

# Financial Results Overview for the 1<sup>st</sup> Quarter Ended June 30, 2021

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

*Announcement: August 13, 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.

# 1. Summary

## ✓ Results for 1Q of FY Mar. 2022 (year-on-year)

- Operating revenue of ¥ 168 million (down, 40.1 % year on year) and deficit of ¥ 287 million (increased ¥46 million year on year).
- The main factors for decrease in operating revenue were a decrease in revenue from selling electricity and a decrease in profits from funds operated by third parties.
- The deficit widened due to a decrease in capital gains and a decrease in profits from operating projects.

## ✓ Result forecasts for FY 2022

- Full-year earnings forecasts unchanged. The results for the 1Q are in line with expectations.
- A loss is expected for the first six-month period and the first nine-month period as the gain on sale will be concentrated in the 4th quarter.

## ✓ Business Report

We will thoroughly carry out investment activities with a strong awareness of SDGs based on our management policy.

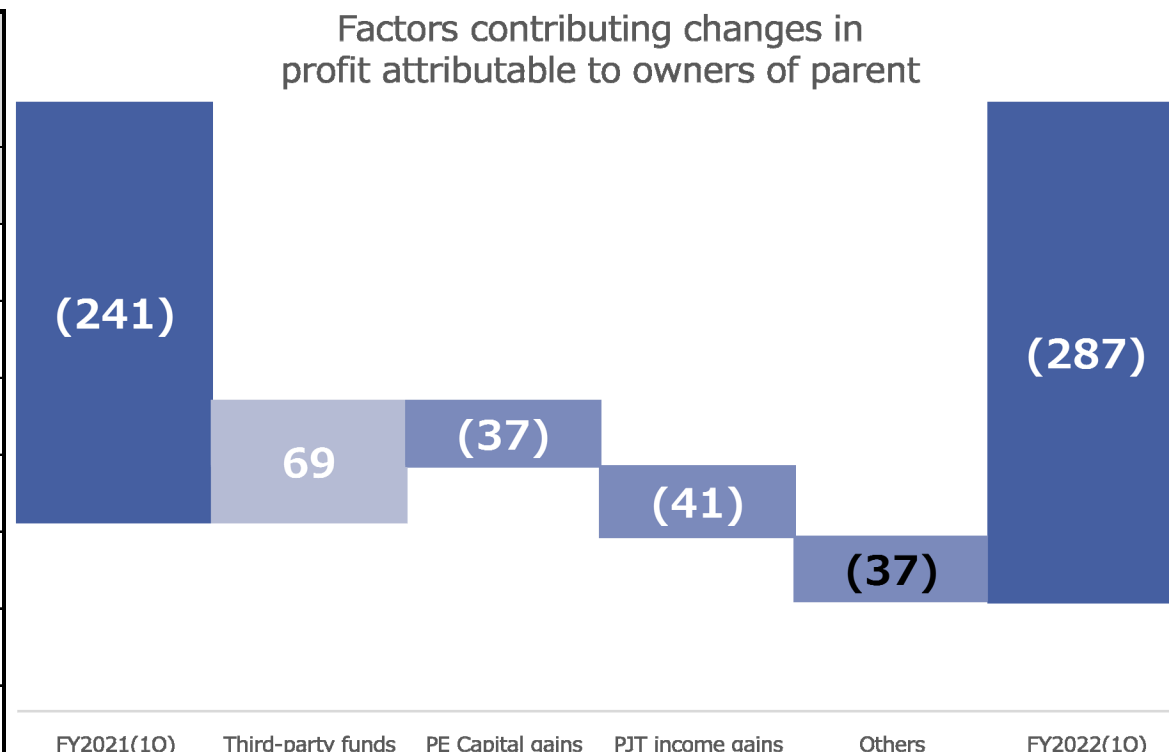
- A solar power plant has started operation in Tsu City, Mie
- Expanding the vegetable plant in Tamba Sasayama City, Hyogo
- Invested in a new distribution center project in Sayama City, Saitama
- A group home for the handicapped has newly been built up in Utsunomiya City, Tochigi
- Business development of investee companies:  
Renewable Japan, Smart Solar, WonderPlanet, HiTTO, iHeart Japan and TMS
- "Financial Institution YOM" No. 40 was published as a special issue commemorating our 40th anniversary

## 2. Results for 1Q of FY Mar. 2022

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

## 2. Results for 1Q of FY Mar. 2022 - Outline of results - I/S

(million yen)	FY 2021 (1Q)	FY 2022 (1Q)	
	Amount	Amount	Change
Operating revenue	282	168	(40.1%)
Operating cost	270	165	(38.9%)
Operating gross profit	11	3	(70.1%)
SG&A expenses	257	273	6.3%
Operating income	(246)	(270)	-
Ordinary income	(246)	(286)	-
Profit attributable to owners of parent	(241)	(287)	-



### ✓ Factors for decrease in revenue:

- Revenue from selling electricity decreased due to the sale of some mega solar projects that are selling electricity in the previous fiscal year
- Profits from funds operated by third parties decreased

### ✓ Factors for decrease in profit:

- Capital gains decreased due to unlisted shares of an investee those were liquidated by prioritizing collection of funds over capital gain
- Profits from projects operated by the JAIC Group decreased due to the sale of some mega solar projects in the previous fiscal year

