

Financial Results Overview for the 2nd Quarter Ended September 30, 2020

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

Announcement: November 13, 2020

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

1. Summary

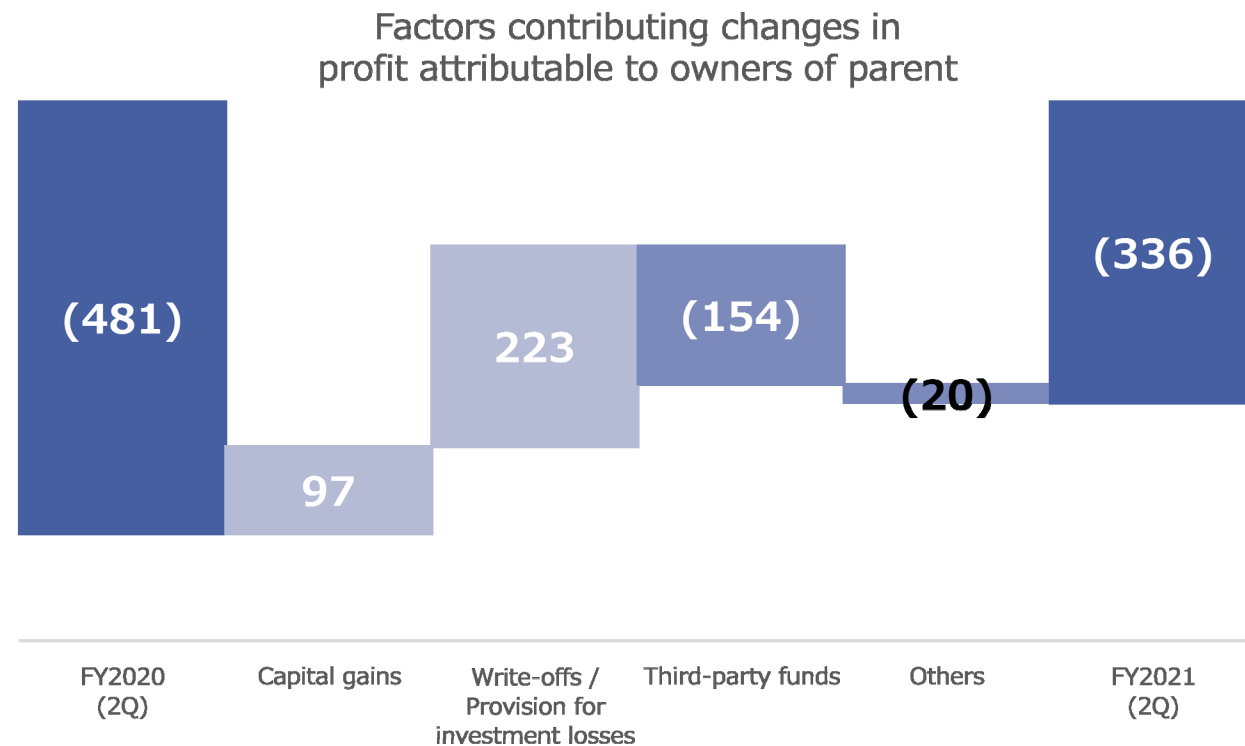
- ✓ Results for 2Q of FY2021
 - Operating revenue of ¥541 million (down, 21.7% year on year) and deficit of ¥336 million (decreased about ¥0.15 billion year on year).
 - While the size of share sales was smaller, the profit margin of share sales improved. Decrement of valuation loss and allowances also contributed to reducing the deficit.
- ✓ Result forecasts for FY2021
 - No changes in forecasts. Source of revenues has been revised from sales of shares to sales of projects.
 - Some of IPOs expected in the second half of the year will be postponed, and the gain on sales of shares will be less than anticipated on a full-year basis.
 - There is a plan to sell 7 mega solar projects amounting to 18.3MW (including partial sales).
 - COVID-19's impact on the JAIC Group continues to be expected to limited.
- ✓ Business report & action plan
 - Project oriented investment: Growth of each business has contributed to SDGs.
 - Renewable energy: A food recycling business that generates biogas has commenced operations.
 - Smart agriculture: Sales through the vegetable plant (lettuce) expanded.
 - Healthcare: 2 group homes for handicapped people have commenced operations.
 - Private equity investment: Alliance with regional financial institutions and network in Asia expanded.
 - Globalization support fund for SMEs in Hokkai-do was newly established. A regional financial institution joined the Fund as a fund investor.
 - JAIC concluded a business cooperation agreement with Maritime Bank that has 280 branches throughout Vietnam.

2. Results for 2Q FY2021

Outline of results	P5
Break down of operating revenue & operating cost	P8

2. Results for 2Q FY2021 - Outline of results - I/S

(million yen)	FY 2020 (2Q)	FY 2021 (2Q)	
	Amount	Amount	Change
Operating revenue	691	541	(21.7%)
Operating cost	582	313	(46.2%)
Operating gross profit	108	227	109.1%
SG&A expenses	530	544	2.6%
Operating income	(421)	(316)	-
Ordinary income	(483)	(335)	-
Profit attributable to owners of parent	(481)	(336)	-



✓ Factors for decrease in revenue:

- In the second quarter of the previous fiscal year, we sold a large amount of unlisted shares with priority given to liquidity despite a loss on sales.
- In the second quarter of the current fiscal year, we focused on the sales of listed shares, and the amount of sales of unlisted shares was smaller.

✓ Factors for deficit reduction:

- The gain on sales of shares increased as a result of the sales of listed shares with higher profitability.
- As a result of the reversal of allowances for the investee companies for which improvement of business performance and an increase in investment recovery is expected, valuation loss and allowances decreased.

2. Results for 2Q FY2021 - Outline of results - B/S

	As of Mar 2020	FY 2021 (2Q)		
	Amount (million yen)	Amount (million yen)	Change	fluctuation factors (billion yen)
Total assets	15,800	14,580	(7.7%)	
(a) Cash and deposits	3,920	↓ 3,515	(10.3%)	repayments of loan (0.7), execution of investments & loans (0.7), expenses etc.(0.45), collection 1.4
(b) Project oriented investment securities & loans	5,437	↓ 4,915	(9.6%)	execution of investments & loans 0.5, distribution & collection (1)
Strategic investment securities in partner companies	1,005	1,155	14.9%	execution of investments 0.15
Private equity investment securities after deducting allowance for possible investment loss except strategic investment in partner companies	4,282	3,926	(8.3%)	distribution & collection (0.2), realized & unrealized loss from funds (0.25)
(c) Loans payable	8,166	↓ 7,469	(8.5%)	repayments of loan (0.7)
Total shareholders' equity	7,223	6,732	(6.8%)	loss for 2Q (0.33) unrealized gain (0.15)
(a) + (b) - (c)	1,191	↓ 961	(19.3%)	

- ✓ Cash and deposits :
The balance decreased due to the repayment of borrowings and execution of investments & loans
- ✓ Project oriented investment: The balance decreased due to distribution and collection of investments
- ✓ Financial balance(*) : Although the balance decreased, a certain level was secured.

