be able to utilize JAIC's overseas network as a tool to support their clients and obtain useful information on overseas markets, especially from Asian region.

In addition, information obtained through the management of this fund will be utilized to promote M&A Advisory Services which may create synergy effects to JAIC's other business line.

Through our solicitation activities, we found that regional financial institutions have shown a strong interest in supporting the globalization of their clients by investing in this fund. The fund was initially established with a small scale, however, we will achieve the good result quickly and expand the fund size in short period of time.

The details of the fund will be released in our web-site as soon as the coordination with the parties concerned is completed.



Finally, let me refer to our Consulting Services.
We provide M&A advisory Services, Support for Overseas Business Development, and Overall Consultation Services for Business Expansion.

We have started this services in the previous fiscal year.
We are currently working closely with various clients to close cross-border M&A advisory deal.
As explained earlier, we are not intended to conduct this business independently. We are providing M&A services arising from our invested companies or arising through the activities to create value at our invested companies. We will utilize information and management resources to create maximum synergy effects among our various business operations.

Wide range of domestic and overseas network developed by JAIC is our incomparable strength.

This diagram shows our network in Asia.

In China, we have a network of well experienced local staff and close relationship with various levels of Chinese Authorities, government

agencies and municipalities.

In Southeast Asia, we have a network of former JAIC professionals and reliable local companies with whom we have developed relationship through past deals.

On the other hand, JAIC has maintained close relations with many Japanese regional financial institutions for many years. By working with these regional financial institutions, we are confident that new business opportunities will be created by combining their customers' needs with JAIC's capabilities to provide them with useful solutions.



We are determined to make every effort to achieve our target figures for Fiscal Year ending at Mar.31st 2021 by best performing the business operations that I have explained.

JAIC's Corporate Mission is, "As an investment company that links Japan with the rest of Asian region, JAIC is committed to contribute to the creation of more secure, stable and efficient future society under the circumstance of structural problem derived from declining birthrate and increasing aging population."

We conduct our investment activities in accordance with this mission. While we have reported our projects in the fields of Renewable Energy, Distribution Warehouse, Smart Agriculture and Healthcare in this presentation, we believe that all of them will play a great role in the Post-Coronavirus society.

We are currently preparing a Medium-Term Management Plan for the up coming three years. We are fully aware that next plan must take into account of lifestyle in Japan under Corona-Virus impact and

unforeseeable future relationship with Asian countries, while meeting the expectation from our shareholders and stakeholders. We are committed to fulfil our new Medium Term Management Plan with your great support and understanding.

Thank you so much for your kind attention.