## 2. Results for 1Q of FY Mar. 2022 - Outline of results - B/S

	As of Mar 2021	FY 2022 (1Q)		
	Amount (million yen)	Amount (million yen)	Change	fluctuation factors (billion yen)
Total assets	14,657	<b>13,900</b>	<b>(5.2%)</b>	
Cash and deposits	3,699	<b>2,781</b>	<b>(24.8%)</b>	repayments of loan (0.5), execution of investments & loans (0.4), expenses etc.(0.3), collection +0.2
Project oriented investment securities & loans	5,583	<b>↑ 5,646</b>	<b>1.1%</b>	execution of investments & loans +0.1
Strategic investment securities in partner companies	1,155	<b>↑ 1,355</b>	<b>17.3%</b>	execution of investments +0.2
Financial investment securities after deducting allowance for possible investment loss	3,111	<b>↓ 3,047</b>	<b>(2.1%)</b>	distribution & collection (0.1)
Loans payable	6,950	<b>↓ 6,442</b>	<b>(7.3%)</b>	repayments of loan (0.5)
Total shareholders' equity	7,338	<b>6,998</b>	<b>(4.6%)</b>	loss (0.28) unrealized gain (0.05)










- ✓ Asset replacement is in progress from financial investment to project oriented investment and strategic investment.
- ✓ After securing investment funds for future growth, we repay the debt and steadily reduce the balance.

## 2. Results for 1Q of FY Mar. 2022 - Outline of results - C/F

(JPY million)	FY 2021 (1Q)	FY 2022 (1Q)
<b>Operating CF</b>	28	↓ (533)
<b>Investing CF</b>	39	(0)
<b>Financing CF</b>	(513)	(507)
<b>Change in Net CF</b>	(449)	(1,024)
<b>Cash &amp; cash equivalents at end of period</b>	2,274	2,276

- ✓ Operating CF turned negative as investment execution progressed while investment recovery decreased.

## 2. Results for 1Q of FY Mar. 2022 - Break down of operating revenue & operating cost

(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2021(1Q)	FY 2022(1Q)	FY 2021(1Q)	FY 2022(1Q)	FY 2021(1Q)	FY 2022(1Q)
<b>Operating revenue</b>	282	<b>168</b>	200	 <b>150</b>	81	 <b>18</b>
Fund management fees etc.	45	<b>41</b>	43	<b>39</b>	1	<b>1</b>
Proceeds of sales of securities	73	<b>104</b>	73	<b>104</b>	0	-
Fund interests income etc.	150	<b>9</b>	79	 <b>3</b>	71	 <b>6</b>
Other operating revenue	12	<b>12</b>	3	<b>2</b>	8	<b>9</b>
<b>Operating cost</b>	270	<b>165</b>	227	<b>145</b>	43	<b>20</b>
Cost of securities sold	19	<b>88</b>	19	 <b>88</b>	0	-
Investment write-offs and Provision for allowance for possible investment losses	0	<b>28</b>	0	<b>28</b>	-	-
Fund interests losses etc.	249	<b>46</b>	206	 <b>27</b>	43	 <b>18</b>
Other operating costs	1	<b>2</b>	1	<b>1</b>	-	<b>1</b>
<b>Operating gross profit</b>	11	<b>3</b>	(27)	 <b>5</b>	38	 <b>(2)</b>

- ✓ Private equity investment – Revenue decreased, however, operating gross profit turned into the black.
  - Of operating revenue, fund interests income etc., decreased due to a decrease in profits from funds operated by third parties
  - Of operating cost, cost of securities sold, increased due to unlisted shares of an investee those were liquidated by prioritizing collection of funds over capital gain
  - Of operating cost, fund interests losses etc., decreased due to a decrease in loss from a fund operated by third party
- ✓ Project oriented investment – Revenue decreased and operating gross profit went in the red.
  - Of operating revenue, fund interests income etc., decreased due to the sale of some mega solar projects that are selling electricity in the previous fiscal year
  - Of operating cost, fund interests losses etc., decreased due to a drop in advance cost from the vegetable plant



### 3. Result forecasts for FY Mar. 2022

Breakdown of result forecast

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Cautionary statements

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

(million yen)	Actual FY 2022(1Q)	Result forecast 1st Half of FY2022 (disclosed on 14 May 2021)		Result forecast FY. 2022 (disclosed on 14 May 2021)	
	Amount	Amount		Amount	Progression ratio
Operating revenue	168	700		2,950	5.7%
Operating cost	165	360		1,320	12.5%
Operating gross profit	3	340		1,630	0.2%
SG&A expenses	273	560		1,120	24.4%
Operating income	(270)	(220)		510	-
Ordinary income	(286)	(250)		430	-
Profit attributable to owners of parent	(287)	(250)		340	-

- Result forecasts are unchanged. Results for the 1Q are in line with expectations.
- A loss is expected for the first six-month period and the first nine-month period as the gain on sale will be concentrated in the 4th quarter.
- Proceeds of sale of securities are anticipated due to IPOs in Japan and trade sales in China.
- The source of stable revenue has changed from electricity sales revenue to capital gains of projects for short-term holdings.  
Profits are anticipated from sales of 4 project oriented investments such as mega solar projects, distribution center projects and others.