(*Note: Financial balance = Cash & deposits + project oriented investment – loans payable)

2. Results for 2Q FY2021 - Outline of results - C/F

(JPY million)	FY 2020 (2Q)	FY 2021 (2Q)
Operating CF	(870)	↗ 326
Investing CF	56	↘ (13)
Financing CF	(1,095)	↗ (697)
Change in Net CF	(1,920)	(396)
Cash & cash equivalents at end of period	2,161	2,326

- ✓ Operating CF: Net cash provided was 326 million yen
Operating CF returned to the black as a result of the progress in investment recovery.
- ✓ Investing CF: Net cash used was 13 million yen
There were expenditures related to the acquisition of property, plant and equipment in line with the relocation of the head office.
- ✓ Financing CF: Net cash used was 697 million yen
The extent of negative cash flow improved year on year due to the reduction of the repayment amount

While new investment funds and ordinary payments have been covered by the collection on investment, cash on-hand has been used for the repayment of borrowings.

2. Results for 2Q FY2021 - Break down of operating revenue & operating cost

(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2020(2Q)	FY 2021(2Q)	FY 2020(2Q)	FY 2021(2Q)	FY 2020(2Q)	FY 2021(2Q)
Operating revenue	691	541	586	402	104	139
Fund management fees etc.	107	82	106	79	1	3
Proceeds of sales of securities	406	232	406	232	0	0
Fund interests income etc.	155	198	66	85	89	113
Other operating revenue	20	26	7	4	13	22
Operating cost	582	313	531	239	50	74
Cost of securities sold	356	85	356	85	0	0
Investment write-offs and Provision for allowance for possible investment losses	160	(62)	160	(62)	-	-
Fund interests losses etc.	61	285	11	213	50	72
Other operating costs	2	3	2	2	-	1
Operating gross profit	108	227	54	162	54	64

- ✓ Private equity investment - Decrease in revenues and increase in operating gross profit.
 - Of operating revenue, proceeds of sales of securities decreased due to the smaller size of unlisted share sales.
 - Of operating cost, cost of securities sold decreased due to the sales of listed shares with high profitability.
 - Of operating cost, investment write-offs and provision for allowance for possible investment losses decreased due to the reversal of allowances for the investee companies for which improvement of business performance and an increase in investment recovery is expected.
- ✓ Project oriented investment - Increase in revenues and increase in operating gross profit.
 - Of operating revenues, fund interests income etc. increased due to profits from mega solar projects.
 - Of operating cost, fund interests losses etc. increased due to advance expenditure for the vegetable plant.

3. Result forecasts for FY2021

Breakdown of result forecast

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Cautionary statements

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3. Result forecasts for FY2021- Breakdown of result forecast

(million yen)	Actual FY 2021 (2Q)	Result forecast FY2021 2Q (Revised in Aug. 2020)		Result forecast FY. 2021 (No revision)	
	Amount	Amount	achievement rate	Amount	Progression ratio
Operating revenue	↓ 541	670	80.8%	3,250	16.7%
Operating cost	313	490	63.9%	1,800	17.4%
Operating gross profit	227	180	126.6%	1,450	15.7%
SG&A expenses	544	570	95.5%	1,100	49.5%
Operating income	(316)	(390)	-	350	-
Ordinary income	(335)	(420)	-	200	-
Profit attributable to owners of parent	↗ (336)	(440)	-	180	-

- ✓ **Achievement rate of result forecast for the first half of the current fiscal year:**
80.8% for operating revenue and reduction in final loss of approximately 100 million yen
 - Operating revenue: Lower than the revised forecast due to the delay in sales of shares as the stock prices of listed shares remained at the level below our expectation.
 - Loss: Decreased as a result of the reversal of allowance for possible investment losses.
- ✓ **Full-year forecasts: No change**
 - Some of IPOs expected in the second half of the year will be postponed, and the gain on sales of shares will be less than anticipated on a full-year basis.
 - The gain on the sale of private equity investments in the second half is expected to be centered on the sale of large overseas unlisted shares.
 - There is a plan to sell 7 mega solar projects amounting to 18.3 MW (including partial sales).
 - Deficit is expected until the third quarter.

3. Result forecasts for FY2021- 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.

Project oriented investment	P13
Private equity investment	P21

4. Business report & action plan – Project oriented investment



Renewable energy

- 4 mega-solar projects of total 5.0 MW has commenced electricity sales
- Food recycle business that generates biogas commenced the operations.



Smart agriculture

Sales of lettuce grown at the vegetable plant expanded as we successfully developed a sales channel to leading convenience stores and captured demand for home meal replacement which grew amid the COVID-19 pandemic.



Healthcare

2 group homes for the handicapped have commenced the operations.



Distribution center

The main investors that will contribute most of development funds for the project and the financial institutions that will provide loans for the project have been determined.



4. Business report & action plan – Project oriented investment

– Mega-solar projects started electricity sales

Akkeshi Luke Supor Solar Power Plant



Location	Hokkai-do Akkeshi-gun
Maximum output	2.3MW (*1)
Expected annual power generation	2,574MWh (*2)
Start of electricity sales	May 2020
Feed-in tariff	¥40/kWh (ex. tax)

*1:Solar cell panel system capacity basis (the same applies below)
 *2:Equivalent to annual power consumption of approx. 530 average households
 (converted at 4,825kWh per annum based on the Photovoltaic Power Generation Association "Disclosure Guidelines (FY2019)", the same applies below)

Fukuoka Prefecture, Ukiha City, Solar Sharing (Farm-type solar power plant)



Map provided "Craft MAP"

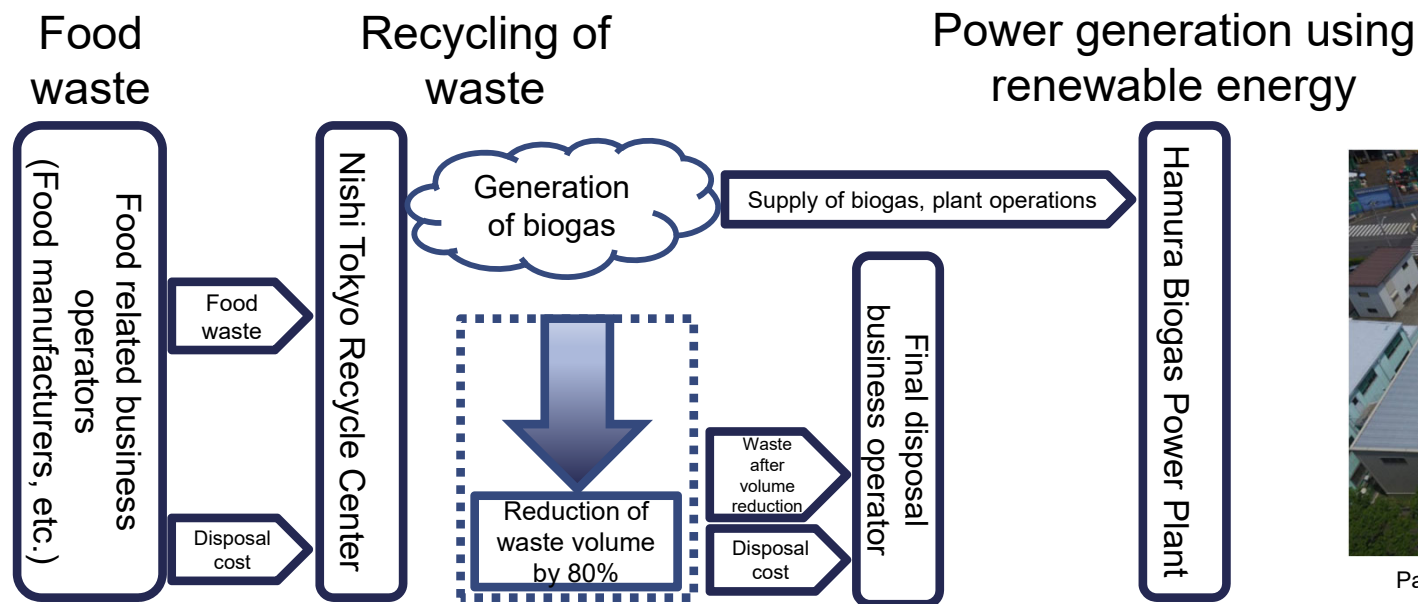
Name of solar power plant	Ukiha-shi, Shirakabe Solar Power Plant Ukiha-shi, Mizunosato Solar Power Plant Ukiha-shi, Minou Alps Solar Power Plant
Maximum output	3.0MW in total
Expected annual power generation	3,341MWh (*) in total
Start of electricity sales	from Mar. to May 2020
Feed-in tariff	¥36/kWh (ex. tax)

