

Financial Results Overview for the Year Ended March 31, 2021

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

Announcement: May 14, 2021

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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.

- ✓ **Results for FY Mar. 2021 (year-on-year)**
 - Operating revenue of ¥3,089 million (up, 11.9% year on year) and profit of ¥144 million (down, 52.1% year on year).
 - While revenues increased as the sales of shares progressed overseas, profit decreased due to a decline in gains on sale of mega solar projects and losses from a third-party operated fund.

- ✓ **Achievement report for FY Mar. 2021**
 - Plan achievement rate: Operating revenue: 95.1%; Final profit: 80.5%
 - While gains on sale of shares were significantly below the plan, 7 mega solar projects with a total of 18.3 MW were sold (including partial sales) at a favorable opportunity.
 - Development of group homes for persons with disabilities progressed; with the expansion of sales channels for the vegetable factory, the construction of the second plant commenced.

- ✓ **New medium-term management plan (from Apr. 2021 to Mar. 2024)**
 - Aim to become an investment company with SDGs as its core value.
 - Increase revenues from short-term divestment projects with relatively high feasibility and revenues from fee business.
 - Aim to achieve final profit of ¥850 million in three years' time.

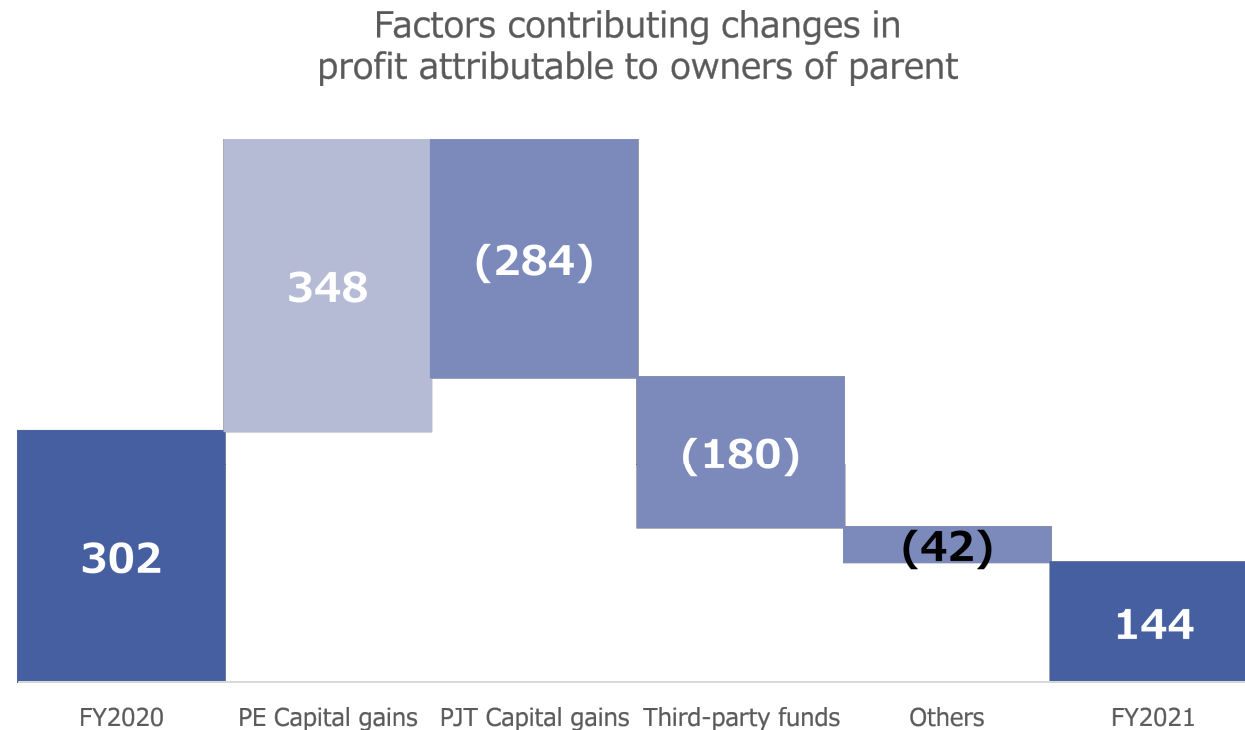
- ✓ **Result forecasts for FY 2022**
 - Operating revenues of ¥2,950 million (down 4.5% year on year) and final profit of ¥340 million (up 134.8% year on year)
 - COVID-19's impact on the JAIC Group continues to be expected to limited.

2. Results for FY Mar. 2021 (year-on-year)

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Break down of operating revenue & operating cost	P8

2. Results for FY Mar. 2021 (year-on-year) - Outline of results - I/S

(million yen)	FY 2020 (4Q)	FY 2021 (4Q)	
	Amount	Amount	Change
Operating revenue	2,760	3,089	11.9%
Operating cost	1,401	1,788	27.6%
Operating gross profit	1,359	1,301	(4.3%)
SG&A expenses	1,094	1,086	(0.7%)
Operating income	265	214	(19.2%)
Ordinary income	140	173	23.5%
Profit attributable to owners of parent	302	144	(52.1%)



- ✓ Factors for increase in revenue:
 - A large-scale sale of unlisted shares abroad
- ✓ Factors for decrease in profit:
 - Gains on sale decreased as development cost for the sold mega solar projects was higher than that in the previous fiscal year.
 - Losses from a third-party operated fund




2. Results for FY Mar. 2021 (year-on-year) - Outline of results - B/S

	As of Mar 2020	FY 2021 (4Q)		
	Amount (million yen)	Amount (million yen)	Change	fluctuation factors (billion yen)
Total assets	15,800	14,657	(7.2%)	
(a) Cash and deposits	3,920	3,699	(5.6%)	repayments of loan (1.2), execution of investments & loans (1.8), expenses etc.(0.9), collection +3.7
(b) Project oriented investment securities & loans	5,437	5,583	2.7%	execution of investments & loans +1.5, realized gain from funds +0.4, distribution & collection (1.7)
Strategic investment securities in partner companies	1,005	1,155	14.9%	execution of investments +0.21, collection (0.07)
Financial investment securities after deducting allowance for possible investment loss	4,282	3,111	(27.3%)	dexecution of investments +0.1, distribution & collection (1.1), realized & unrearized loss from funds (0.1)
(c) Loans payable	8,166	6,950	(14.9%)	repayments of loan (1.2)
Total shareholders' equity	7,223	7,338	1.6%	profit 0.14 unrealized gain (0.03)
(a) + (b) - (c)	1,191	2,332	95.7%	

- ✓ Project oriented investment: The balance was maintained by executing investments & loans while selling projects.
- ✓ Financial investment: The balance decreased due to progress of collection.
- ✓ Financial balance(*) : Loans repayment progressed and financial balance improved.

