

# Financial Results Overview for the 2<sup>nd</sup> Quarter Ended September 30, 2021

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

*Announcement: November 12, 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.

1	Summary	P3
2	Results for 2Q of FY Mar. 2022 (year-on-year)	P4
3	Result forecasts for FY 2022	P9
4	Business plan progress report	P12
5	Appendix	P20

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

## ✓ Results for 2Q of FY Mar. 2022 (year-on-year)

- Operating revenue of ¥ 381 million (down, 29.6 % year on year) and deficit of ¥ 643 million (widened by ¥307 million year on year).
- The main factors for decrease in operating revenue were a decrease in proceeds of sales of listed shares and a decrease in revenue from selling electricity.
- The deficit widened due to a decrease in capital gains and a increase in investment write-offs and provision for allowance for possible investment losses.

## ✓ Result forecasts for FY 2022

- Full-year earnings forecasts remain unchanged. The downside from the plan in the first half is expected to be offset by the upside in capital gains in the second half.
- The progression ratio of operating revenue in the first half was 54.4% and the deficit in the first half exceeded the plan by about 0.4 billion yen.

## ✓ Business plan progress report

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

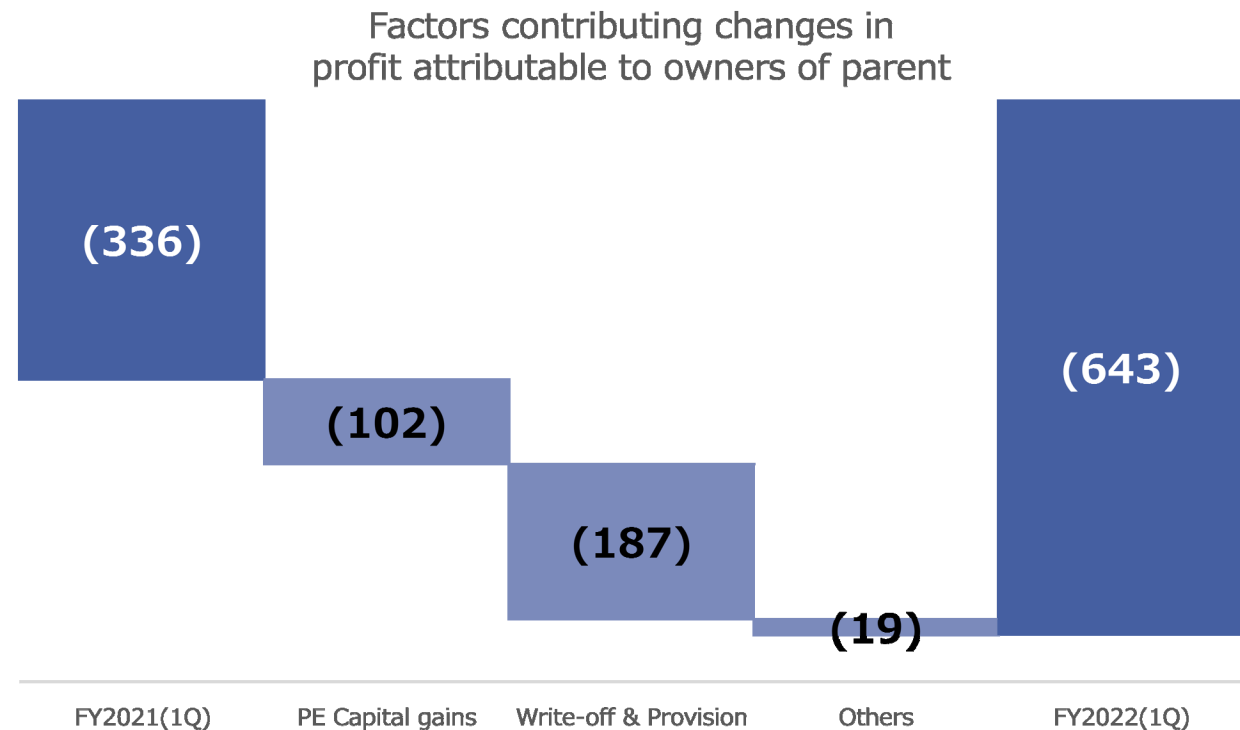
- Invested in a new distribution center project in Hidaka City, Saitama in Apr. '21
- KIC Koshigaya Distribution Center has newly been built up in Koshigaya City, Saitama, in Oct. '21
- Expanding the vegetable plant in Tamba Sasayama City, Hyogo, in Sep. '21
- Invested in a fund that invests in group homes for the handicapped, in Aug. '21
- A group home for the handicapped has newly been built up in Utsunomiya City, Tochigi, in Sep. '21
- "Financial Institution YOM" No. 40 was published as a special issue commemorating our 40th anniversary

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

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

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

(million yen)	FY 2021 (2Q)	FY 2022 (2Q)	
	Amount	Amount	Change
Operating revenue	541	381	(29.6%)
Operating cost	313	327	4.4%
Operating gross profit	227	53	(76.4%)
SG&A expenses	544	550	1.2%
Operating income	(316)	(496)	-
Ordinary income	(335)	(538)	-
Profit attributable to owners of parent	(336)	(643)	-



### ✓ Factors for decrease in revenue:

- Proceeds of sales of listed shares with high profit margins decreased
- Revenue from selling electricity decreased due to the sale of some mega solar projects in the previous fiscal year

### ✓ 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
- Investment write-offs and provision for allowance for possible investment losses increased due to a increase in investee companies whose business conditions have deteriorated