*Equivalent to annual power consumption of approx. 690 average households



Moss Yamagata, farmer of this farm-type solar power plant, cultivates moss as greening material under the solar panels.

Food recycle business that generates biogas - Recycle food waste to produce renewable energy -



Panoramic view of Hamura Biogas Power Plant

- Nishi Tokyo Recycling Center Co., Ltd. (“NRC”), in which JAIC invests, engages in the food recycle business to recycle food waste to produce renewable energy.
- The company receives food waste from food manufacturers and other food related business operators for compensation, reduces the volume of food waste by about 80% by methane fermentation, and generates biogas (methane gas) in the process.
- Generated biogas is used at Hamura Biogas Power Plant as renewable energy.
- The construction of Hamura Biogas Power Plant was completed in July 2020, and NRC obtained a license for industrial waste disposal and commenced operations in August.

4. Business report & action plan – Project oriented investment – Food recycle business

Food waste that can be accepted



Waste suitable for recycling

Residues during the manufacturing process, expired and recovered products, scraps of foodstuffs, vegetables that have lost their freshness, and inventory disposal

*Food waste in plastic containers, packaged food as well as that covered with plastic wrap, etc. can be accepted.



Food waste in packs and that with packaging materials



Waste that require special treatment

Foods with extremely low water content, oily foods, and foods with a salt concentration of 0.35% or higher



Frozen food
(Defrosted food is acceptable)



Powdery food



Food in glass containers



Canned food



Food packed in cardboard boxes



Waste not suitable for recycling

- Tableware, knives, forks, magazines, newspapers, wastepaper
 - Empty bottles, cans, plastic bottles
 - Clothing, bags, shoes, large bones, a lot of shells, a lot of shrimp and crab shells, a lot of egg shells
 - Mineral waste oil, ornamental plants, flowers, trees, leaves
- *If food waste is mixed with garbage and cannot be separated, it can be accepted as is.

Waste that contains many foreign objects



2 group homes for the handicapped started the operation.



Outline of the group home

Name	Social Inclu Home Hamamatsu Kmidamachi
Address	Hamamatsu City, Shizuoka prefecture
Date of starting the operation	Aug. 1, 2020
No. of rooms	20 for residents, 2 for short-stay
Type	Daytime service support type
Operator	Social Inclu CO., LTD.

Constructed by Kobayashi Kensetsu that has a track record in building welfare and other facilities in this region.

Outline of the group home

Name	Social Inclu Home Hiroshima Karugacho
Address	Hiroshima City, Hiroshima prefecture
Date of starting the operation	Aug. 1, 2020
No. of rooms	20 for residents, 2 for short-stay
Type	Daytime service support type
Operator	Social Inclu CO., LTD.

- Kure Shinkin Bank provided loans for this project.
- Constructed by Shigenari Kosan that has a track record in building a number of group homes in this region.

(Note) Group home;
In group homes, about 10 to 20 people with physical, intellectual, and mental disabilities live together with the support of the caretakers stationed 24 hours a day. Since the facility is smaller than the existing facilities for persons with disability, it is possible to provide support that meets the needs of each resident. The benefits of moving into group homes include prevention of isolation, reduction of anxiety about life, and stabilization of physical and mental conditions through communal living.

Developing 2 facilities with KIC Holdings, JAIC’s partner company

KIC Koshigaya Distribution Center



Rendering

Location	Koshigaya-shi, Saitama
Access	about 6km from TOHOKU Expressway Urawa IC, about 1 km from TOBU SKYTREE Line Oobukuro station
Total floor space	11,250m ² , 4 floors above ground
Completion	Oct. 2021 (scheduled)

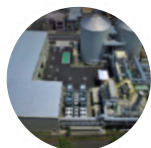
KIC Atsugi Distribution Center



Rendering

Location	Atugi-shi, Kanagawa
Access	about 1.46km fro KEN-O Expressway KEN-O Atsugi IC, about 1.8km from JR Sagami Line Ebina station
Total floor space	10,890m ² (scheduled), 2 floors above ground
Completion	Feb. 2022 (scheduled)

4. Business report & action plan – Project oriented investment – Action plan for 2nd half



Renewable energy

- Stabilize the supply of biogas and operate Hamura Biogas Power Plant.
- Sell 7 mega solar projects (18.3MW) for which electricity is being sold.



Smart agriculture

- Make Sasayama Plant (lettuce) profitable and work on the development of the second plant.
- Develop potential customers of strawberries grown at a plant operated by MD-Farm, which is JAIC's strategic investment target.



Healthcare

- Newly develop 2 group homes for handicapped people.
- Cooperate with financial institutions to consider methods for expanding the scale of projects of group homes for handicapped people.
- Execute investment in 1 aged-care facility.



Distribution center

- Develop potential users and buyers of the facilities that JAIC has invested in.
- Proceed the development of new facilities and make investment amounting to 1.2 billion yen in total.

Cultivation of strawberries at a plant operated by MD-Farm



Market size of strawberries grown in Japan

- Among major vegetables and fruits grown in Japan, strawberries have the highest wholesale unit price and the largest total wholesale value.
- The supply of strawberries grown outdoor is limited to a half year period between late November and early May.
- There is significant potential demand if strawberries can be supplied during the off season.

Technological innovation

- Succeeded in growing strawberries steadily throughout the year at a closed-space vegetable plant using proprietary technologies.
- It is possible to grow strawberries with stable taste and size throughout the year.

Characteristics of the products

- Strawberries with stable freshness can be supplied during summer and autumn as well as the Christmas season.
- They can be eaten without washing as they are produced in Japan and completely pesticide-free.
- They are aromatic and have a sugar content of 14 degrees (adjustable).