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

2. Results for FY Mar. 2021 (year-on-year) - Outline of results - C/F

(JPY million)	FY 2020 (4Q)	FY 2021 (4Q)
Operating CF	124	 1,728
Investing CF	147	61
Financing CF	(1,617)	 (1,216)
Change in Net CF	(1,358)	577
Cash & cash equivalents at end of period	2,723	 3,301

- ✓ Operating CF: Revenues increased due to the progress of investment collection and the decline in the balance of operational investment securities.
- ✓ Financing CF: The extent of negative cash flow improved year on year due to the reduction of the repayment amount.

2. Results for FY Mar. 2021 (year-on-year) - Break down of operating revenue & operating cost

(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2020(4Q)	FY 2021(4Q)	FY 2020(4Q)	FY 2021(4Q)	FY 2020(4Q)	FY 2021(4Q)
Operating revenue	2,760	3,089	1,104	1,638	1,656	1,451
Fund management fees etc.	199	169	195	162	3	7
Proceeds of sales of securities	2,349	2,221	806	1,341	1,542	880
Fund interests income etc.	172	648	87	126	84	522
Other operating revenue	40	49	14	8	25	41
Operating cost	1,401	1,788	760	1,090	640	697
Cost of securities sold	965	1,249	476	662	489	587
Investment write-offs and Provision for allowance for possible investment losses	245	194	245	194	-	-
Fund interests losses etc.	184	336	33	229	150	106
Other operating costs	5	7	5	4	-	3
Operating gross profit	1,359	1,301	343	547	1,015	754

- ✓ Private equity investment - Increase in revenues and increase in operating gross profit.
 - Of operating revenue, proceeds of sales of securities, increased due to a large-scale sale of unlisted shares abroad.
 - Of operating cost, fund interests losses etc., increased due to losses from a third-party operated fund.
- ✓ Project oriented investment - decrease in revenues and decrease in operating gross profit.
 - Of operating revenues, while sale prices of all of 7 mega solar projects were recorded as proceeds of sales in FY 2020, sales prices of 4 projects were recorded as proceeds of sales and sale prices of 3 projects were recorded as fund interests income, etc. in FY 2021.
 - Of operating cost, fund interests losses etc., decreased due to a drop in advance expenditure following an increase in sales from the vegetable plant.

3. Achievement report for FY Mar. 2021

Numerical plan

P10

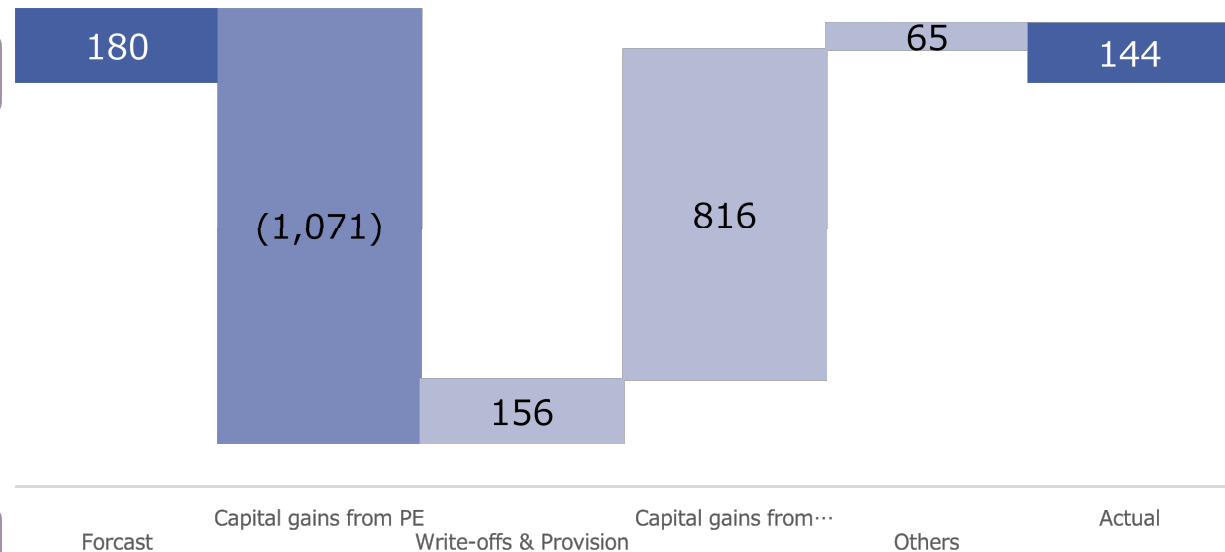
Action plan

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3. Achievement report for FY Mar. 2021 – Numerical plan (announced at the beginning of the term)

(million yen)	Actual FY 2021	Result forecast FY. 2021 (disclosed on 15 May 2020)	
	Amount	Amount	Progression ratio
Operating revenue	3,089	3,250	95.1%
Operating cost	1,788	1,800	99.4%
Operating gross profit	1,301	1,450	89.7%
SG&A expenses	1,086	1,100	98.8%
Operating income	214	350	61.3%
Ordinary income	173	200	87.0%
Profit attributable to owners of parent	144	180	80.5%

Differences between forecasts and actual results of profit
attributable to owners of parent



- ✓ Gain on sale of shares: Decreased significantly due to the delay in new listings, sluggish stock prices and trading volume of listed shares, delay in sale procedures of unlisted shares and unsuccessful negotiation thereof.
- ✓ Unrealized loss and provision: Fell below the initial forecast as there were few investees whose business conditions had deteriorated.
- ✓ Gain on sale of projects: 7 mega solar projects with a total of 18.3 MW were sold (including partial sales) at a favorable opportunity.