### 3. 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.

## 4. Business report

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# 4. Business report – A solar power plant starts operation in Tsu City, Mie (May 2021)

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AFFORDABLE AND  
CLEAN ENERGY



12

RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION





Tsu Solar Power Plant



Outline of power plant	
Location	Tsu City, Mie
Maximum output*	21.82MW
Expected annual power generation	27,160MWh
FIT	¥24/kWh

- The expected annual power generation is equivalent to annual power consumption of approx. 5,600 average households.
- The PHOTON JAPAN Group, including PHOTON JAPAN GK, has developed this power plant, and several investors, including JAIC, are investing in it.

\*solar cell panel system capacity basis  
\*\*converted at 4,825kWh per annum





## Expanding Tamba Sasayama Plant, which grows leaf lettuce, in the adjacent land



**Partner  
company:  
Morihsa  
Engineering**



Exterior of the first plant



Outline of the first plant (existing part)	
Location	Tamba Sasayama City, Hyogo
Plant type	Completely closed
Crops	Leaf lettuce
Production	Approx. 200 tons p.a.

Outline of the second plant (expansion part)	
Scheduled operation	Full-scale operation scheduled for December 2021
Plant type	Completely closed
Crops	Leaf lettuce
Production	Approx. 470 tons p.a. (Total amount with existing part)



**Partner company:  
KIC Holdings**

## KIC Sayamahidaka Distribution Center

Rendering



Location	Sayama City, Saitama
Access	approximately 500m from the Ken-O Expressway "Sayamahidaka IC", approximately 4.8km from Seibu Shinjuku Line "Sayama City" Station
Outline of warehouse (scheduled)	Total floor space: 15,123㎡, 4 floors above ground
Completion	Undecided



# Social Inclu Home Utsunomiya Takaragicho



Partner company:  
**Social Inclu**



Location	Utsunomiya City, Tochigi
No. of rooms	20 for residents, 2 for short-stay
Type of group home	Daytime service support type
Scheduled operation	Sep. 2021 (scheduled)



# 4. Business report – Business development of investees – Strategic investment



## Renewable Japan concluded a power purchase agreement for non-FIT solar power plants with Tokyo Gas

- In Feb. 2021 Renewable Japan concluded a power purchase agreement for non-FIT solar power plants with Tokyo Gas toward the spread and expansion of renewable energy power sources that do not depend on the FIT for renewable energy.
- Renewable Japan will acquire a small-scale solar power plant developed by Ecostyle Co., Ltd. Tokyo Gas Co., Ltd. will purchase the generated power and environmental value from Renewable Japan at a fixed price for 20 years.

Company name	Renewable Japan Co., Ltd.
Representative	President and representative director Katsuhito Manabe
Features	<ul style="list-style-type: none"> <li>• Regarding renewable energy power plants, Renewable Japan is engaged in everything from excavation and development of projects to procurement of development funds, EPC business, and business management after the start of power sales.</li> <li>• “Renewable Japan Energy Infrastructure Fund, Inc.”, the REIT listed on the TSE, is managed by one of group companies of Renewable Japan.</li> </ul>
Incorporation	Jan. 2012
URL	<a href="https://www.rn-j.com/en/">https://www.rn-j.com/en/</a>

## Smart Solar household storage battery has been adopted as a new product of LIXIL Corporation



Smart Solar's household storage battery "Smart Power Storage System" has been adopted as a new product of LIXIL Corporation, and was released on April 1, 2021 as a new service.

Company name	Smart Solar Corporation
Representative	Chief Executive Officer Hirofumi Tezuka
Features	<p>Features of “Smart Battery System”</p> <ul style="list-style-type: none"> <li>✓ High performance: <ul style="list-style-type: none"> <li>• 11.5kWh of large capacity storage battery</li> <li>• Power conversion efficiency is 97% of the industry's top class</li> <li>• Full load type and 200V compatible, so you can rest assured even during a power outage</li> </ul> </li> <li>✓ High quality: <ul style="list-style-type: none"> <li>• Durability over 15 years</li> <li>• 15 years product warranty &amp; 10 years natural disaster compensation</li> <li>• 24 hours a day, 365 days a year remote monitoring and on-site support throughout Japan in the event of a breakdown</li> </ul> </li> <li>✓ Low price: <ul style="list-style-type: none"> <li>• Approximately 87,000 yen per 1kWh, less than 1/3 of the industry average unit price</li> </ul> </li> </ul>
Incorporation	Apr. 2007
URL	<a href="https://www.smartsolar.co.jp/en/">https://www.smartsolar.co.jp/en/</a>

# 4. Business report – Business development of investees – IT related investment



## WonderPlanet has newly listed on TSE Mothers



**Creating  
"Smiley Time"  
in Our Friends'  
Daily Life.**

Company name	WonderPlanet Inc.
Representative	Founder & CEO Tomoki Tsunekawa
Business	Planning, development, operation, and sales of apps and games for smart devices centered on smartphones 【Main titles of games and apps】 - JUMPUTI HEROES - CRASH FEVER - Fantastic Days - DecoLu
IPO date	10 Jun. 2021
Stock market	TSE Mothers
URL	<a href="https://wonderpla.net/en/">https://wonderpla.net/en/</a>