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

	As of Mar 2021	FY 2022 (2Q)		
	Amount (million yen)	Amount (million yen)	Change	fluctuation factors (billion yen)
Total assets	14,657	<b>13,740</b>	<b>(6.3%)</b>	
Cash and deposits	3,699	↓ <b>2,015</b>	<b>(45.5%)</b>	repayments of loan (0.7), execution of investments & loans (1.4), expenses etc.(0.5), collection +0.9
Project oriented investment securities & loans	5,583	↑ <b>6,475</b>	<b>16.0%</b>	execution of investments & loans +0.9
Strategic investment securities in partner companies	1,155	↑ <b>1,483</b>	<b>28.4%</b>	execution of investments +0.4
Financial investment securities after deducting allowance for possible investment loss	3,111	↓ <b>2,974</b>	<b>(4.4%)</b>	execution of investments +0.1, distribution & collection (0.2)
Loans payable	6,950	↓ <b>6,253</b>	<b>(10.0%)</b>	repayments of loan (0.7)
Total shareholders' equity	7,338	<b>6,640</b>	<b>(9.5%)</b>	loss (0.64) unrealized gain (0.05)

- ✓ Cash and deposits temporarily decreased due to the progress of investment execution and loan repayment prior to the return on investment.
- ✓ 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 2Q of FY Mar. 2022 - Outline of results - C/F

(JPY million)	FY 2021 (2Q)	FY 2022 (2Q)
<b>Operating CF</b>	326	↓ <b>(1,232)</b>
<b>Investing CF</b>	<b>(13)</b>	<b>55</b>
<b>Financing CF</b>	<b>(697)</b>	<b>(697)</b>
<b>Change in Net CF</b>	<b>(396)</b>	<b>(1,855)</b>
<b>Cash &amp; cash equivalents at end of period</b>	2,326	<b>1,445</b>

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

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

(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2021(2Q)	FY 2022(2Q)	FY 2021(2Q)	FY 2022(2Q)	FY 2021(2Q)	FY 2022(2Q)
<b>Operating revenue</b>	541	<b>381</b>	402	<b>293</b>	139	<b>87</b>
Fund management fees etc.	82	<b>81</b>	79	<b>77</b>	3	<b>3</b>
Proceeds of sales of securities	232	<b>176</b>	232	<b>176</b>	0	<b>-</b>
Fund interests income etc.	198	<b>95</b>	85	<b>32</b>	113	<b>63</b>
Other operating revenue	26	<b>27</b>	4	<b>7</b>	22	<b>19</b>
<b>Operating cost</b>	313	<b>327</b>	239	<b>292</b>	74	<b>35</b>
Cost of securities sold	85	<b>131</b>	85	<b>131</b>	0	<b>0</b>
Investment write-offs and Provision for allowance for possible investment losses	(62)	<b>124</b>	(62)	<b>124</b>	-	<b>-</b>
Fund interests losses etc.	285	<b>66</b>	213	<b>34</b>	72	<b>31</b>
Other operating costs	3	<b>4</b>	2	<b>1</b>	1	<b>2</b>
<b>Operating gross profit</b>	227	<b>53</b>	162	<b>1</b>	64	<b>51</b>

- ✓ Private equity investment – Revenue decreased and operating gross profit decreased
  - Of operating revenue, proceeds of sales of securities decreased due to a decrease in proceeds of sales of listed shares
  - 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, investment write-offs and provision for allowance for possible investment losses, increased due to a increase in investee companies whose business conditions have deteriorated
- ✓ Project oriented investment – Revenue decreased and operating gross profit decreased
  - 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

P10

Cautionary statements

P11

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

(million yen)	Actual FY 2022(2Q)	Result forecast FY2022 (2Q) (disclosed on 14 May 2021)		Result forecast FY. 2022 (disclosed on 14 May 2021)	
	Amount	Amount	achievement ratio	Amount	Progression ratio
Operating revenue	381	700	54.4%	2,950	12.9%
Operating cost	327	360	90.9%	1,320	24.8%
Operating gross profit	53	340	15.8%	1,630	3.3%
SG&A expenses	550	560	98.3%	1,120	49.2%
Operating income	(496)	(220)	-	510	-
Ordinary income	(538)	(250)	-	430	-
Profit attributable to owners of parent	(643)	(250)	-	340	-

- Full-year earnings forecasts remain unchanged. The downside from the plan in the first half is expected to be offset by the upside in capital gains in the second half.
- The achievement ratio of operating revenue in the first half was 54.4% and the deficit in the first half exceeded the plan by about 0.4 billion yen.
- In the first half, the expected sale of unlisted shares was delayed from the next fiscal year onward, and extraordinary losses from the fund operated by the third party was incurred outside the forecast.
- In the second half, capital gains are expected to increase due to IPOs of domestic investees that are not expected at the beginning of the term. The sale of projects such as mega solar is also expected as planned at the beginning of the term.

