

Financial Results Overview for the Year Ended March 31, 2022

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

Announcement date : May 13, 2022

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

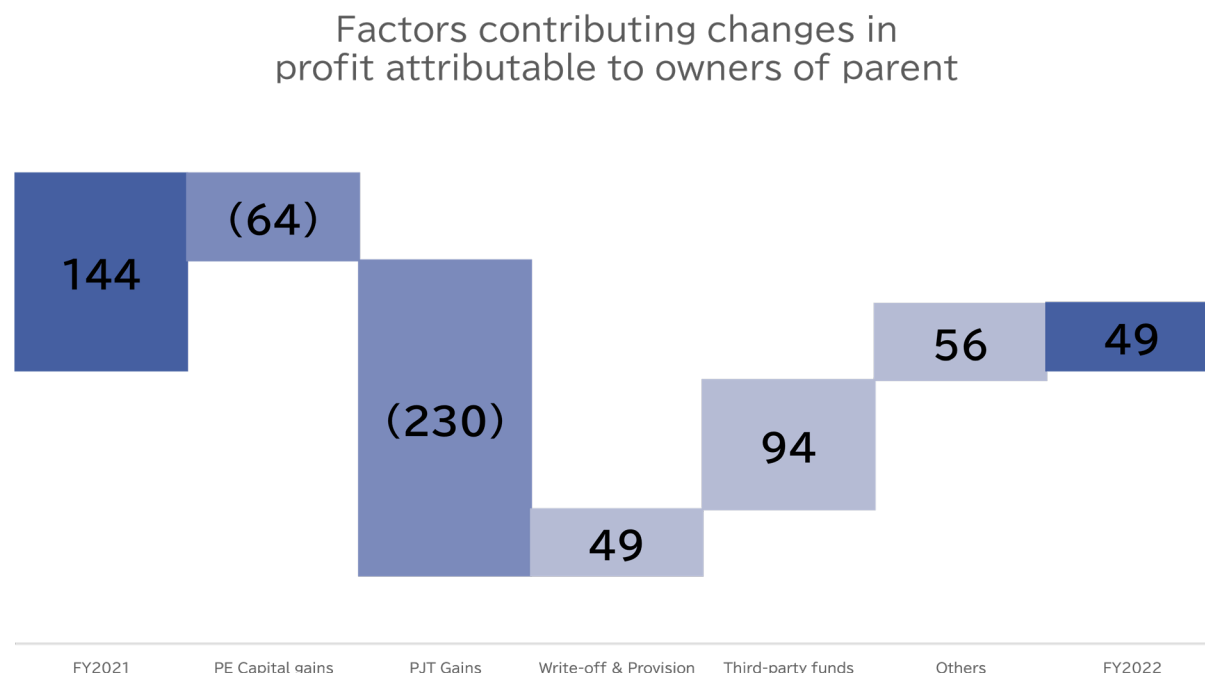
1. Summary

- ✓ Results for FY Mar. 2022 (year-on-year)
 - Operating revenue of ¥ 2,409 million (down, 22.0 % year on year) and profit attributable to owners of parent of ¥ 49 million (down, 66.0 % year on year).
 - Proceeds of sales of unlisted shares and profit from project oriented investments decreased.
- ✓ Business plan progress report
 - Progression ratio of the numerical plan remained at a low level due to the downturn in capital gains. The progression ratio of operating revenue was 81.7% and that of profit attributable to owners of parent was 14.5%.
 - It is steady that the progress of the action plan such as the first IPO from strategic investment companies, a strong development of distribution center projects, an expansion of the vegetable plant, an increase in new projects of group home for the handicapped and the investment in entertainment contents as a development in new investment area.
- ✓ Result forecasts for FY 2023
 - Reflecting a recovery of capital gains from private equity investments in Japan, expecting operating revenue increased to ¥ 3,000 million (up, 24.5 % year on year) and expecting profit attributable to owners of parent increased to ¥ 550 million (up, 1,017.2 % year on year).
 - Unlike FY Mar. 2022, in addition to IPOs during the fiscal year, capital gains from the shares that have already achieved IPO are expected due to sales of the shares when their lockup period will end. Therefore, compared to FY Mar. 2022, it is expected that an increase in capital gains on the sale of shares and a reduction in downside risk of the capital gains.
 - Capital gains are expected from sales of 4 projects such as distribution center project, health care project and other project.
 - Most of the profits are expected to be generated in the second quarter.