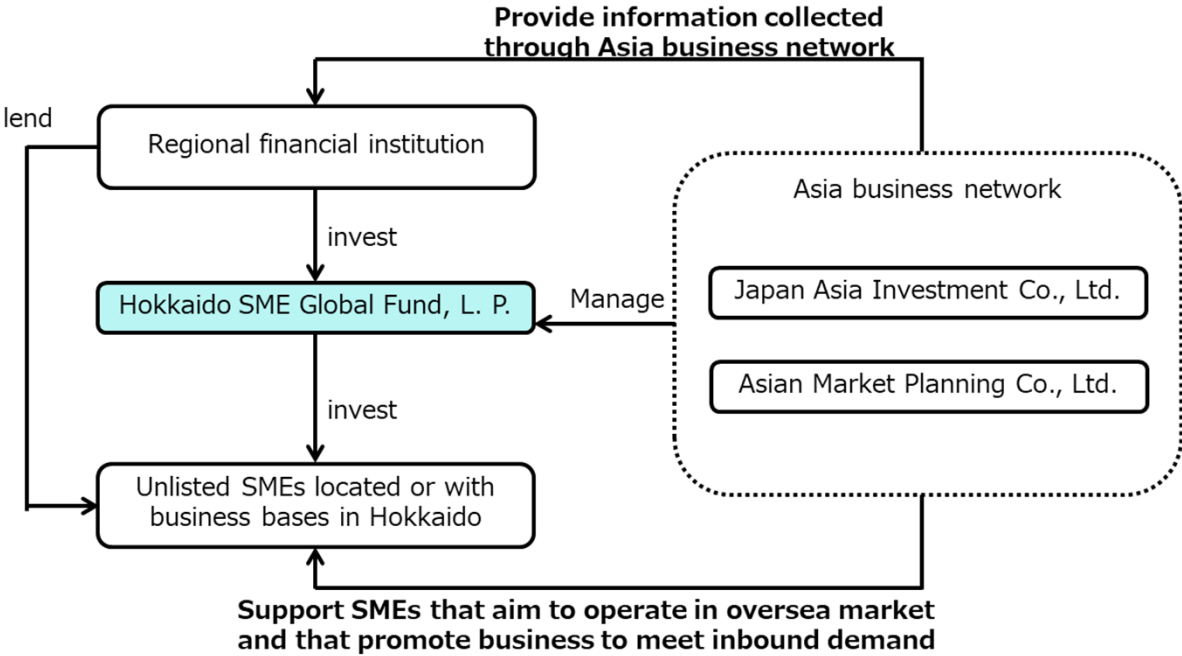
Outline of the company



Name	MD-Farm
Address	Shibata City, Niigata Prefecture
Business	Developing, manufacturing and selling strawberry plant system
Representative	President & CEO Yuki Matsuda
Established	Mar. 26, 2018
Paid-in capital	¥ 53 million
URL	https://www.md.farm/

Hokkaido SME Global Fund, L.P. *~Globalization Support Fund for Regional SMEs~*

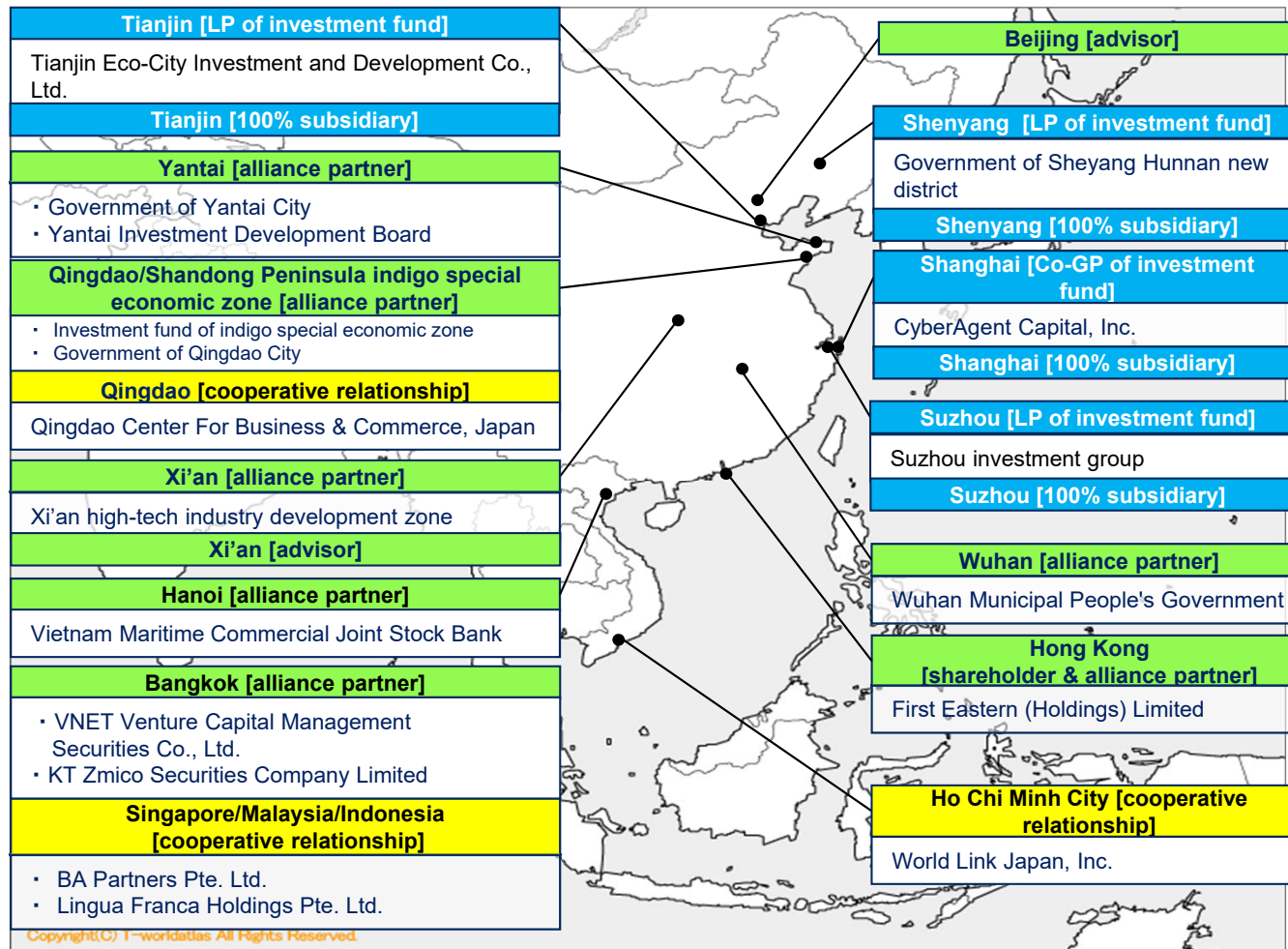
General Partner	Japan Asia Investment Co., Ltd. (JAIC), Asian Market Planning Co., Ltd. (AMP, one of partner companies of JAIC)
Limited Partner	Regional financial institution
Total commitment amount	151million yen
Investment target	SMEs located or with business bases in Hokkaido that operate or aim to operate in overseas market and that promote business to meet inbound demand
Date of establishment	April 1, 2020



4. Business report & action plan – Private equity investment

Conclusion of a cooperative agreement with Vietnam Maritime Commercial Joint Stock Bank, a commercial bank that has 280 branches throughout Vietnam

Business Network in Asia



JAIC has concluded a cooperative agreement with Vietnam Maritime Commercial Joint Stock Bank and Asian Market Planning.