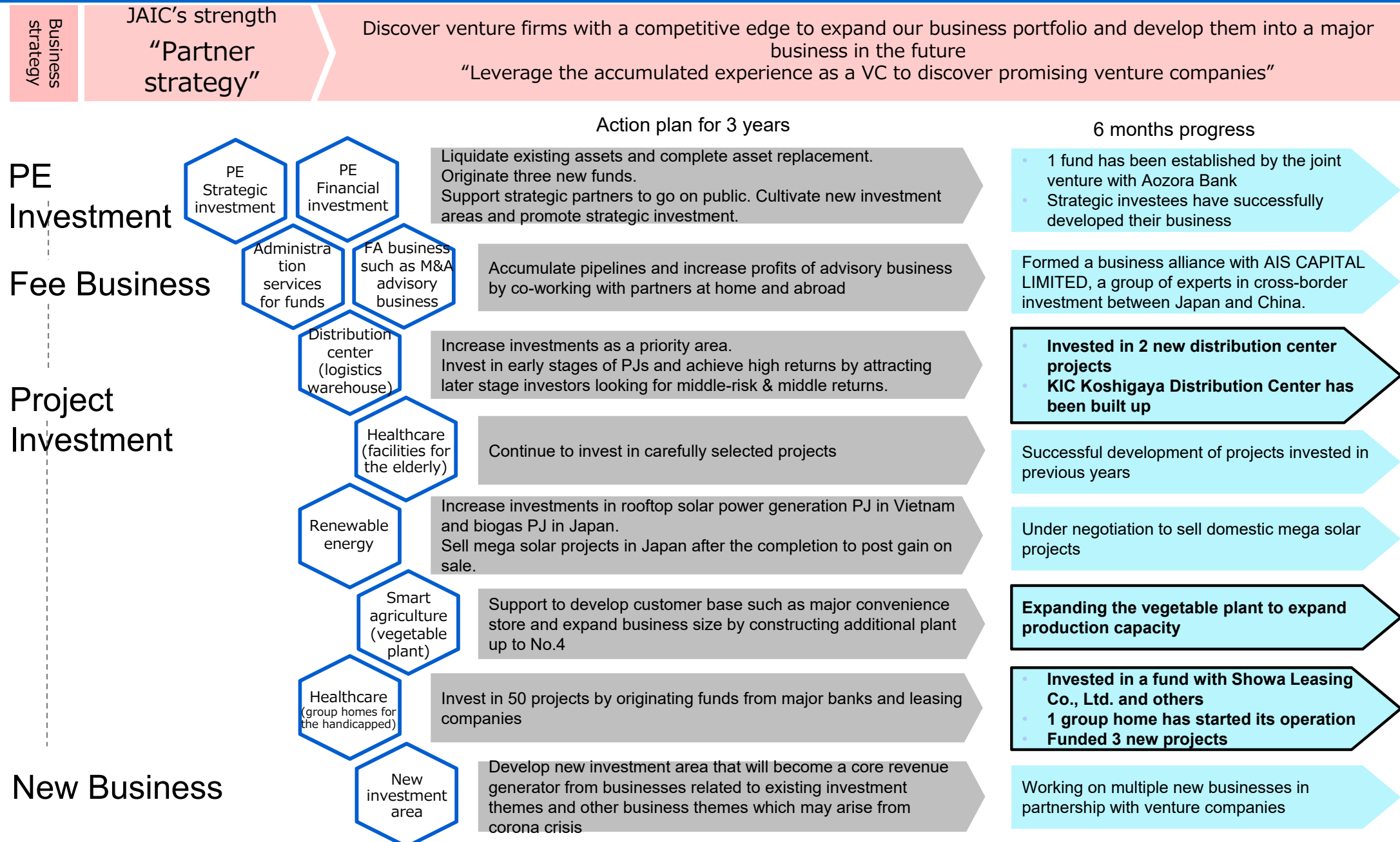
### 3. Result forecasts for FY Mar. 2022- Cautionary statements

- ✓ 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 plan progress report

Outline	P13
Distribution centre project	P14
Smart agriculture project	P16
Healthcare project, group home for the handicapped	P17
The 40th anniversary of establishment	P19

# 4. Business plan progress report – Outline





## KIC Sayamahidaka Distribution Center



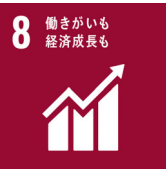
**Partner company:**  
**KIC Holdings**

Location	Hidaka 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





# 4. Business plan progress report - Distribution center - Completion



**Partner company:  
KIC Holdings**

## KIC Koshigaya Distribution Center has been built up [Oct. '21]



- ✓ KIC Holdings has improved the land with poor roads by its development capabilities and remade the distribution center into a convenient location with convenient transportation.
- ✓ This facility is a low environmental load distribution center equipped with a combined power supply system, and 60% of the power used by the facility is covered by sunlight.

Location	Koshigaya City, Saitama
Access	<ul style="list-style-type: none"> <li>• approximately 6km from TOHOKU Expressway Urawa IC</li> <li>• approximately 10 minutes on foot from TOBU SKYTREE Line Oobukuro station</li> </ul>
Total floor space	11,250m <sup>2</sup> , 4 floors above ground





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



Partner company:  
Morihsa Engineering



Front: 2nd factory (expansion part), back: 1st factory (existing part)

Outline of the first plant (existing part)	
Operation	Started in Mar. 2019
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)