## HiTTO, an AI chatbot specializing in internal use, has gained more than 300,000 users



Company name	HiTTO, Inc.
Representative	Tomohiro Igarashi, Akihito Kimura
Business	<ul style="list-style-type: none"> <li>Development and provision of in-house AI chatbot service "HiTTO"</li> <li>From July 7, 2021, based on the know-how and statistical data with the largest share, it was renewed as an HR chatbot equipped with the original AI that systematizes information in the personnel / labor / general affairs area for the first time in the industry.</li> </ul>
Incorporation	Mar. 2006
URL	<a href="https://www.hitto.co.jp/">https://www.hitto.co.jp/</a>

# 4. Business report – Business development of investees – Bio tech related investment



## iHeart Japan raised about 800 million yen in Series C



- iHeart Japan develops products such as regenerative medicine for the treatment of severe heart failure due to dilated cardiomyopathy and ischemic cardiomyopathy using the multilayer "IHJ-301" consisting of cells such as heart and blood vessels differentiated from iPS cells.
- iHeart Japan conducts non-clinical trials in collaboration with Kyoto University, the University of Tokyo and others.
- In April 2020, the clinical research using IHJ-301 planned by Kyoto University was approved by the Specified Certified Regenerative Medicine Committee of Kyoto University.
- In July 2021, iHeart Japan raised about 800 million yen in Series C funding to proceed with clinical research and clinical trials for the practical application of IHJ-301.

Company name	iHeart Japan Corporation
Representative	President & CEO Kenji Kakuta
Features	<ul style="list-style-type: none"> <li>• Differentiation control technology that differentiates iPS cells into cardiomyocytes and vascular endothelial cells</li> <li>• Cell stacking technology that can give cells a multi-layered structure without necrosis by applying hydrogel particles</li> <li>• Patents for these technologies in major countries</li> </ul>
Incorporation	Apr. 2013
URL	<a href="http://www.iheartjapan.jp/en/">http://www.iheartjapan.jp/en/</a>



## TMS receives a lump sum of about 2 billion yen by out-licensing a pipeline to Biogen

- The drug candidate "TMS-007" for acute ischemic stroke, which TMS is developing, is expected to extend the administration time frame after the onset to within 12 hours, compared to 4.5 hours after the onset of the existing drug.
- In May 2021, Biogen, a collaborative research partner, evaluated the results of the early phase 2 clinical trial conducted by TMS. Biogen has exercised the option right and acquired exclusive and worldwide development and sales rights for TMS-007 and backup compounds.
- With this out-licensing, TMS will receive a lump sum of \$ 18 million from Biogen, up to \$ 335 million as a milestone for future development and commercialization. Additionally, TMS has secured the right to earn gradual royalties from the high single digits to the low 10% range of annual net sales worldwide.

Company name	TMS Co., Ltd.
Representative	President & Representative Director Takuro Wakabayashi
Features	<ul style="list-style-type: none"> <li>• Established to put pharmaceutical seeds into practical use those provided by the Fermentation Laboratory (Professor Keiji Hasumi) of Tokyo University of Agriculture and Technology</li> <li>• Conducting R&amp;D of pharmaceuticals using SMTP (Stachybotrys microspora triprenyl phenols), a group of small molecule compounds that have both thrombolytic and anti-inflammatory effects</li> </ul>
Incorporation	Feb. 2005
URL	<a href="http://www.tms-japan.co.jp/">http://www.tms-japan.co.jp/</a>

4. Business report – Published our special issue of "Financial Institution. YOM" commemorating the 40th anniversary of establishment



Our company celebrated its 40th anniversary in July 2021. We would like to express our deep gratitude for your support.

Ricky Business Solutions Co., Ltd. has published "Financial Institution YOM" No. 40 as a special issue commemorating our 40th anniversary.

Introducing our SDGs investment efforts with abundant examples.

<http://www.ginkouin.com/>

## 5. Appendix

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## 5. Appendix - Renewable energy projects as of June 30, 2021

### Mega solar projects

Started electricity sales	11 projects (13 power plants)	59.7 MW
Under construction or under planning	5 projects	10.8 MW
<b>Total</b>	<b>16 projects (18 power plants)</b>	<b>70.5 MW</b>
<b>attributable to JAIC</b>		<b>26.7 MW</b>

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.

## 5. Appendix - List of project oriented investments (as of June 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	Tsu Solar Power Plant	21.8	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

## 5. Appendix - List of project oriented investments (as of June 2021)

Type of project	No.	Location	Generation Capacity [MW]	Current status	FIT [tax excluded, ¥]
Woody biomass		Matsusaka City, Mie	2.0	Started electricity sales in Jan. 2018	—
Bio gas	1	Hamura City, 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	Touhoku Town, Aomori	0.03	Started electricity sales in Nov. 2018	39
Wind power		Mie	At most 25.2	Under construction or Under planning	22