Going forward, we will provide Japanese and other Asian companies with banking services and other capital tie-up opportunities in connection with cross-border businesses and M&A needs involving Vietnamese companies.

Outline of the company



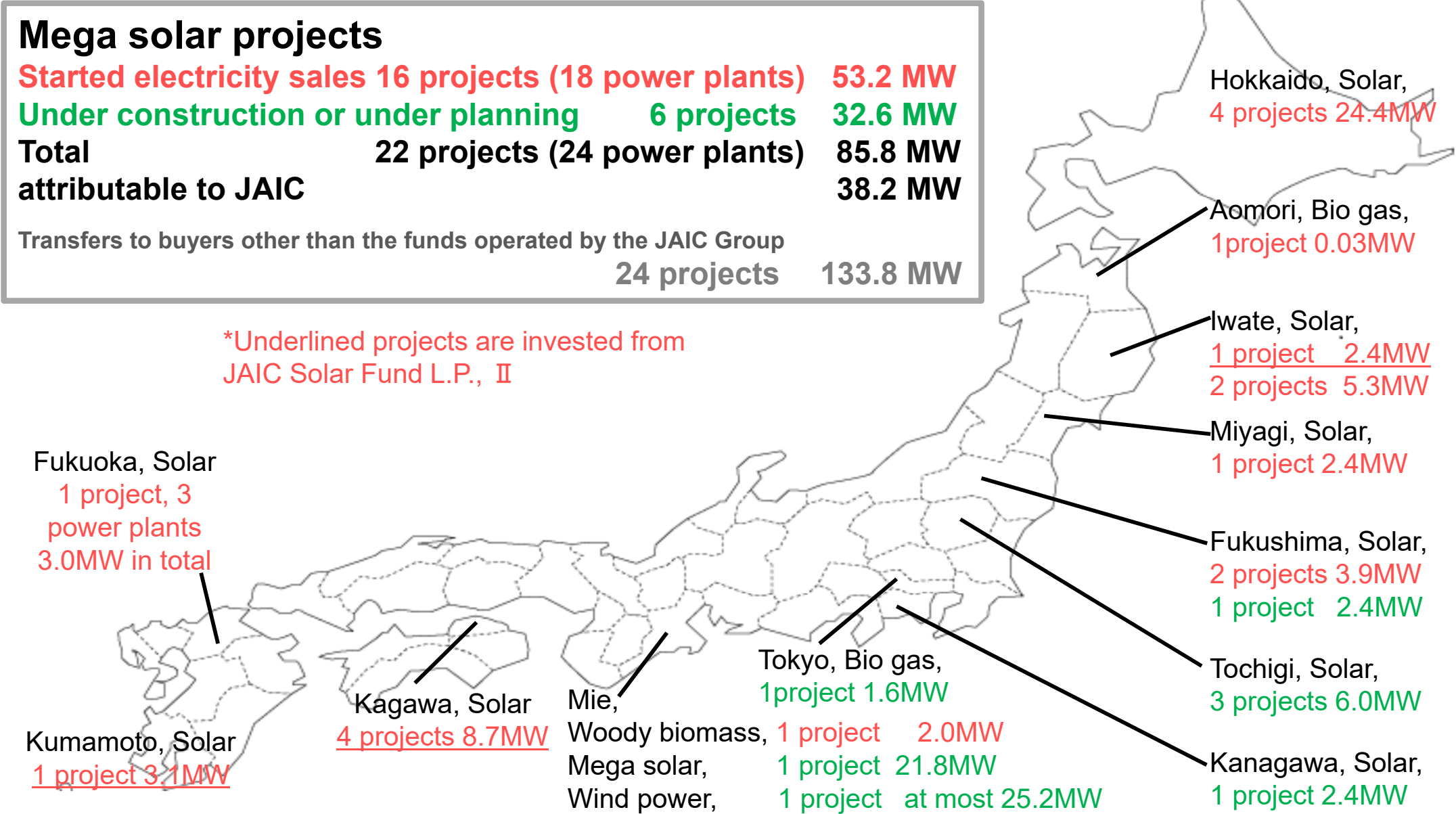
Head Office	54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Ha Noi, Vietnam
Representative	Chairman, Mr. Tran Anh Tuan
Established	1991 year
Total asset	VND 144 trillion
URL	https://www.msb.com.vn/

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5. Appendix - Renewable energy projects as of September 30, 2020

Mega solar projects		
Started electricity sales	16 projects (18 power plants)	53.2 MW
Under construction or under planning	6 projects	32.6 MW
Total	22 projects (24 power plants)	85.8 MW
attributable to JAIC		38.2 MW
Transfers to buyers other than the funds operated by the JAIC Group		
	24 projects	133.8 MW

*Underlined projects are invested from JAIC Solar Fund L.P., II



* 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.

5. Appendix - List of project oriented investments (as of September 2020)

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	Nomaike solar power plant(*)	2.4	Started electricity sales in May. 2017	36	approx. 0.8
	3	Fukushima Inawashiro solar power plant	1.2	Started electricity sales in Sep. 2017	36	approx. 0.34
	4	Mitakabeike solar power plant(*)	1.5	Started electricity sales in Sep. 2017	32	approx. 0.5
	5	Iwate Ichinoseki solar park(*)	2.4	Started electricity sales in Jan. 2018	36	approx. 0.8
	6	Obihiro solar park	4.4	Started electricity sales in Mar. 2018	40	approx. 2.2
	7	Nakaoudaie solar power plant(*)	2.4	Started electricity sales in Apr. 2018	36	approx. 0.86
	8	Ichinoseki-shi Yoshitaka solar power plant	2.6	Started electricity sales in Jun. 2018	36	—
	9	Higashioudaie solar power plant(*)	2.4	Started electricity sales in Jul. 2018	36	approx. 0.86
	10	Ichinosekishi Suzugasawa solar power plant	2.7	Started electricity sales in Oct.. 2018	36	—
	11	Kami solar park	2.4	Started electricity sales in Oct. 2018	36	approx. 0.96
	12	Mombetsu-shi Kodo solar power plant	15.7	Started electricity sales in Feb. 2020	40	approx. 6.6
	13	Yokotsunooka solar power plant	2.0	Started electricity sales in Mar. 2020	36	—
	14	Mie	21.8	Under construction or Under planning	24	—
	15	Fukushima	2.4	Under construction or Under planning	32	—
	16	Hirono solar park	2.7	Started electricity sales in Feb. 2020	40	—
	17	Akkeshi Luke Supor Solar Power Plant	2.3	Started electricity sales in May 2020	40	—
	18	Kanagawa	2.4	Under construction or Under planning	32	—
	19	Ukiha-shi, Shirakabe Solar Power Plant Ukiha-shi, Mizunosato Solar Power Plant Ukiha-shi, Minou Alps Solar Power Plant	3.0 in total	Started electricity sales in Mar.-May 2020	36	—
	20	Tochigi	2.0	Under construction or Under planning	36	—
	21	Tochigi	2.0	Under construction or Under planning	32	—
	22	Tochigi	2.0	Under construction or Under planning	32	—
Total 85.8MW [attributable to JAIC 38.2MW]						