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

(million yen)	FY 2021	FY 2022	
	Amount	Amount	Change
Operating revenue	3,089	2,409	(22.0%)
Operating cost	1,788	1,133	(36.6%)
Operating gross profit	1,301	1,276	(1.9%)
SG&A expenses	1,086	1,189	9.5%
Operating income	214	86	(59.7%)
Ordinary income	173	61	(64.6%)
Profit attributable to owners of parent	144	49	(66.0%)



- ✓ Proceeds of sales of shares and capital gains of shares decreased due to smaller deal size of unlisted shares sold.
- ✓ Capital gains from projects decreased due to the sale of a project was limited to a partial sale.
Revenue from selling electricity also decreased due to the sale of some mega solar projects those are selling electricity in the previous fiscal year.
- ✓ The reduction in losses contributed to profits. Investment write-offs and provision, and losses from funds operated by third decreased.
- ✓ Other items contributed to profits in total of ¥56 million. SG&A increased due to provision of allowance for doubtful accounts and increase of labor costs. In other hand, foreign exchange gains and gain on sale of investment securities increased.

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

	FY 2021	FY 2022		
	Amount (million yen)	Amount (million yen)	Change	fluctuation factors (billion yen)
Total assets	14,657	14,972	2.1%	
Cash and deposits	3,699	2,740	(25.9%)	repayments of loan (1.0), execution of investments & loans (2.6), expenses etc.(0.9), collection +3.6
Project oriented investment securities & loans	5,583	↗ 6,781	21.5%	execution of investments & loans +2.0, fund interests income +0.3, distribution & collection (1.1)
Strategic investment securities in partner companies	1,155	↗ 1,783	54.4%	execution of investments +0.3, unrealized gain +0.3
Financial investment securities after deducting allowance for possible investment loss	3,111	3,029	(2.7%)	execution of investments +0.4, distribution & collection (0.5)
Loans payable	6,950	↘ 5,943	(14.5%)	repayments of loan (1.0)
Total shareholders' equity	7,338	7,779	6.0%	profit (0.04) unrealized gain +0.4

- ✓ 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.
- ✓ Cash and deposits decreased due to progress in execution of investments and loans.

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

(JPY million)	FY 2021	FY 2022
Operating CF	1,728	↓ (145)
Investing CF	61	212
Financing CF	(1,216)	(1,007)
Change in Net CF	577	(903)
Cash & cash equivalents at end of period	3,301	2,397

✓ Operating CF turned negative as investment and loan execution progressed.

2. Results for FY Mar. 2022

- Break down of operating revenue & operating cost

(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
Operating revenue	3,089	2,409	1,638	↓ 1,235	1,451	↓ 1,174
Fund management fees etc.	169	154	162	146	7	7
Proceeds of sales of securities	2,221	1,573	1,341	↓ 915	880	↓ 657
Fund interests income etc.	648	631	126	162	522	↓ 469
Other operating revenue	49	50	8	10	41	40
Operating cost	1,788	1,133	1,090	483	697	650
Cost of securities sold	1,249	810	662	↓ 300	587	509
Investment write-offs and Provision for allowance for possible investment losses	194	145	194	145	-	-
Fund interests losses etc.	336	167	229	↓ 33	106	134
Other operating costs	7	10	4	3	3	7
Operating gross profit	1,301	1,276	547	↑ 752	753	↓ 523