# 5. Appendix - List of project oriented investments (as of June 2021)

Type of project	No.	Location	Project scale	Current status
Vegetable plant		Tambasasayama City, Hyogo	Annual production: 200 tons	Started operation in Mar. 2019
Facilities for the elderly	1	Shinonome, Koto-ku, Tokyo	8-story complex facility with a capacity of 100 people	Under construction or Under planning
	2	Minami aoyama, Minato-ku, Tokyo	5-story facility with a capacity of 61 people	Under construction or Under planning
Group home	1	Hamamatsu City, Shizuoka	20 rooms for residents, 2 rooms for short stay	Started operation in Aug. 2020
	2	Utsunomiya City, Tochigi	Same as above	Scheduled to start operations in September 2021
	3	Hiroshima City, Hiroshima	Same as above	Started operation in Aug. 2020
	4	Kazo City, Saitama	Same as above	Under construction or Under planning
Commercial building		Aichi	Site area 1,752 m <sup>2</sup> , 1 basement floor, 6 floors above ground	Opened *investment in building which has already started operation
Logistics warehouse	1	Koshigaya City, Saitama	Total floor area 11,250 m <sup>2</sup> , 4 stories above ground	Under construction or Under planning
	2	Atsugi City, Kanagawa	Total floor area 10,890 m <sup>2</sup> (scheduled), 2 stories above ground	Under construction or Under planning
	3	Ebina City, Kanagawa	Total floor area 18,808 m <sup>2</sup> , 2 stories above ground (scheduled)	Under construction or Under planning
	4	Sayama City, Saitama	Total floor area 15,123 m <sup>2</sup> , 4 stories above ground	Under construction or Under planning