5. Appendix - List of project oriented investments (as of September 2020)

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	Preparing to start operation	39	—
				Food recycle company that generates biogas for power generation	—	—
	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		Tambasasayama-shi, Hyogo	—	Started operation in Mar. 2019	—	Approx. 0.7
Group home	1	Hamamatsu-shi, Shizuoka	—	Started operation in Aug. 2020	—	—
	2	Utsunomiya-shi, Tochigi	—	Under construction or Under planning	—	—
	3	Hiroshima-shi, Hiroshima	—	Started operation in Aug. 2020	—	—
Commercial building		Aichi	—	Opened *investment in building which has already started operation	—	—
Logistics warehouse	1	Koshigaya-shi, Saitama	—	Under construction or Under planning	—	—
	2	Atsugi-shi, Kanagawa	—	Under construction or Under planning	—	—

*Projects that are invested from JAIC Solar Fund L.P., II

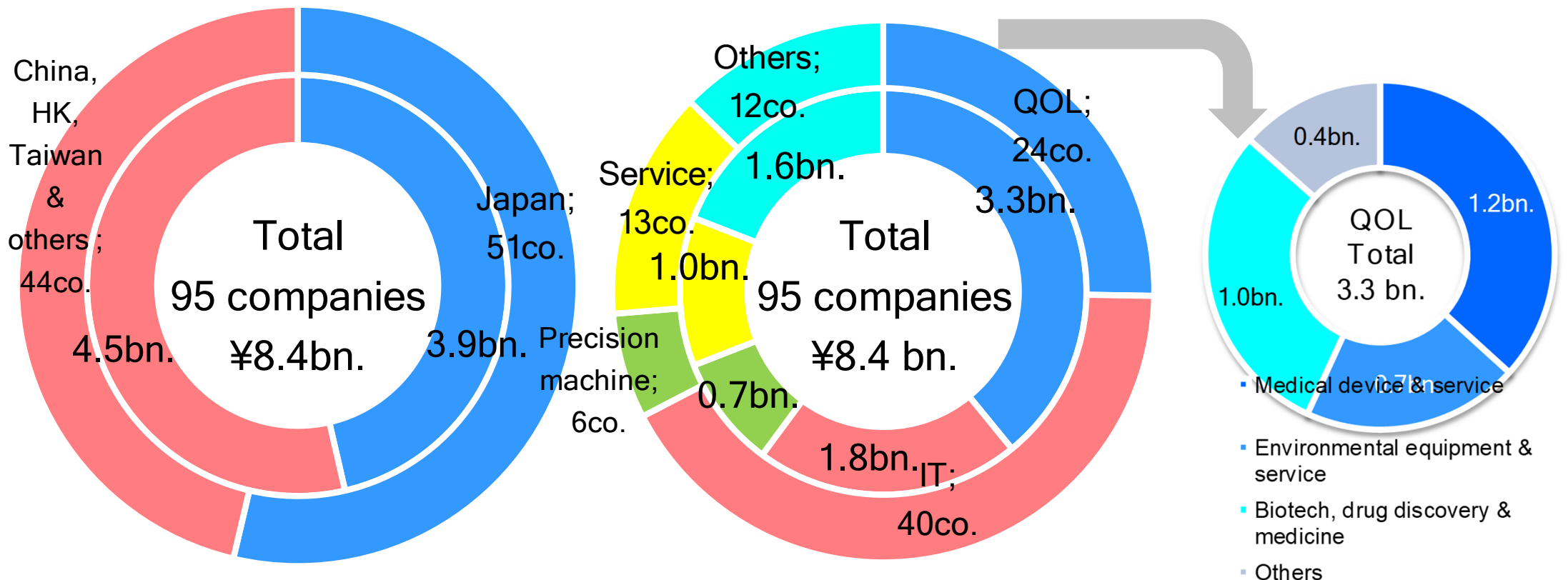
5. Appendix - Break down of private equity investment balance

Investment balance : 95 companies, ¥8.4 bn.

【Breakdown by area】

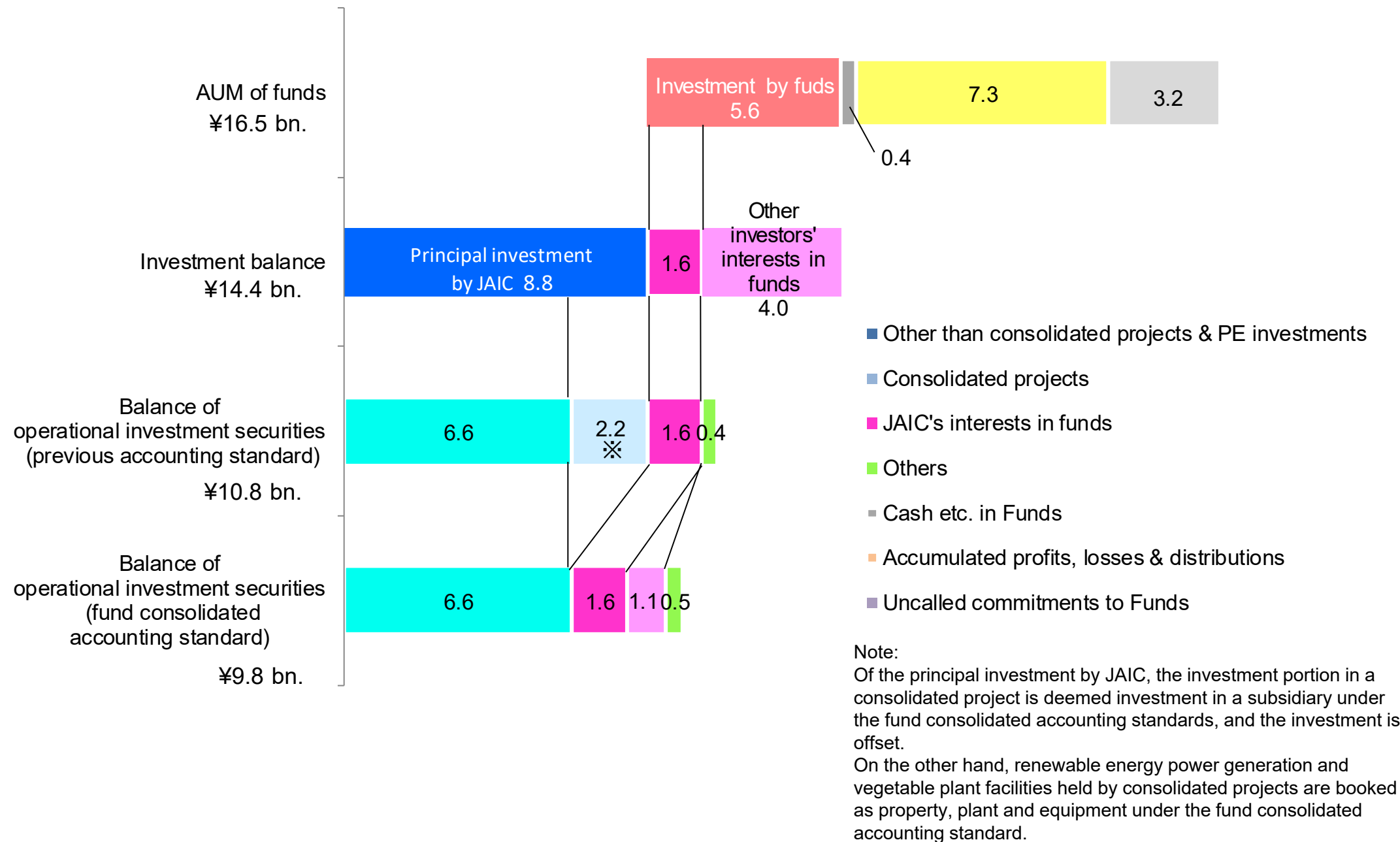
【Breakdown by industry】

【Breakdown of QOL】



Average investment amount per company (unit: ¥ million):
 Japan 76, China, HK & Taiwan etc. 102 / QOL 136, IT 44