- ✓ Private equity investment – Revenue decreased and operating gross profit increased
 - Of operating revenue, proceeds of sales of securities decreased due to smaller deal size of unlisted shares sold
 - Of operating cost, cost of securities sold decreased due to higher profit margins of listed shares sold
 - Of operating cost, fund interests losses etc. decreased due to a decrease in losses from funds operated by third parties
- ✓ Project oriented investment – Revenue decreased and operating gross profit decreased
 - Of operating revenue, proceeds of sales of securities decreased due to the sale of a project was limited to a partial sale. 1 mega solar project and part of 1 distribution warehouse project were sold in FY Mar. 2022 compared to 2 mega solar projects were sold in last year.
 - Of operating revenue, fund interests income etc., decreased due to the sale of some mega solar projects those are selling electricity in the previous fiscal year

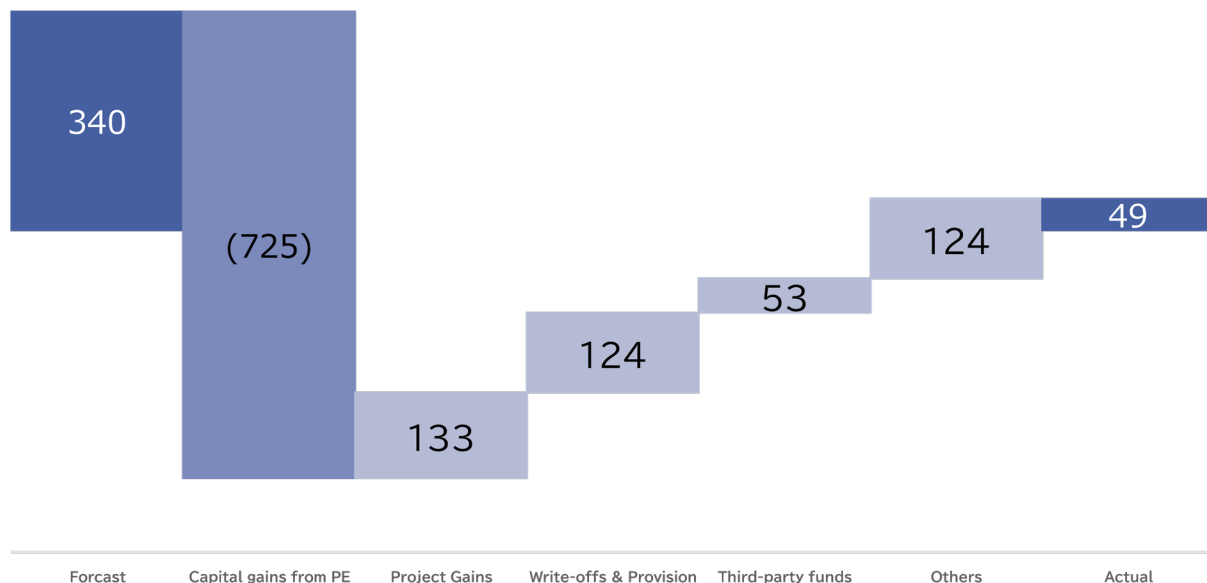
3. Business plan progress report

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3. Business plan progress report - Numerical plan