3. Achievement report for FY Mar. 2021 – Action plan

Item	Action plan for 2 nd half of FY Mar. 2021	Achievement
Renewable energy	<ul style="list-style-type: none"> •Stabilize the supply of biogas and operate Hamura Biogas Power Plant. •Sell 7 mega solar projects (18.3MW) for which electricity is being sold. 	<ul style="list-style-type: none"> •Hamura Biogas Power Plant commenced selling electricity in March 2021. •Achieved the sale of mega solar projects as planned.
Smart agriculture	<ul style="list-style-type: none"> •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. 	<ul style="list-style-type: none"> •Sales expanded at the vegetable factory (lettuce) as a result of the successful development of sales channels targeting leading convenience stores and the acquisition of meal replacement demand amid the COVID-19 pandemic. Commenced the construction of the second plant. •Development of sales channels for MD-Farm (strawberries) has not been achieved yet and remains as a future challenge.
Healthcare	<ul style="list-style-type: none"> •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. 	<ul style="list-style-type: none"> •Executed new loans for the 2 projects. Development of new projects in cooperation with local financial institutions has been accelerating, and 6 development projects are currently in progress. •Executed investment in an aged-care facility in Minami-Aoyama, Minato-ku in January 2021.
Distribution center	<ul style="list-style-type: none"> •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. 	<ul style="list-style-type: none"> •Development of tenants and potential buyers of existing projects has not been achieved. Meanwhile, JAIC invested in 2 new projects with confirmed tenants in 2H, but due to a delay in project development, new investment in 2H remained at ¥150 million. Investment is expected to progress after April 2021.
Private equity	Take actions aimed at growth support and early liquidizing and monetization of existing investee companies	Achieved large-scale investment collection overseas by facilitating the liquidation of unlisted shares. Sale of listed shares also progressed.
FA business	Engage in intermediary services as a financial advisor based on the M&A needs obtained in the process of cultivating promising companies for our investment	Expanded our network in Asia and cultivated potential M&A needs, but we have not concluded the first contract yet.

4. New medium-term management plan (from Apr. 2021 to Mar. 2024)

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4. New medium-term management plan - Outline

This new Medium-term Management Plan was formulated amidst the new coronavirus (COVID-19) outbreak, which began in the end of 2019, and the sudden change of government. Our investment strategies promoted under the current Medium-term Management Plan are consistent with the outlook of the post-corona society, which includes an overpopulation of cities, regional revitalization, accelerated deregulation and industry structural reforms. The new Medium-term Management Plan is built on the current Plan and incorporates the above changes in the environment.

The basic elements that support the new are as below. Japan Asia Investment (JAIC) will promote investment activities under the new Medium-term Management Plan based on a core value of conducting “SDGs investment that contributes to the future of Japan and Asian based on venture capital investment and an unique Asian network.” By doing so, we hope to identify and support the growth of innovative businesses that will be developed in the post-corona society of Japan, which faces an aging and shrinking population.

1) Management policy

We will maintain the philosophy of current management policy to promote and manage investment activities. We will continue and maintain a policy of proactively carrying out investment activities and related businesses focusing on venture capital investment and our network in Asia, based on our policy of becoming an investment company that “contributes to the creation of more safe, secure, and higher productivity for aging society with fewer children.”

2) Basic investment strategy

We aim to generate stable revenue and earn high private equity (PE) investment income by quickly restoring damaged balance sheets by promoting strategic PE investment and Project oriented (PJ) investment based on our management policy. We will seek to add depth to promising venture firms and the profitable projects, which should be our core assets. Also, simultaneously, we will try to minimize risks of investment assets by diversifying various PJ investment business.

3) Goals and objectives of specific investment activities

We will aim to achieve substantial investment share through PE investment and enhance added value of investee companies as well as investment return through hands-on support using our entire resources. By thoroughly enforcing this investment method, we will improve our expertise and comprehensive strengths as an investment company. At the same moment, we are aiming to develop all of our investment professionals to “think and act” as same as the company’s managers.

4) Becoming an SDGs investment company as our core value

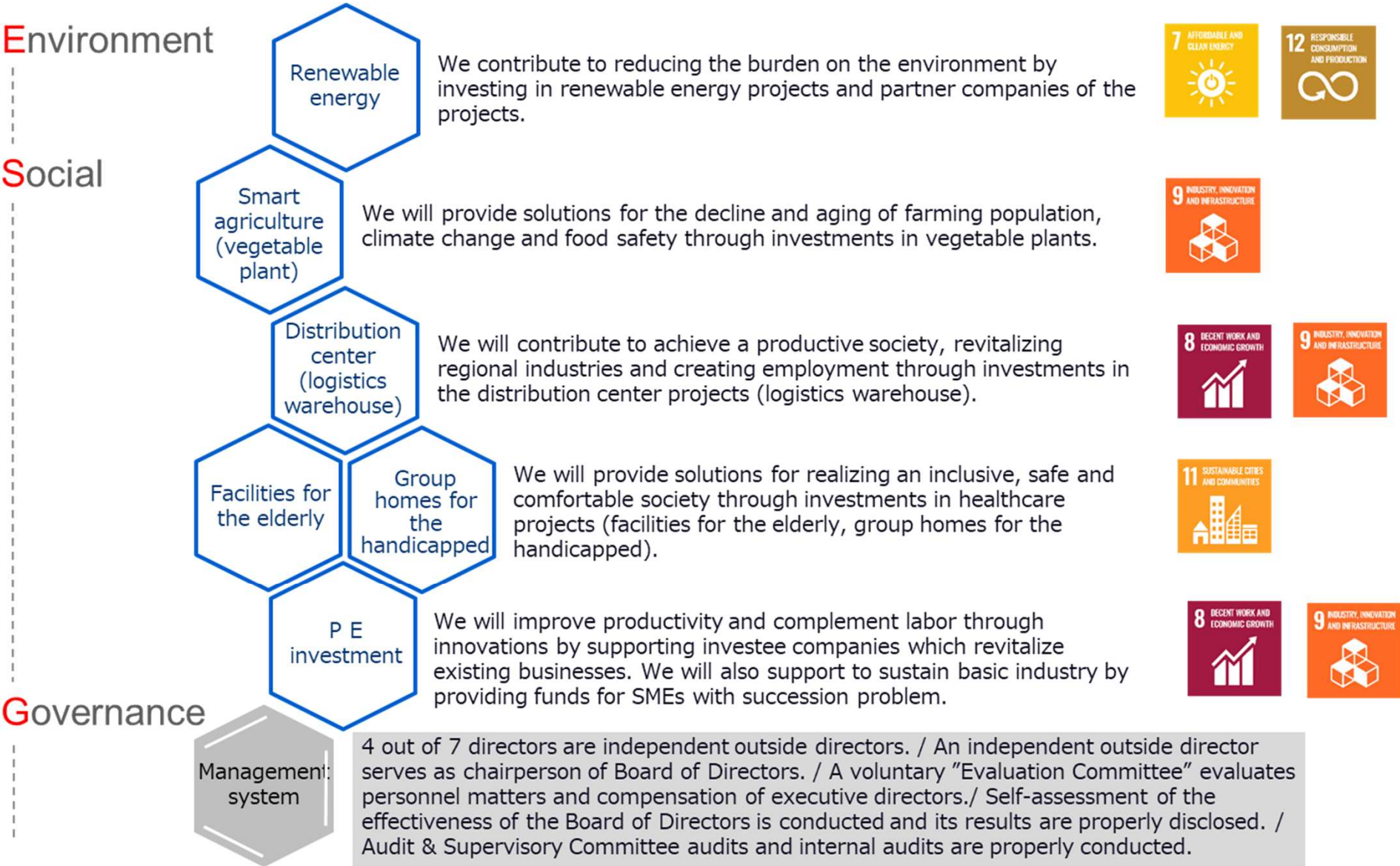
We will thoroughly carry out investment activities with a strong awareness of SDGs based on our management policy. We will aim to contribute to the development of SDGs-related businesses and improve profitability by identifying venture firms that contribute to providing solutions for the realization of a safe, secure and productive society.