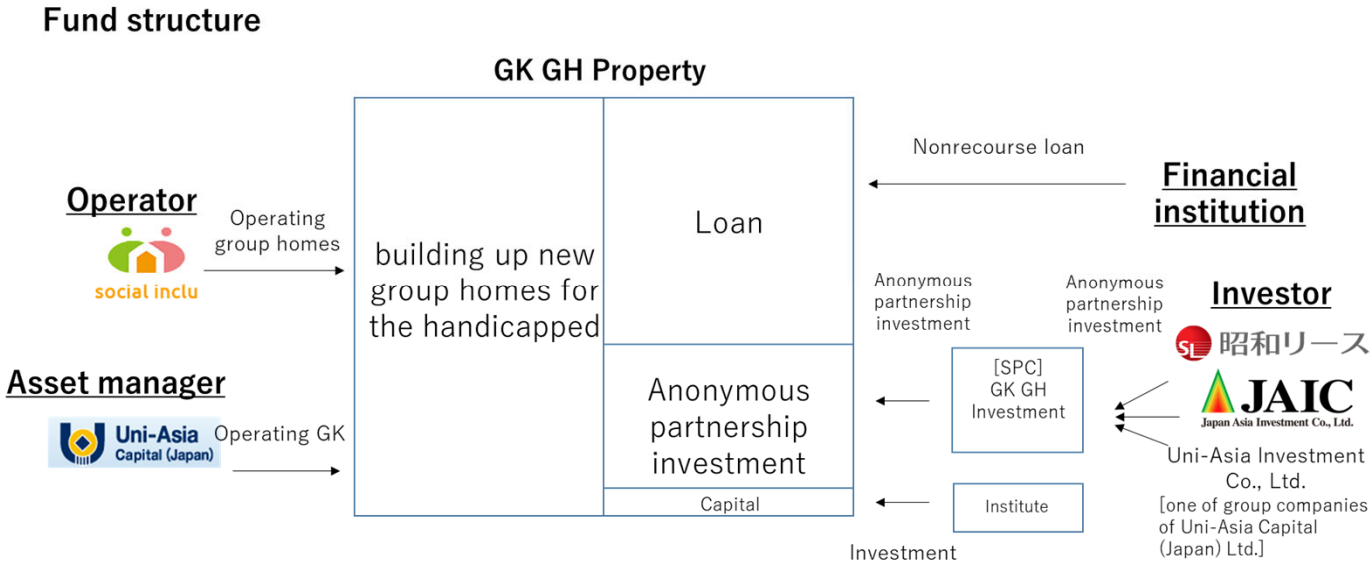
# 4. Business plan progress report - Group home for the handicapped – New fund



## Executed anonymous partnership investment with Showa Leasing Co., Ltd and Uni-Asia Investment Co., Ltd to support business development of our strategic investee, Social Inclu



Partner company:  
Social Inclu



Name of fund	GK GH Property
Anonymous partnership investor	GK GH Investment [Anonymous partnership investors; Showa Leasing Co., Ltd., Uni-Asia investment Co., Ltd. and JAIC]
Operator of group homes	Social Inclu
Investment target	24-hours support service type group homes for the handicapped such as Social Inclu Home Funabashi Kanasugi, Social Inclu Home Atami Midorigaoka and others



# 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	24-hours support service type
Operation	Started in Sep. 2021

# 4. Business plan progress report – 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/>

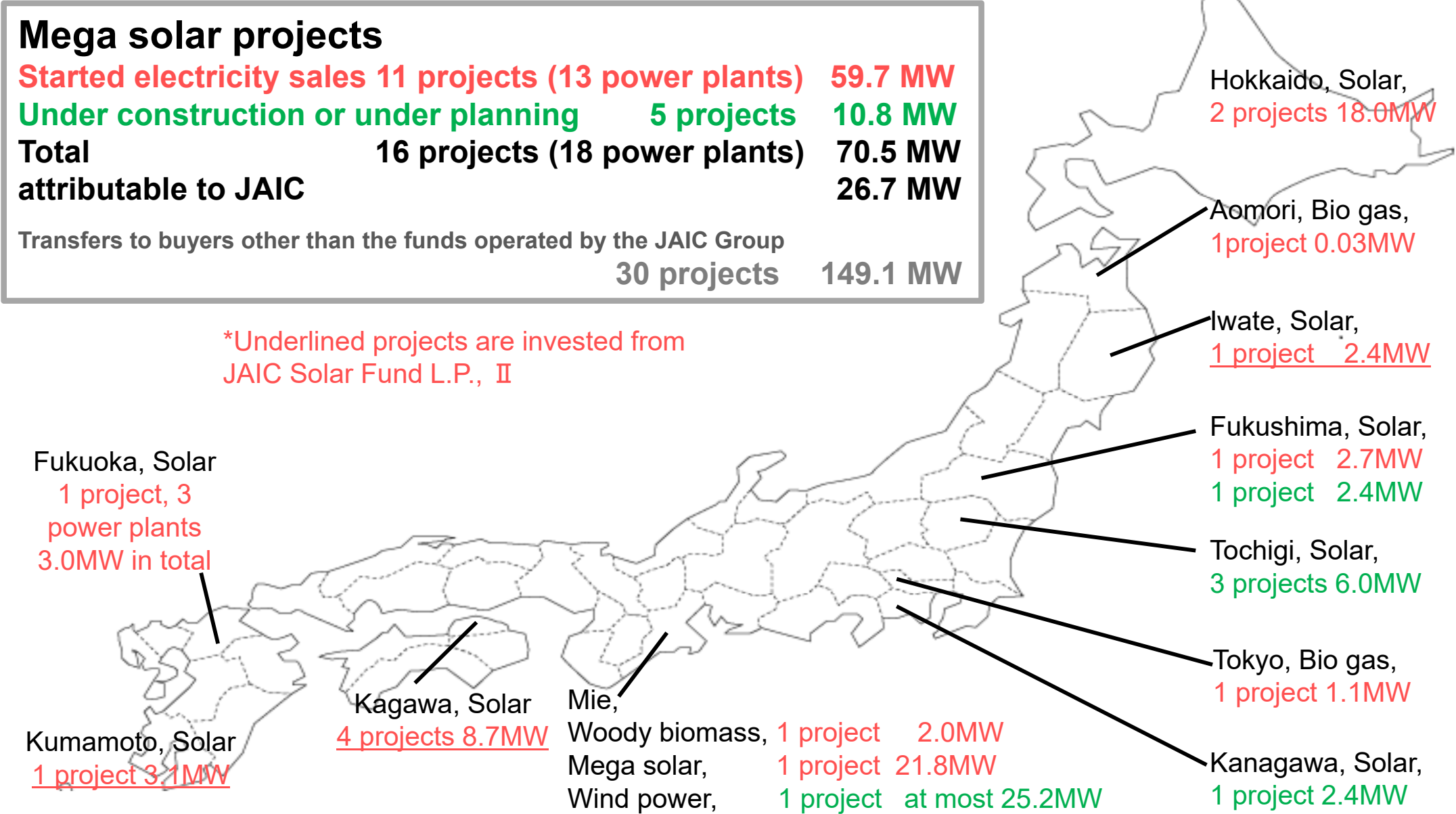
Renewable energy projects	P21
List of project oriented investments	P22
Strategic investment	P25
Asia network	P26
Funds & investment activities	P27
Business results & financial position	P28
Break down of operating revenue & operating cost	P29
Business field	P30
Core competence	P31
Profit structure	P32
Efforts for SDGs	P34
Company data	P35