## 5. 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.**

**Morvel Farm** (subsidiary of MoriHisa Engineering)

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

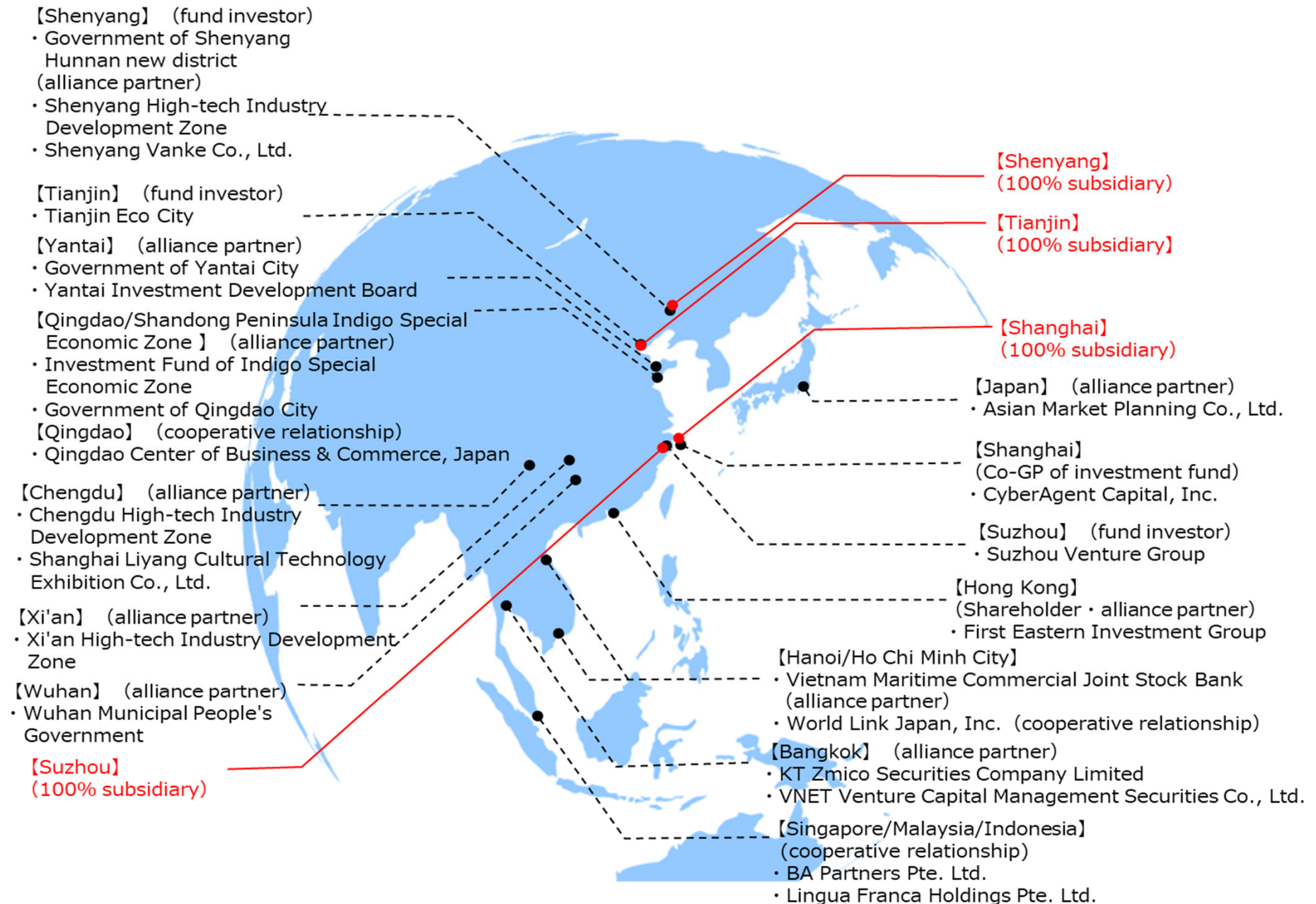


### **KIC Holdings Inc.**

Partner company in distribution warehouse projects

Year of first investment: 2020

## 5. Appendix - Asia network



## 5. Appendix - Funds & investment activities

(JPY million)	17/3	18/3	19/3	20/3	21/3	21/3(1Q)	22/3(1Q)
New & increased funds	500	1,000	2,000	1,359	151	151	1,001
AUM of funds - total *1	28,753	19,150	16,494	17,390	16,450	17,491	17,020
AUM of funds - JAIC *1	9,427	5,867	5,344	5,163	5,434	5,198	5,470
New investnmts (Total)*2	4,315	3,887	3,749	3,374	1,767	464	862
Balance of investments (Total)*2	16,558	13,981	13,951	15,101	12,855	15,512	13,522
New investnmts (project oriented investment)*2	3,184	2,681	3,612	2,150	1,445	184	142
Balance of investments (project oriented investment)*2	4,576	3,582	5,514	6,696	6,088	8,560	6,208
New investnmts (private equity)*2	1,131	1,205	136	1,224	322	280	720
Balance of investments (private Equity)*2	11,981	10,398	8,437	8,405	6,767	6,951	7,313

Note 1: Since the number of funds in the course of being wound up while possessing investment assets has increased, funds during the liquidation procedure are included in the scope of disclosure from FY March 2021.

Note 2: 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.

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



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

21/3(1Q)	22/3(1Q)
282	168
11	3
257	273
(246)	(270)
(246)	(286)
(241)	(287)
2,914	2,781
5,789	5,646
1,005	1,355
4,024	3,047
7,653	6,442
6,928	6,998
14,877	13,900

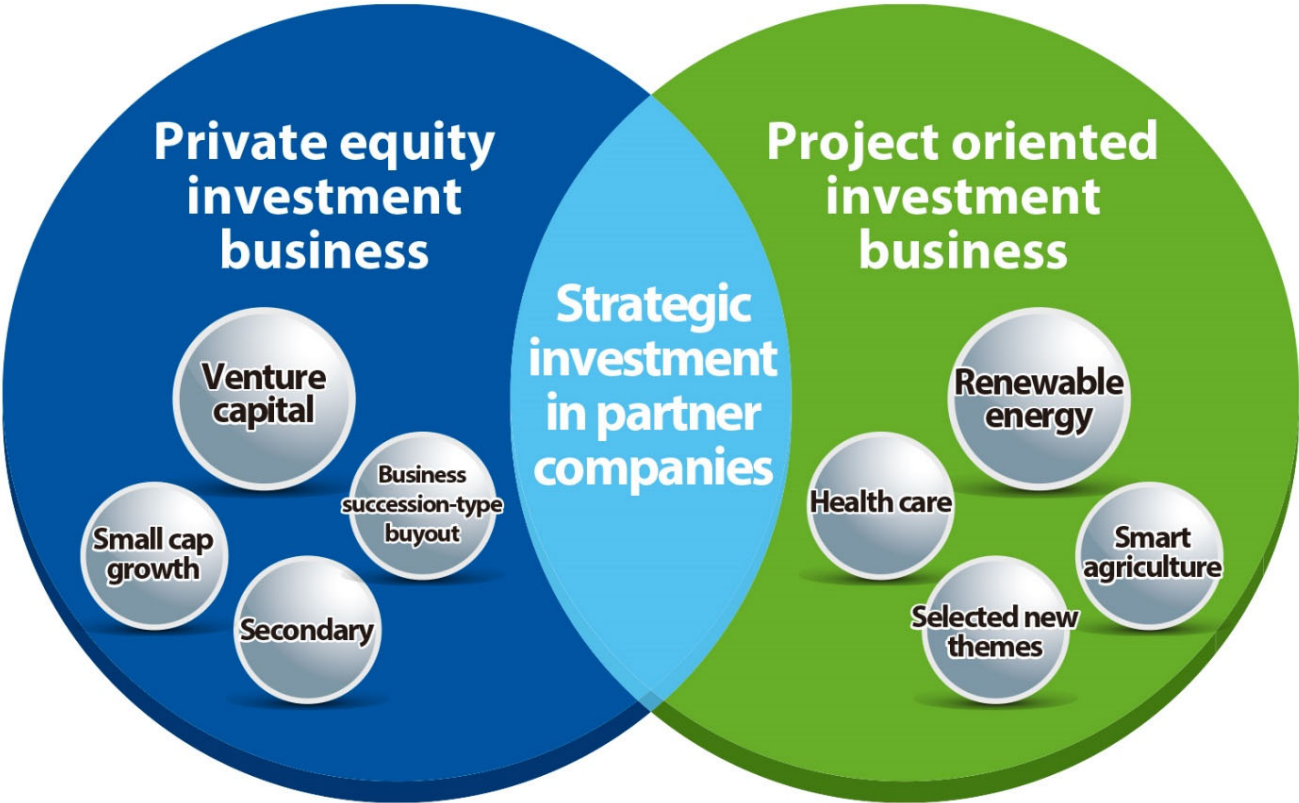
## 5. Appendix - Statement of Income - break down (Previous accounting standard)