5) Continuing investment activities that links Japan and Asia

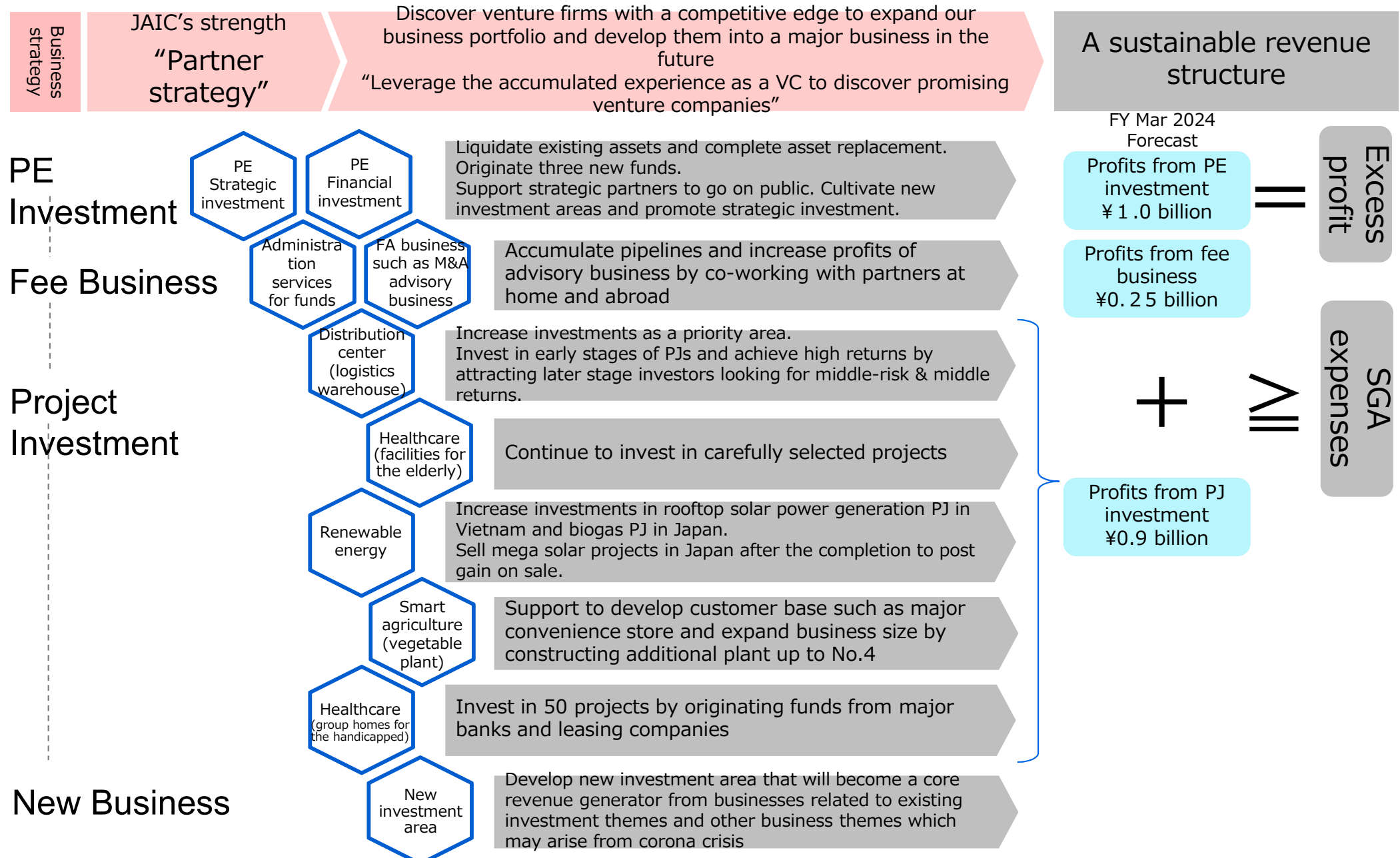
We will contribute to maintaining the growth of the Japanese economy, which is facing sluggishness due to issues such as the shrinking and aging population, and that of the declining rural areas through investment-related businesses. We will contribute to the growth of Asia and incorporating Asia’s growth into Japan through investment activities by leveraging our skills in venture capital investment, our Asian network and our partnerships with regional financial institutions as a platform.

4. New medium-term management plan – Efforts for SDGs

Becoming an SDGs investment company as our core value, we will thoroughly carry out investment activities with a strong awareness of SDGs based on our management policy.