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

<b>Mega solar projects</b>		
<b>Started electricity sales</b>	<b>11 projects (13 power plants)</b>	<b>59.7 MW</b>
<b>Under construction or under planning</b>	<b>5 projects</b>	<b>10.8 MW</b>
<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		
	<b>30 projects</b>	<b>149.1 MW</b>

\*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 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	Nomaie 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 September 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 September 2021)

Type of project	No.	Location	Project scale	Current status
Vegetable plant		Tamba Sasayama City, Hyogo	Annual production: 470 tons in total	Existing part: started operation in Mar. 2019 Expansion part: full-scale operation scheduled for December 2021
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		Started operations in Sep. 2021
	3	Hiroshima City, Hiroshima		Started operation in Aug. 2020
	4	Kazo City, Saitama		Under construction or Under planning
	5	Koga City, Ibaragi		
	6	Tatebayashi City, Gunma		
	7	Kawagoe City, Saitama		
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 [completed in Oct. 2021]
	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	Undecided	Under construction or Under planning
	4	Hidaka City, Saitama	Total floor area 15,123 m <sup>2</sup> , 4 stories above ground	Under construction or Under planning
	5	Non-disclosed	Non-disclosed	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



### **Morihiisa Engineering Co., Ltd.**

**Morvel Farm** (subsidiary of Morihiisa 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

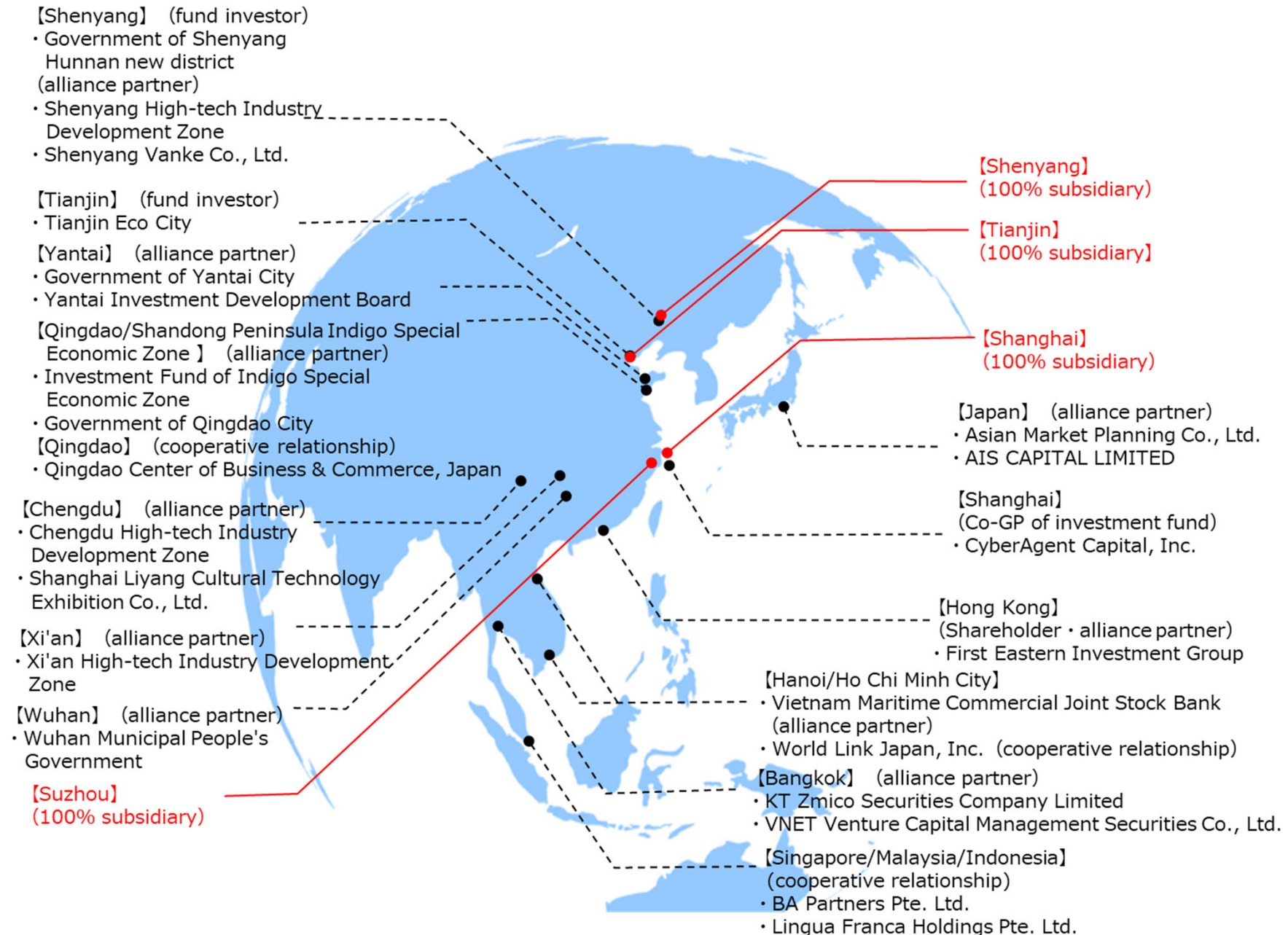


### **KIC Holdings Inc.**

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(2Q)	22/3(2Q)