(JPY:million)	17/3	18/3	19/3	20/3	21/3	21/3(1Q)	22/3(1Q)	Change(%)
<b>1. Fund management operation</b>								
<i>Fund management fees and others</i>	364	277	241	199	169	45	41	(9.7%)
<i>Success Fees</i>	101	86	-	-	-	-	-	-
Operating revenue	466	364	241	199	169	45	41	(9.7%)
Operating cost	-	-	-	-	-	-	-	-
Operating gross profit	466	364	241	199	169	45	41	(9.7%)
<b>2. Investment operation</b>								
<i>Proceeds of sales of securities (A)</i>	2,275	3,219	1,746	2,349	2,221	73	104	43.3%
<i>Fund interests income etc.</i>	1,159	1,677	429	172	648	150	9	(93.6%)
Operating revenue	3,434	4,897	2,176	2,521	2,870	223	114	(48.8%)
<i>Cost of securities sold (B)</i>	1,423	2,469	554	965	1,249	19	88	361.5%
<i>Investment write-offs and Provision for allowance for possible investment losses (C)</i>	274	562	579	245	194	0	28	3637.0%
<i>Fund interests losses etc.</i>	46	36	49	184	336	249	46	(81.3%)
Operating cost	1,744	3,069	1,182	1,395	1,780	269	163	(39.3%)
Operating gross profit	1,690	1,827	993	1,125	1,090	(45)	(48)	-
<b>3. Others</b>								
Operating revenue	25	142	57	40	49	12	12	3.1%
Operating cost	6	5	6	5	7	1	2	29.7%
Operating gross profit	19	136	51	34	41	10	10	(1.2%)
<b>Total</b>								
<b>Operating revenues</b>	3,926	5,403	2,475	2,760	3,089	282	168	(40.1%)
<b>Operating cost</b>	1,750	3,074	1,188	1,401	1,788	270	165	(38.9%)
<b>Operating gross profit</b>	2,176	2,328	1,286	1,359	1,301	11	3	(70.1%)



# 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 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.

## 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.

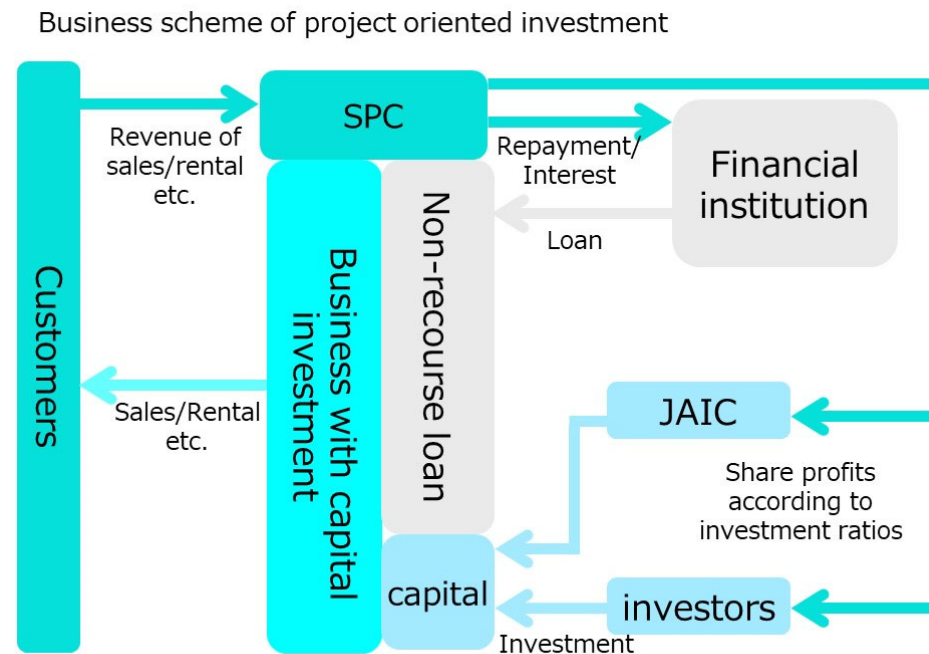
### Expertise to structure sophisticated finance scheme

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.

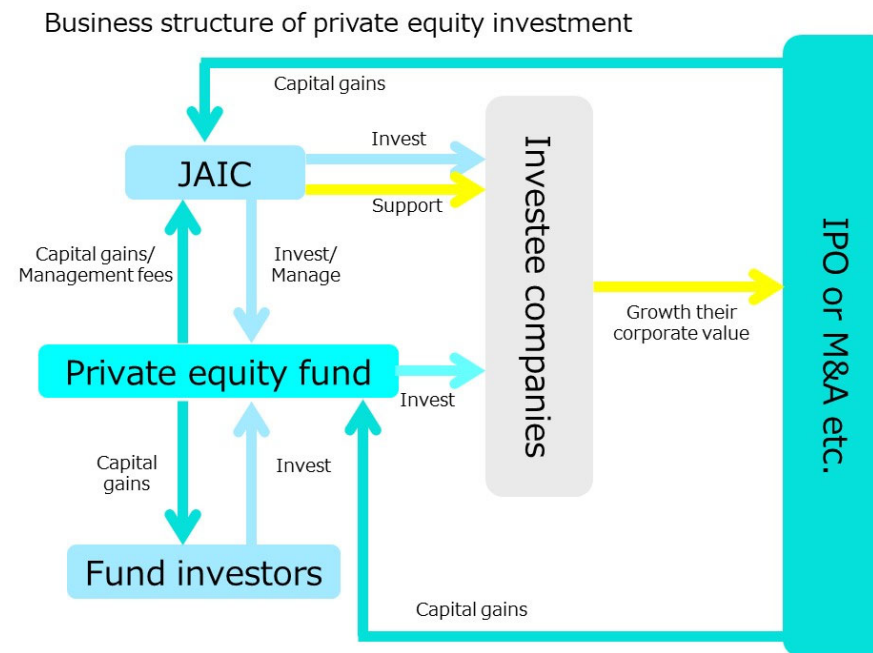


## 5. Appendix - Profit structure – Project oriented investment



- 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.