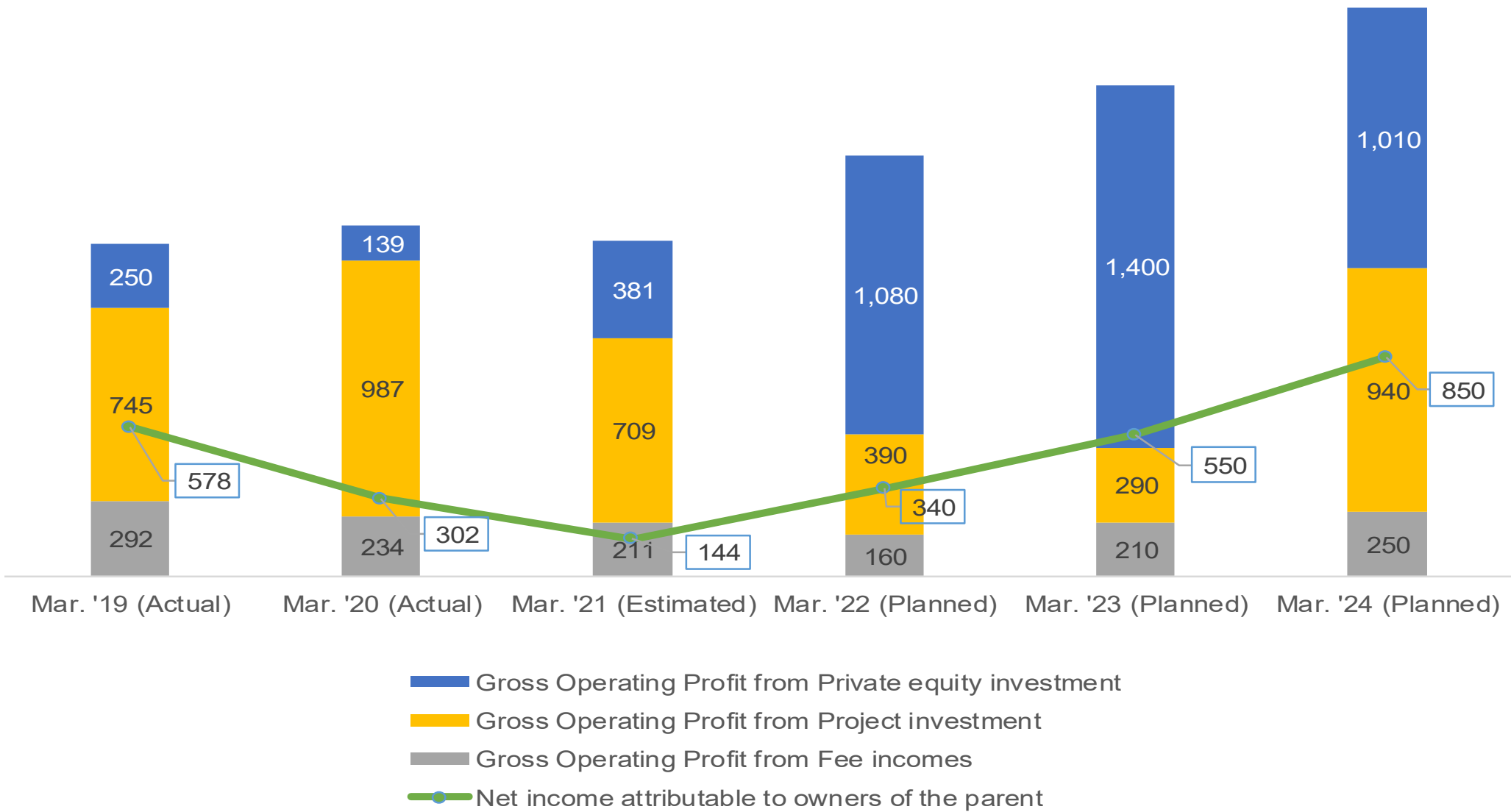


4. New medium-term management plan – Business Strategy



4. New medium-term management plan – Numerical Plan

Unit : ¥M



5. Result forecasts for FY Mar. 2022

Breakdown of result forecast

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Cautionary statements

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5. Result forecasts for FY Mar. 2022- Breakdown of result forecast

(million yen)	Actual FY 2021	Result forecast FY2022	Change	Result forecast FY2022(2Q)
Operating revenue	3,089	2,950	(4.5%)	700
Operating cost	1,788	1,320	(26.2%)	360
Operating gross profit	1,301	1,630	25.3%	340
SG&A expenses	1,086	1,120	3.0%	560
Operating income	214	510	137.8%	(220)
Ordinary income	173	430	147.2%	(250)
Profit attributable to owners of parent	144	340	134.8%	(250)
ROE	2.0%	4.6%	-	-

Breakdown:

Proceeds of sales of securities (IPO)	700
Proceeds of sales of securities (Trade sales)	1,600
Profits from project oriented investment	460
Fund management fees	120
Others	70

Breakdown:

Cost of securities sold (IPO)	120
Cost of securities sold (Trade sales)	840
Investment write-offs & provisions	270
Costs from project oriented investment	70
Others	20

- Operating income: ¥2.95 billion; Profit: ¥0.34 billion
- A loss is expected for the first six-month period and the first nine-month period.
- Proceeds of sale of securities are anticipated due to an IPO in Japan and a trade sale in China
- Profits are anticipated from sales of 4 project oriented investments such as mega solar projects, distribution center projects and others.

5. Result forecasts for FY Mar. 2022- 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.

6. Appendix

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6. Appendix - Renewable energy projects as of March 31, 2021

Mega solar projects

Started electricity sales	10 projects (12 power plants)	37.9 MW
Under construction or under planning	6 projects	32.6 MW
Total	16 projects (18 power plants)	70.5 MW
attributable to JAIC		26.7 MW

Transfers to buyers other than the funds operated by the JAIC Group	30 projects	149.1 MW
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*Underlined projects are invested from
JAIC Solar Fund L.P., II

Fukuoka, Solar
1 project, 3
power plants
3.0MW in total

Kumamoto, Solar
1 project 3.1MW

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

Hokkaido, Solar,
2 projects 18.0MW

Aomori, Bio gas,
1 project 0.03MW

Iwate, Solar,
1 project 2.4MW

Fukushima, Solar,
1 project 2.7MW
1 project 2.4MW

Tochigi, Solar,
3 projects 6.0MW

Tokyo, Bio gas,
1 project 1.1MW

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.

6. Appendix - List of project oriented investments (as of March 2021)

Type of project	No.	Name of power plant or Location	Generation Capacity [MW]	Current status	FIT [tax excluded, ¥]
Solar	1	Nishiki-cho, Kuma-gun, Kumamoto(*)	3.1	Started electricity sales in Dec. 2015	40
	2	Nomaike solar power plant(*)	2.4	Started electricity sales in May. 2017	36
	3	Mitakabeike solar power plant(*)	1.5	Started electricity sales in Sep. 2017	32
	4	Iwate Ichinoseki solar park(*)	2.4	Started electricity sales in Jan. 2018	36
	5	Nakaoudaike solar power plant(*)	2.4	Started electricity sales in Apr. 2018	36
	6	Higashioudaike solar power plant(*)	2.4	Started electricity sales in Jul. 2018	36
	7	Mombetsu-shi Kodo solar power plant	15.7	Started electricity sales in Feb. 2020	40
	8	Mie	21.8	Under construction or Under planning [Started electricity sales in May 2021]	24
	9	Fukushima	2.4	Under construction or Under planning	32
	10	Hirono solar park	2.7	Started electricity sales in Feb. 2020	40
	11	Akkeshi Luke Supor Solar Power Plant	2.3	Started electricity sales in May 2020	40
	12	Kanagawa	2.4	Under construction or Under planning	32
	13	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
	14	Tochigi	2.0	Under construction or Under planning	36
	15	Tochigi	2.0	Under construction or Under planning	32
	16	Tochigi	2.0	Under construction or Under planning	32
Total 70.5MW [attributable to JAIC 26.7MW]					