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	17,567	15,884
AUM of funds - JAIC *1	9,427	5,867	5,344	5,163	5,434	5,239	4,716
New investnmts (Total)*2	4,315	3,887	3,749	3,374	1,767	654	2,214
Balance of investments (Total)*2	16,558	13,981	13,951	15,101	12,855	14,585	14,741
New investnmts (project oriented investment)*2	3,184	2,681	3,612	2,150	1,445	495	932
Balance of investments (project oriented investment)*2	4,576	3,582	5,514	6,696	6,088	6,209	6,986
New investnmts (private equity)*2	1,131	1,205	136	1,224	322	158	1,282
Balance of investments (private Equity)*2	11,981	10,398	8,437	8,405	6,767	8,375	7,754

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)



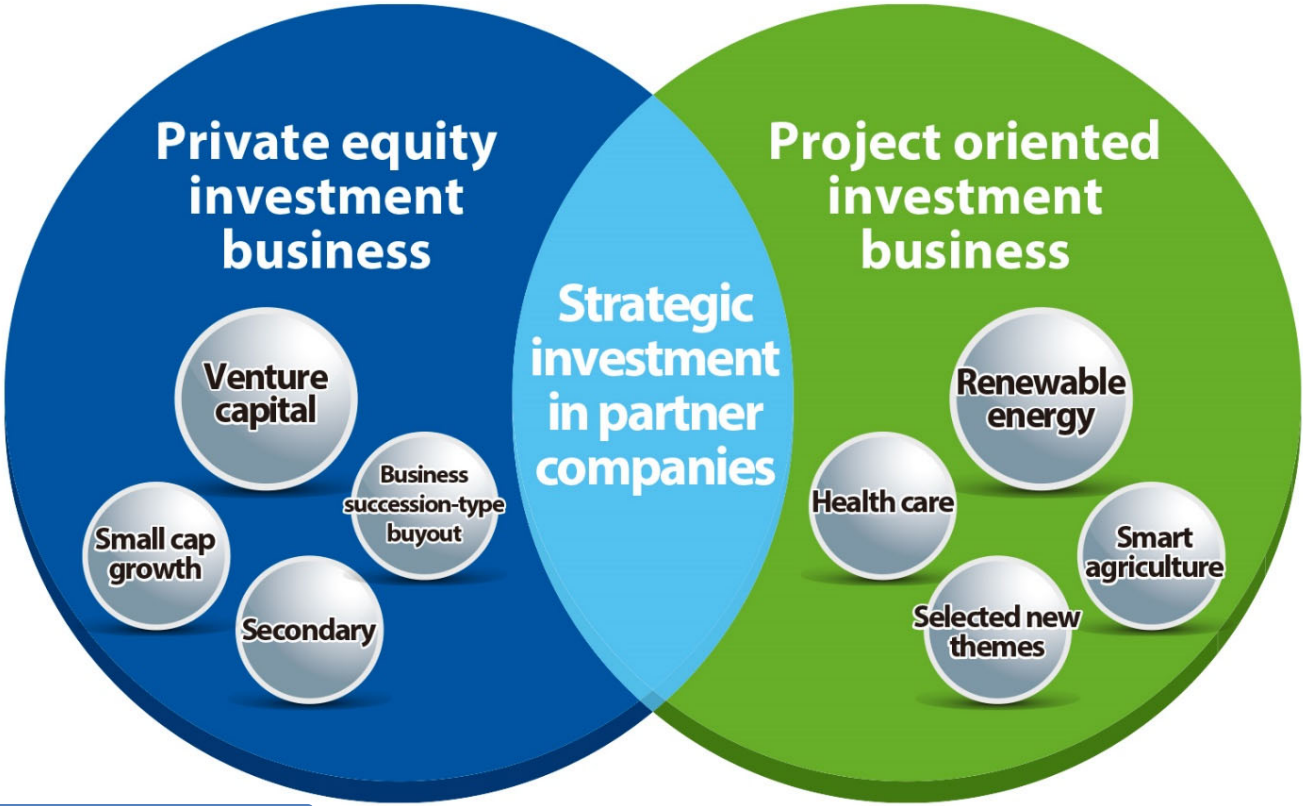
(JPY million)	17/3	18/3	19/3	20/3	21/3	21/3(2Q)	22/3(2Q)
<b>Business results</b>							
Operating revenues	3,926	5,403	2,475	2,760	3,089	541	381
Operating gross profit	2,176	2,328	1,286	1,359	1,301	227	53
SG&A expenses	1,339	1,311	1,109	1,094	1,086	544	550
Operating income	836	1,017	177	265	214	(316)	(496)
Ordinary income	726	954	83	140	173	(335)	(538)
Net income	553	874	578	302	144	(336)	(643)
<b>Financial position</b>							
Cash and deposits	6,213	7,308	5,564	3,920	3,699	3,515	2,015
Operational investment securities and operating loans of project oriented investment	4,081	3,582	5,514	5,437	5,583	4,915	6,475
Operational investment securities of strategic investment in partner companies	100	373	373	1,005	1,155	1,155	1,483
Operational investment securities of financial investment after deducting allowance for possible investment loss	7,256	5,657	4,765	4,282	3,111	3,926	2,974
Loans payable, bonds & bonds with subscription rights to shares	14,128	11,954	9,784	8,166	6,950	7,469	6,253
Total shareholders' equity	5,686	6,545	6,840	7,223	7,338	6,732	6,640
Total assets	20,305	19,220	17,305	15,800	14,657	14,580	13,740