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



5. Appendix - Funds & investment activities

(JPY million)	16/3	17/3	18/3	19/3	20/3	20/3(2Q)	21/3(2Q)
New & increased funds	5,201	500	1,000	2,000	1,359	-	151
AUM of funds - total	39,335	28,753	19,150	16,494	17,390	15,948	16,556
AUM of funds - JAIC	14,004	9,427	5,867	5,344	5,163	5,131	4,928
New investnemts (Total)	4,093	4,315	3,887	3,749	3,374	1,745	533
Balance of investments (Total)	18,783	16,558	13,981	13,951	15,101	14,678	14,376
New investnemts (private equity)	1,304	1,131	1,205	136	1,224	824	158
Balance of investments (private Equity)	15,061	11,981	10,398	8,437	8,405	8,260	8,375
New investnemts (project oriented investment)	2,788	3,184	2,681	3,612	2,150	920	374
Balance of investments (project oriented investment)	3,722	4,576	3,582	5,514	6,696	6,418	6,000

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



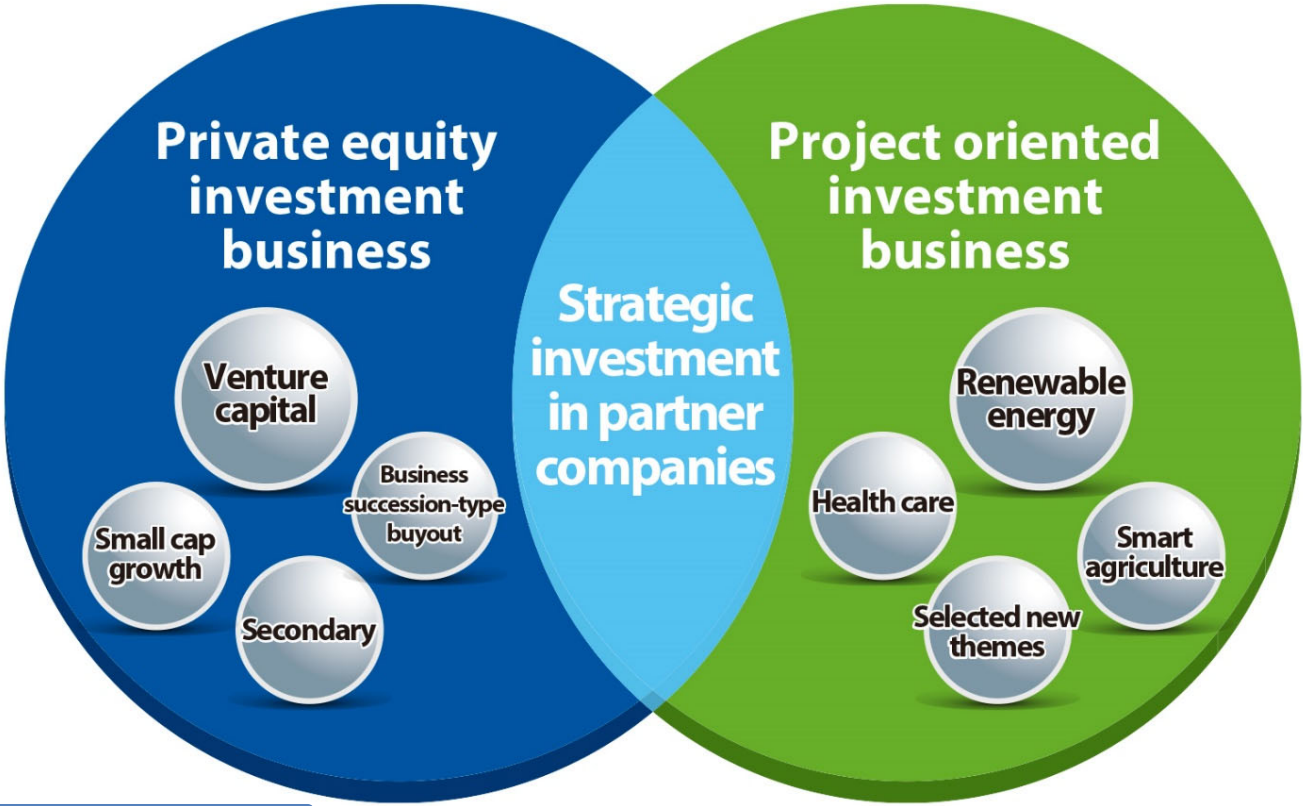
(JPY million)	16/3	17/3	18/3	19/3	20/3	20/3(2Q)	21/3(2Q)
Business results							
Operating revenues	4,043	3,926	5,403	2,475	2,760	691	541
Operating gross profit	1,554	2,176	2,328	1,286	1,359	108	227
SG&A expenses	1,472	1,339	1,311	1,109	1,094	530	544
Operating income	82	836	1,017	177	265	(421)	(316)
Ordinary income	612	726	954	83	140	(483)	(335)
Net income	597	553	874	578	302	(481)	(336)
Financial position							
Cash and deposits	8,202	6,213	7,308	5,564	3,920	2,825	3,515
Operational investment securities and operating loans of project oriented investment	3,722	4,081	3,582	5,514	5,437	6,667	4,915
Operational investment securities of strategic investment in partner companies	100	100	373	373	1,005	745	1,155
Operational investment securities after deducting allowance for possible investment loss (Private equity except strategic investment in partner companies)	8,126	7,256	5,657	4,765	4,282	4,577	3,926
Loans payable, bonds & bonds with subscription rights to shares	16,910	14,128	11,954	9,784	8,166	8,689	7,469
Total shareholders' equity	4,976	5,686	6,545	6,840	7,223	6,507	6,732
Total assets	22,680	20,305	19,220	17,305	15,800	15,761	14,580

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



(JPY:million)	16/3	17/3	18/3	19/3	20/3	20/3(2Q)	21/3(2Q)	Change(%)
1. Fund management operation								
<i>Fund management fees and others</i>	441	364	277	241	199	107	82	(23.1%)
<i>Success Fees</i>	288	101	86	-	-	-	-	-
Operating revenue	729	466	364	241	199	107	82	(23.1%)
Operating cost	-	-	-	-	-	-	-	-
Operating gross profit	729	466	364	241	199	107	82	(23.1%)
2. Investment operation								
<i>Proceeds of sales of securities (A)</i>	2,954	2,275	3,219	1,746	2,349	406	232	(42.8%)
<i>Fund interests income etc.</i>	345	1,159	1,677	429	172	155	198	27.4%
Operating revenue	3,300	3,434	4,897	2,176	2,521	562	431	(23.3%)
<i>Cost of securities sold (B)</i>	1,863	1,423	2,469	554	965	356	85	(75.9%)
<i>Investment write-offs and Provision for allowance for possible investment losses (C)</i>	569	274	562	579	245	160	(62)	-
<i>Fund interests losses etc.</i>	47	46	36	49	184	61	285	361.8%
Operating cost	2,481	1,744	3,069	1,182	1,395	579	309	(46.6%)
Operating gross profit	818	1,690	1,827	993	1,125	(16)	122	-
3. Others								
Operating revenue	13	25	142	57	40	20	26	29.5%
Operating cost	7	6	5	6	5	2	3	44.1%
Operating gross profit	5	19	136	51	34	18	23	27.5%
Total								
Operating revenues	4,043	3,926	5,403	2,475	2,760	691	541	(21.7%)
Operating cost	2,488	1,750	3,074	1,188	1,401	582	313	(46.2%)
Operating gross profit	1,554	2,176	2,328	1,286	1,359	108	227	109.1%