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

6. Appendix - List of project oriented investments (as of March 2021)

Type of project	No.	Location	Generation Capacity [MW]	Current status	FIT [tax excluded, ¥]
Woody biomass		Matsusaka-shi, Mie	2.0	Started electricity sales in Jan. 2018	—
Bio gas	1	Hamura-shi, Tokyo	1.1	Started electricity sales in Mar. 2021	39
	2			Food recycle company that generates biogas for power generation [operator of Hamura biogas power generation]	—
	3	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	—
Facilities for the elderly	1	Shinonome, Koto-ku, Tokyo	—	Under construction or Under planning	—
	2	Minami aoyama, Minato-ku, Tokyo	—	Under construction or Under planning	—
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	—
	4	Kazo-shi, Saitama	—	Under construction or Under planning	—
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	—
	3	Ebina-shi, Kanagawa	—	Under construction or Under planning	—
	4	Ebina-shi, Kanagawa	—	Under construction or Under planning	—
	5	Sayama-shi, Saitama	—	Under construction or Under planning	—

6. Appendix – Strategic investment



Renewable Japan Co., Ltd.

Partner company in mega solar projects

Year of first investment: 2015



Smart Solar Corporation

Partner company in mega solar projects

Year of first investment: 2017



social inclu CO., LTD.

Partner company in projects for group homes for the handicapped

Year of first investment: 2019



MorihiSA Engineering Co., Ltd.

Partner company in smart agriculture projects (vegetables)

Year of first investment: 2019



MD-Farm

Partner company in smart agriculture projects (strawberries)

Year of first investment: 2019

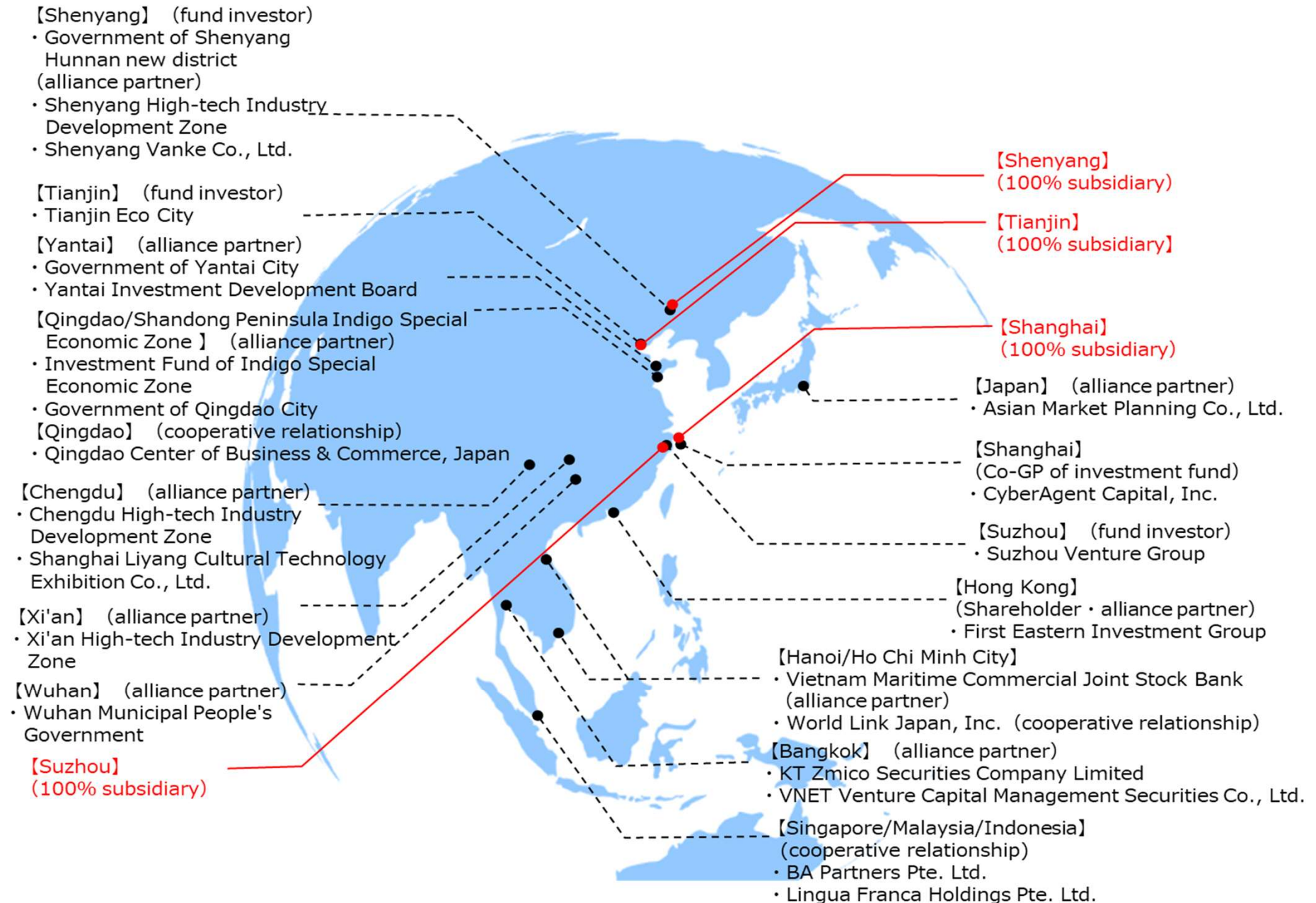


KIC Holdings Inc.

Partner company in distribution warehouse projects

Year of first investment: 2020

6. Appendix - Asia network



6. Appendix - Funds & investment activities

(JPY million)	16/3	17/3	18/3	19/3	20/3	21/3
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	16,450
AUM of funds - JAIC	14,004	9,427	5,867	5,344	5,163	5,434
New investnemts (Total)	4,093	4,315	3,887	3,749	3,374	1,767
Balance of investments (Total)	18,783	16,558	13,981	13,951	15,101	12,855
New investnemts (project oriented investment)	2,788	3,184	2,681	3,612	2,150	1,445
Balance of investments (project oriented investment)	3,722	4,576	3,582	5,514	6,696	6,088
New investnemts (private equity)	1,304	1,131	1,205	136	1,224	322
Balance of investments (private Equity)	15,061	11,981	10,398	8,437	8,405	6,767

Note: Due to an increase in loan execution for the projects by the JAIC Group, the aggregation method has been changed from FY March 2021 to include loans extended to the projects (excluding distressed receivables) in the scope of aggregation.