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



(JPY:million)	17/3	18/3	19/3	20/3	21/3	21/3(2Q)	22/3(2Q)	Change(%)
<b>1. Fund management operation</b>								
<i>Fund management fees and others</i>	364	277	241	199	169	82	81	(1.8%)
<i>Success Fees</i>	101	86	-	-	-	-	-	-
Operating revenue	466	364	241	199	169	82	81	(1.8%)
Operating cost	-	-	-	-	-	-	-	-
Operating gross profit	466	364	241	199	169	82	81	(1.8%)
<b>2. Investment operation</b>								
<i>Proceeds of sales of securities (A)</i>	2,275	3,219	1,746	2,349	2,221	232	176	(24.3%)
<i>Fund interests income etc.</i>	1,159	1,677	429	172	648	198	95	(51.7%)
Operating revenue	3,434	4,897	2,176	2,521	2,870	431	272	(36.9%)
<i>Cost of securities sold (B)</i>	1,423	2,469	554	965	1,249	85	131	53.1%
<i>Investment write-offs and Provision for allowance for possible investment losses (C)</i>	274	562	579	245	194	(62)	124	-
<i>Fund interests losses etc.</i>	46	36	49	184	336	285	66	(76.7%)
Operating cost	1,744	3,069	1,182	1,395	1,780	309	322	4.2%
Operating gross profit	1,690	1,827	993	1,125	1,090	122	(50)	-
<b>3. Others</b>								
Operating revenue	25	142	57	40	49	26	27	2.5%
Operating cost	6	5	6	5	7	3	4	26.1%
Operating gross profit	19	136	51	34	41	23	22	(1.3%)
<b>Total</b>								
<b>Operating revenues</b>	3,926	5,403	2,475	2,760	3,089	541	381	(29.6%)
<b>Operating cost</b>	1,750	3,074	1,188	1,401	1,788	313	327	4.4%
<b>Operating gross profit</b>	2,176	2,328	1,286	1,359	1,301	227	53	(76.4%)

# 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

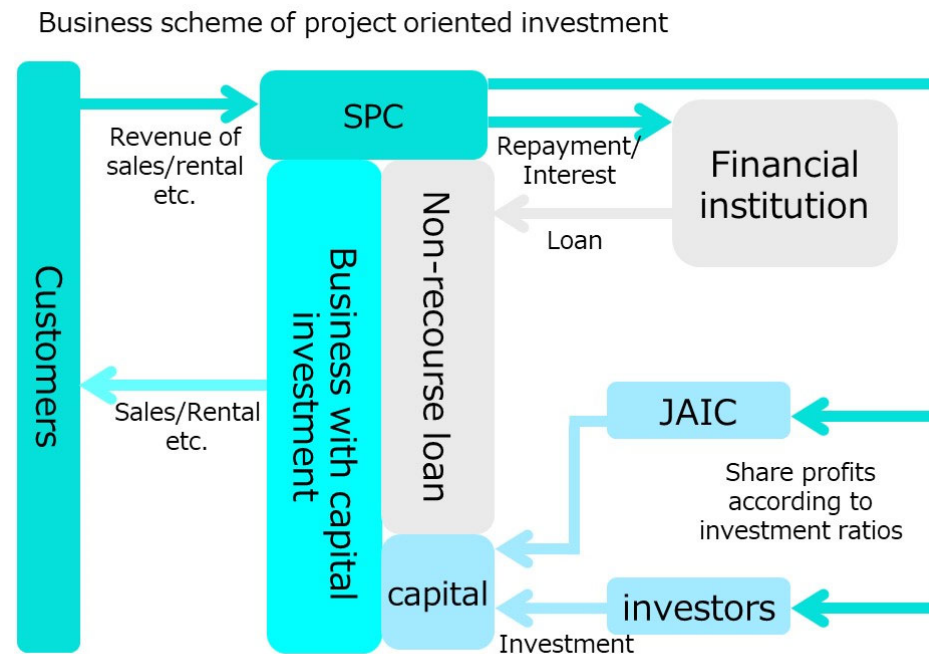
JAIC has track record of leading more than 300 invested venture companies to “Going Public”. Through the long time investment activities, JAIC enjoys close relationship with wide range of venture companies. Based on this intangible asset, JAIC is utilizing the network to create value for invested companies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