5. Appendix - Business field



Private equity investment

JAIC provides growth capital in venture companies and small and medium sized enterprise ("SME") with high growth potential, as well as to SMEs with succession problem. After the investment, JAIC is committed to provide various support to achieve growth strategies of the company by utilizing JAIC's resources in Japan and elsewhere in Asia.

Strategic investment

Strategic investment in partner companies that correspond to selected themes of JAIC. JAIC provides "hands-on" support to partner companies to improve its business promotion and financing activities, etc.

Project investment

JAIC has been investing to renewable energy industries represented by solar energy as well as to healthcare industry such as nursing facilities and facilities for persons with disabilities. In addition to above, JAIC is determined to invest to new areas such as smart-agri business represented by vegetable plant and logistic industry such as distribution center where JAIC's accumulated expertise can be leveraged.

5. Appendix - Core competence

Capability to capture up-to-date business information

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

Historical background in Asian region

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



Wide range of network with venture companies

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

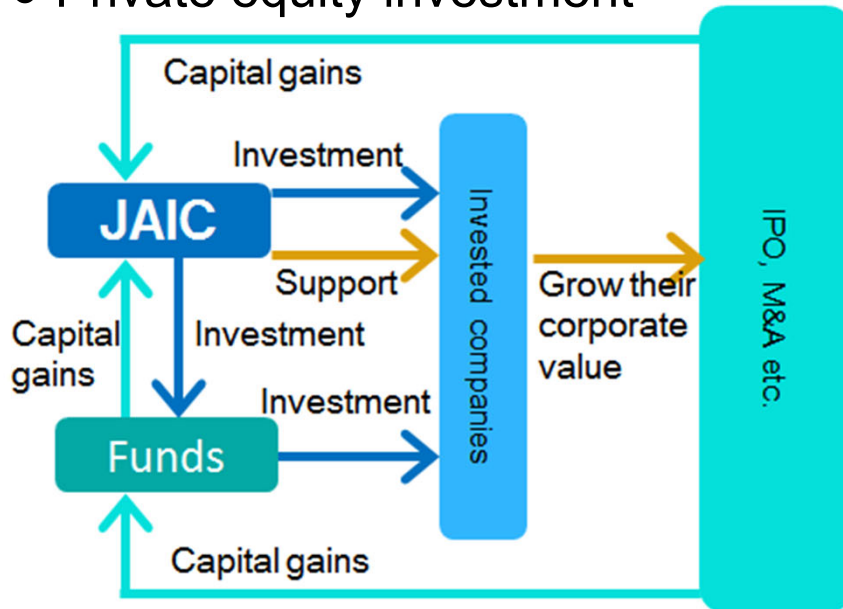
Expertise to structure sophisticated finance scheme

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

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

5. Appendix - Profit structure

• Private equity investment

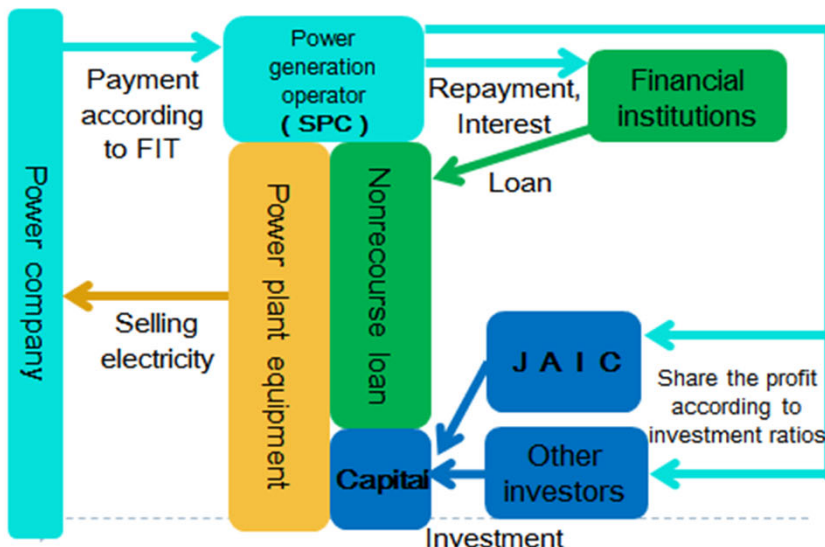


There are the following two types of investment capital:

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

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

• Renewable energy project investment



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

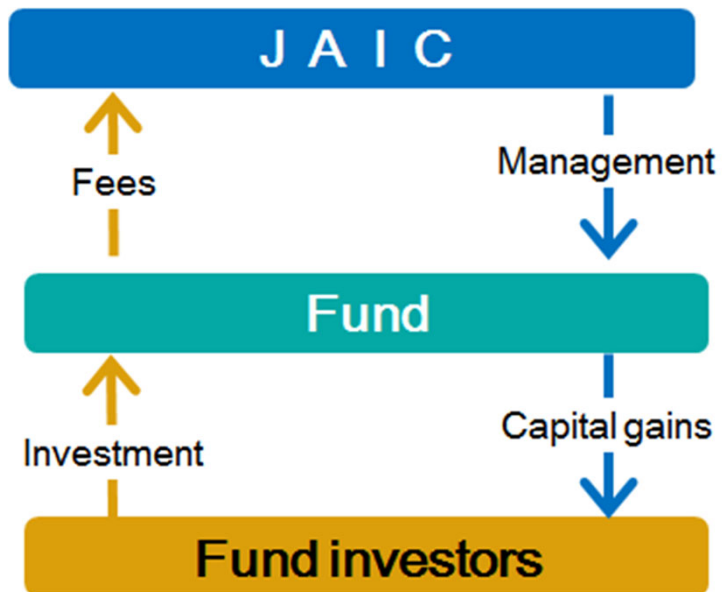
- Investment by JAIC and other investors
- Loans from financial institutions

The generated power is purchased by power companies at FIT.

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

5. Appendix - Profit structure

- Fund management



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

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

5. Appendix - Company data (as of September 30, 2020)

Company name	Japan Asia Investment Co., Ltd. Abbreviation; JAIC
Head office	2F Medical Friend Building, 3-2-4 Kudn-kita, Chiyoda-ku, Tokyo 102-0073, Japan
Established	July 10, 1981
Paid-in capital	5,426 million yen
Listed market	Tokyo Stock Exchange, 1st Section (Securities code 8518)
Employees	37 (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 Managing Executive Officer in charge of 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.

<https://www.jaic-vc.co.jp/>

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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.