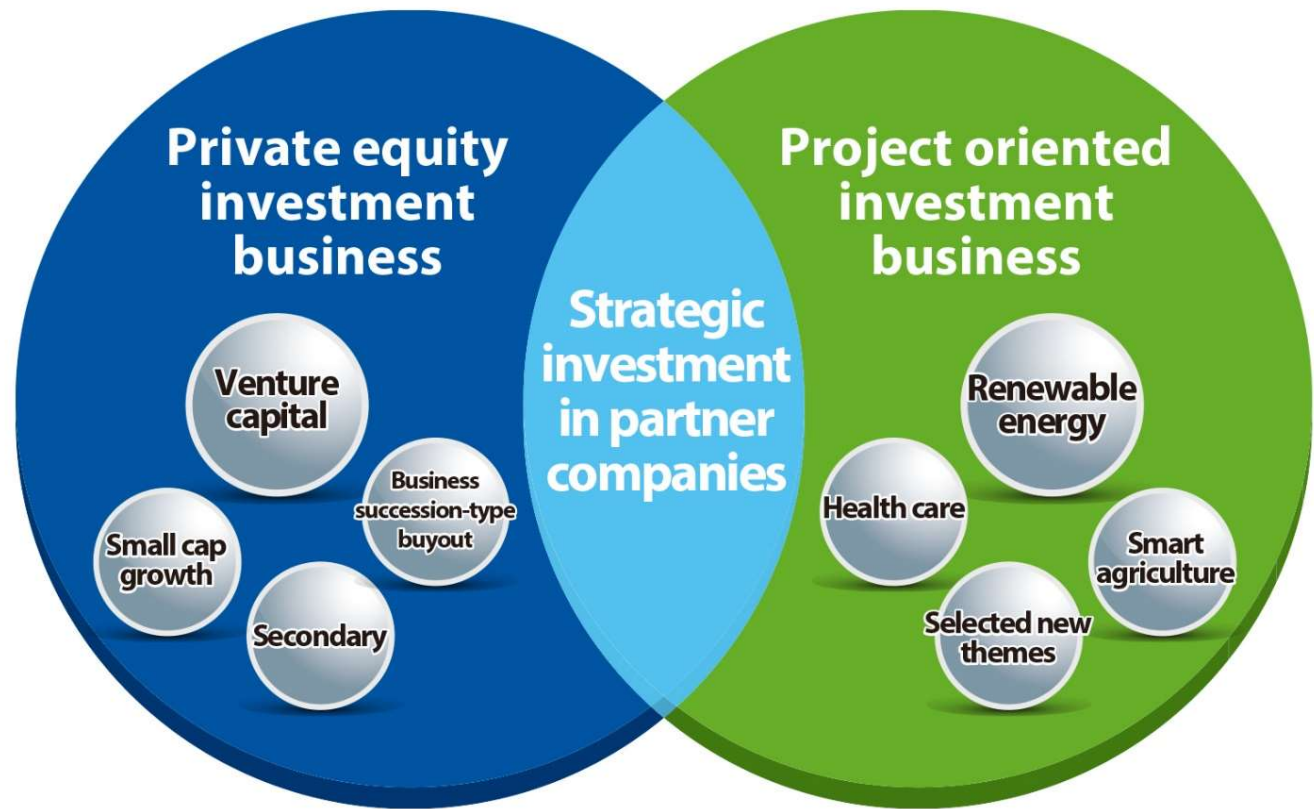
6. Appendix - Business results, financial position (Previous accounting standards)

(JPY million)	16/3	17/3	18/3	19/3	20/3	21/3
Business results						
Operating revenues	4,043	3,926	5,403	2,475	2,760	3,089
Operating gross profit	1,554	2,176	2,328	1,286	1,359	1,301
SG&A expenses	1,472	1,339	1,311	1,109	1,094	1,086
Operating income	82	836	1,017	177	265	214
Ordinary income	612	726	954	83	140	173
Net income	597	553	874	578	302	144
Financial position						
Cash and deposits	8,202	6,213	7,308	5,564	3,920	3,699
Operational investment securities and operating loans of project oriented investment	3,722	4,081	3,582	5,514	5,437	5,583
Operational investment securities of strategic investment in partner companies	100	100	373	373	1,005	1,155
Operational investment securities of financial investment after deducting allowance for possible investment loss	8,126	7,256	5,657	4,765	4,282	3,111
Loans payable, bonds & bonds with subscription rights to shares	16,910	14,128	11,954	9,784	8,166	6,950
Total shareholders' equity	4,976	5,686	6,545	6,840	7,223	7,338
Total assets	22,680	20,305	19,220	17,305	15,800	14,657

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

(JPY:million)	16/3	17/3	18/3	19/3	20/3	21/3	Change(%)
1. Fund management operation							
<i>Fund management fees and others</i>	441	364	277	241	199	169	(14.7%)
<i>Success Fees</i>	288	101	86	-	-	-	-
Operating revenue	729	466	364	241	199	169	(14.7%)
Operating cost	-	-	-	-	-	-	-
Operating gross profit	729	466	364	241	199	169	(14.7%)
2. Investment operation							
<i>Proceeds of sales of securities (A)</i>	2,954	2,275	3,219	1,746	2,349	2,221	(5.4%)
<i>Fund interests income etc.</i>	345	1,159	1,677	429	172	648	277.0%
Operating revenue	3,300	3,434	4,897	2,176	2,521	2,870	13.8%
<i>Cost of securities sold (B)</i>	1,863	1,423	2,469	554	965	1,249	29.4%
<i>Investment write-offs and Provision for allowance for possible investment losses (C)</i>	569	274	562	579	245	194	(20.8%)
<i>Fund interests losses etc.</i>	47	46	36	49	184	336	82.6%
Operating cost	2,481	1,744	3,069	1,182	1,395	1,780	27.6%
Operating gross profit	818	1,690	1,827	993	1,125	1,090	(3.2%)
3. Others							
Operating revenue	13	25	142	57	40	49	22.4%
Operating cost	7	6	5	6	5	7	39.0%
Operating gross profit	5	19	136	51	34	41	19.6%
Total							
Operating revenues	4,043	3,926	5,403	2,475	2,760	3,089	11.9%
Operating cost	2,488	1,750	3,074	1,188	1,401	1,788	27.6%
Operating gross profit	1,554	2,176	2,328	1,286	1,359	1,301	(4.3%)

6. 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 oriented 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.