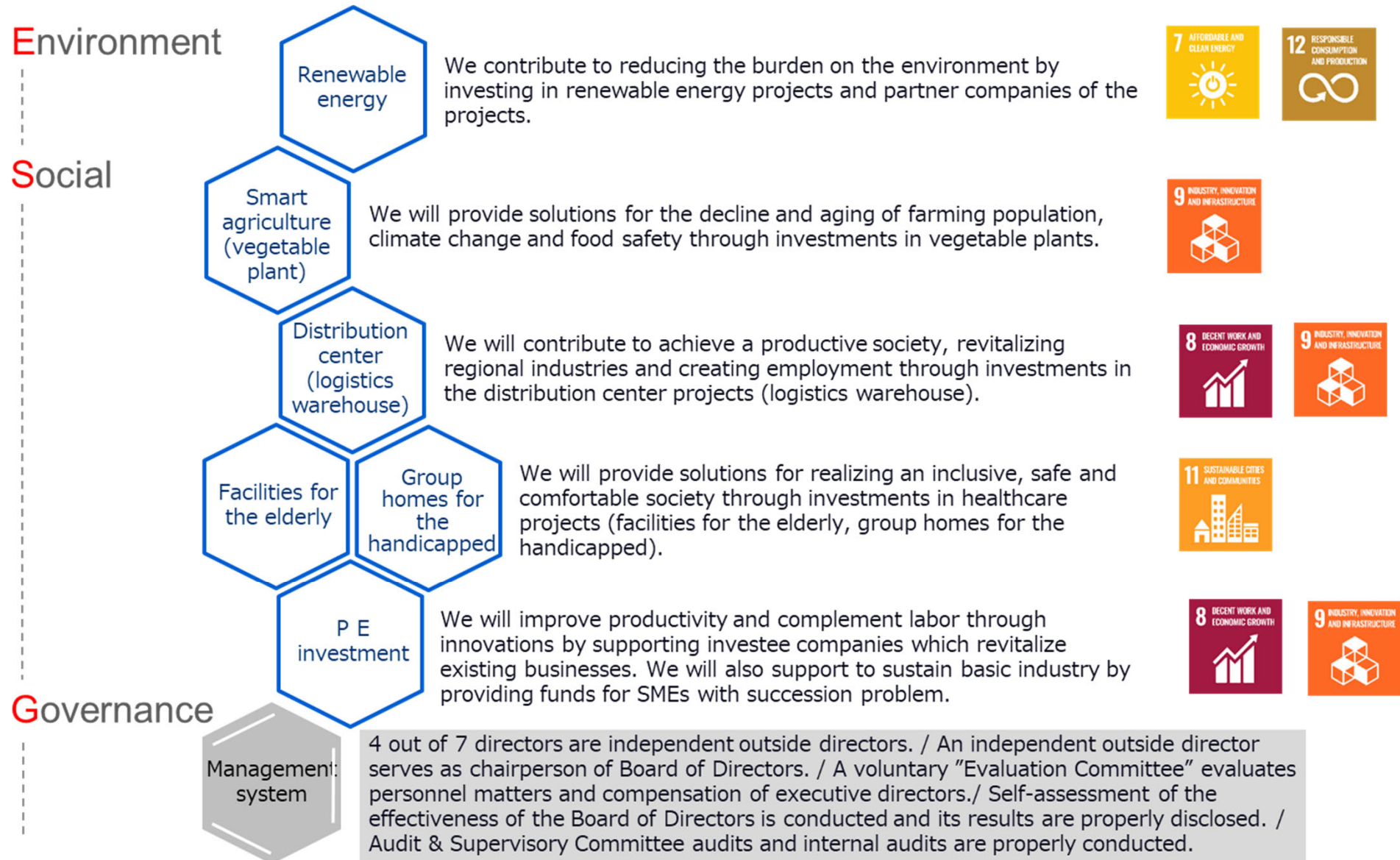
## 5. Appendix - Profit structure – Private equity investment



- 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.

## 5. Appendix – 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.



## 5. Appendix - Company data (as of June 30, 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) /18 (Non-consolidated)
Main business	Private equity investment / Project oriented investment
Directors	<p>Chairman of the Board :Yoshiaki Kawamata [Outside/Independent]</p> <p>President &amp; CEO :Tetsuro Shimomura</p> <p>Managing Executive Officer in charge of Investment Group :Masafumi Hatta</p> <p>Chairman of Audit &amp; Supervisory Committee :Kazunori Omori</p> <p>Member of Audit &amp; 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](mailto:ir@jaic-vc.co.jp)**

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The figures in this document is based on consolidated financial statements.