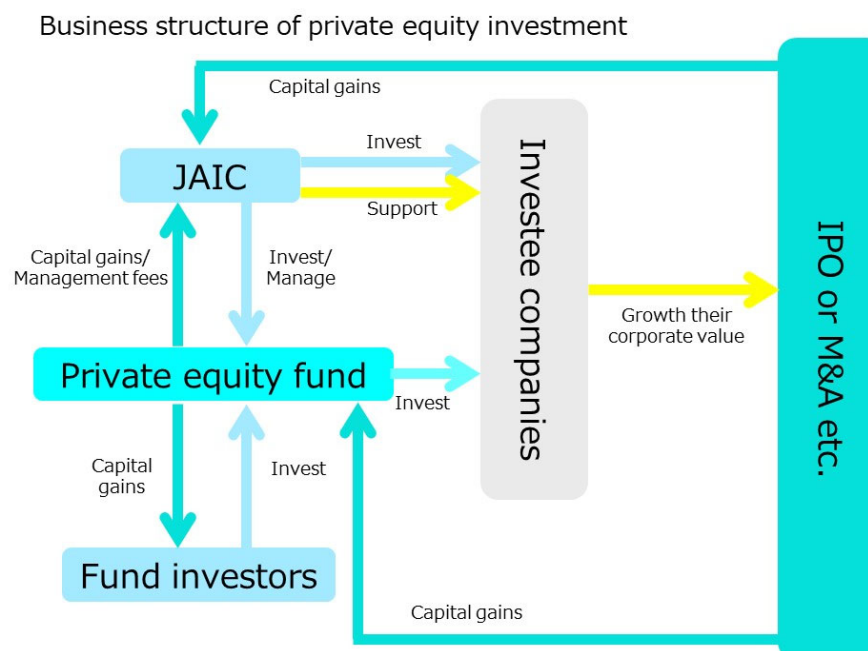
## 5. Appendix - Profit structure – Project oriented investment



- 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.



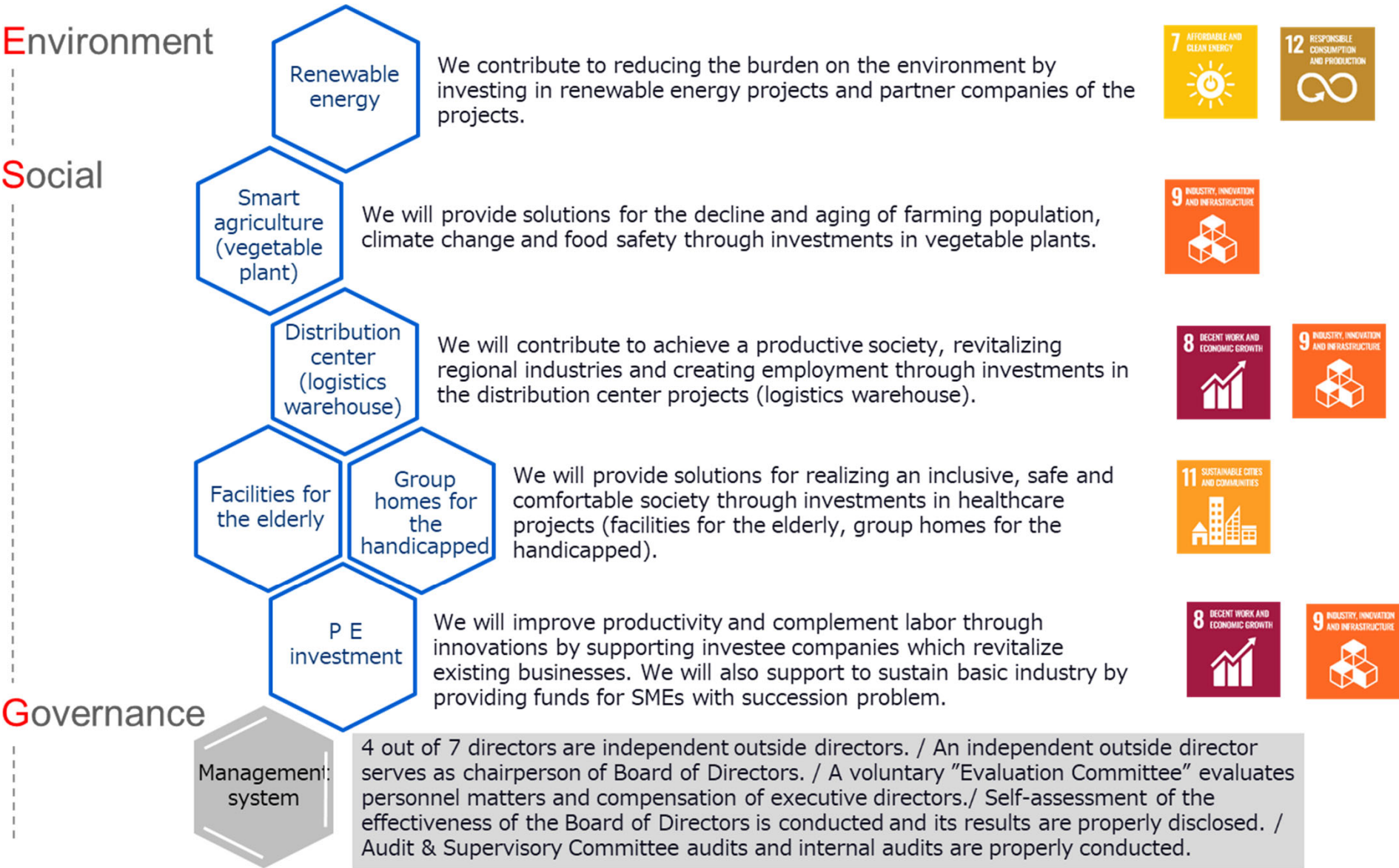
## 5. Appendix - Profit structure – Private equity investment



- 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 September 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	39 (Consolidated) /20 (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.