6. 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

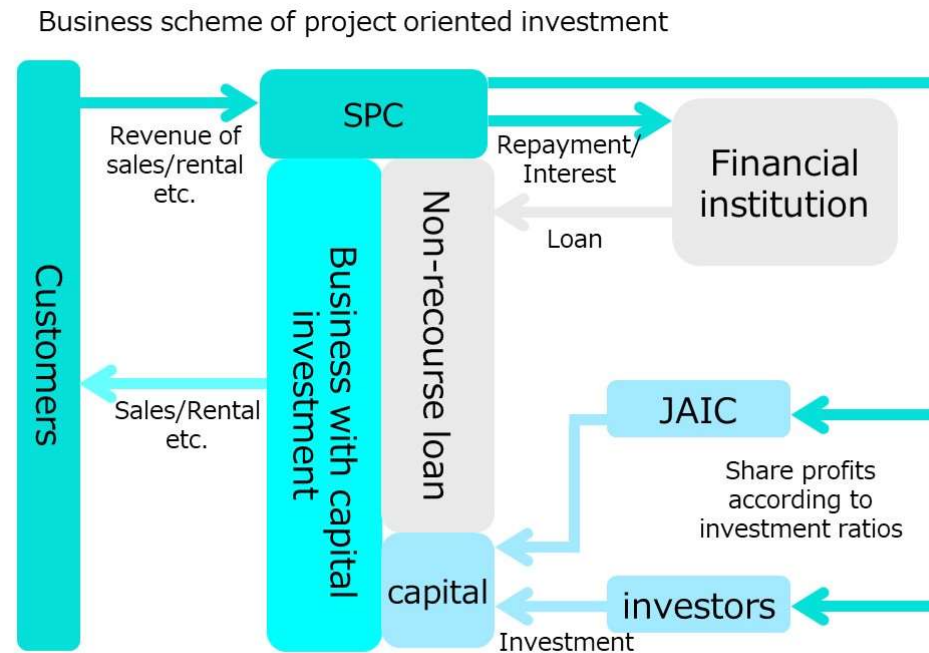
JAIC has track record of leading more than 300 invested venture companies to "Going Public". Through the long time investment activities, JAIC enjoys close relationship with wide range of venture companies. Based on this intangible asset, JAIC is utilizing the network to create value for invested companies 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.

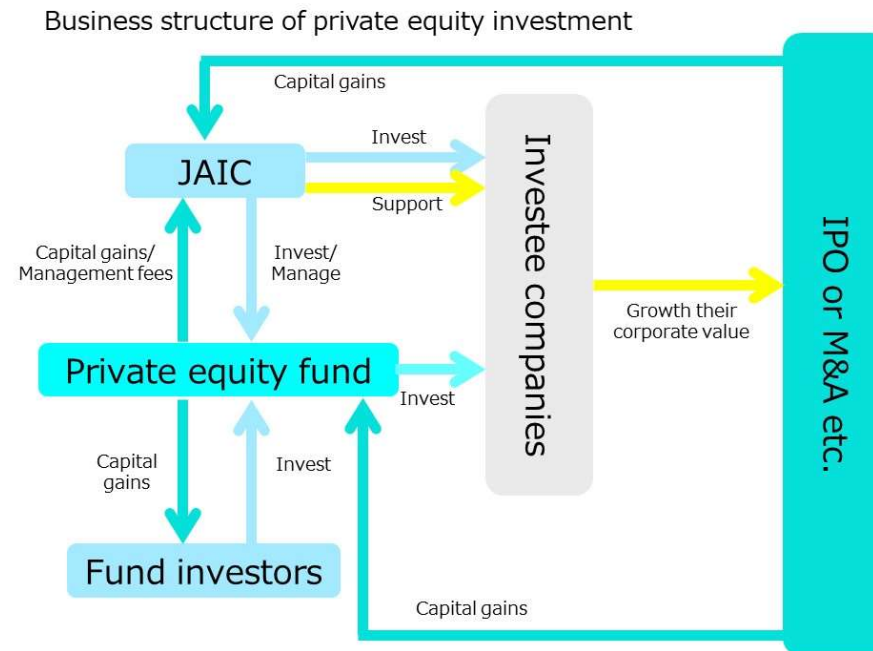
For the project oriented investment, in addition to providing direct equity investment, JAIC has been arranging various financing scheme utilizing project-finance approach and leverage financing together with financial institutions.

6. Appendix - Profit structure – Project oriented investment



- We invest in SPCs (special purpose companies) that own facilities such as power plants, factories, residential facilities and warehouses. We construct these facilities and receive the profits generated by the operation of the facilities in proportion to the investment. In some cases, these facilities are sold for profits after completion.
- We invest in projects such as renewable energy, healthcare (facility for the elderly, group homes for the disabled), smart agriculture (plant factory), and distribution center (logistics warehouse).
- We are pursuing high profitability with a small amount of investment funds by procuring non recourse loans from financial institutions. Most of the funds for the construction and operation of the project is procured by these loans.
- In addition, in order to flexibly invest in projects in various fields, we collaborate with venture companies that are familiar with project planning and development.

6. Appendix - Profit structure – Private equity investment



- Private equity investment is an investment in promising companies centered on venture companies and small and medium-sized enterprises in the Asian region including Japan. We support investee companies to increase their corporate value and obtain capital gains.
- We also perform intermediary business as an FA based on the needs of M & A obtained through our investment activities.
- There are two types of private equity investments. One is "strategic investments" in partners of project oriented investment and the other is "financial investments".
- For investees of strategic investments, we not only support them as shareholders, but also manage projects together as partners and support their growth.
- For investees of financial investment, we provide not only the listing support but also provide overseas expansion support and sales support. We utilize our experience and wide network which we have built up through many years of investment activities when we support our investees. To that end, we are building a network in Asia by forming business alliances with government agencies in China and partner companies in Asian countries.

6. Appendix - Company data (as of March 31, 2021)

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	38 (Consolidated) /19 (Non-consolidated)
Main business	Private equity investment / Project oriented investment
Directors	<p>Chairman of the Board :Yoshiaki Kawamata [Outside/Independent]</p> <p>President & CEO :Tetsuro Shimomura</p> <p>Managing Executive Officer in charge of Investment Group :Masafumi Hatta</p> <p>Chairman of Audit & Supervisory Committee :Kazunori Omori</p> <p>Member of Audit & Supervisory Committee :Hitoshi Yasukawa [Outside/Independent] :Tadashi Nunami [Outside/Independent] :Harumi Katagiri [Outside/Independent]</p>

JAIC

Japan Asia Investment Co., Ltd.

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

Contact to:

Kenji Kishimoto, Executive Officer

Miyuki Maruyama, Administration Group

IR e-mail : ir@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.