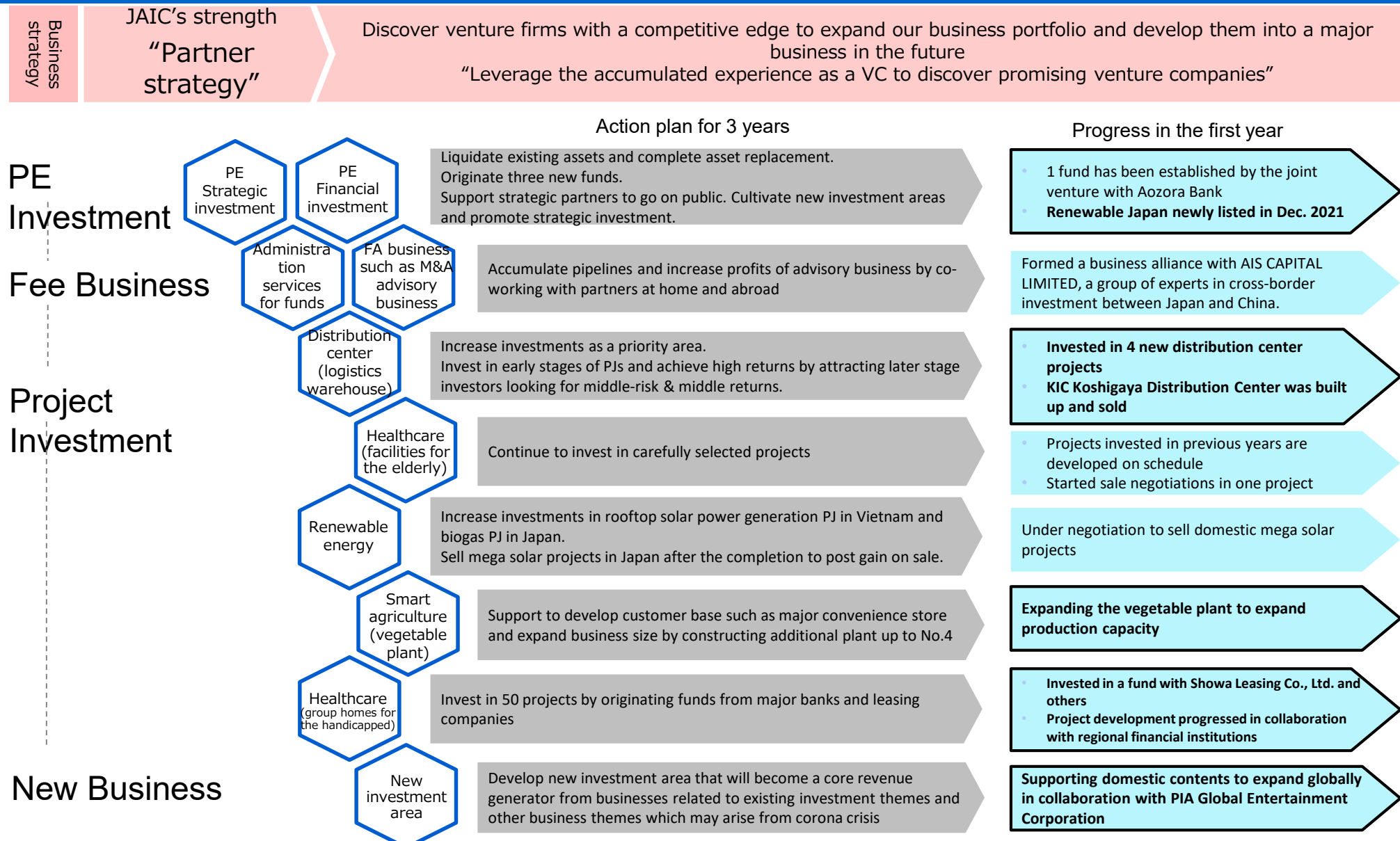
(million yen)	Actual FY 2022	Result forecast FY. 2022 (disclosed on 14 May 2021)	
	Amount	Amount	Progression ratio
Operating revenue	2,409	2,950	81.7%
Operating cost	1,133	1,320	85.9%
Operating gross profit	1,276	1,630	78.3%
SG&A expenses	1,189	1,120	106.2%
Operating income	86	510	16.9%
Ordinary income	61	430	14.3%
Profit attributable to owners of parent	49	340	14.5%

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



- ✓ Progression ratio of the numerical plan remained at a low level due to the downturn in capital gains from private equity investments.
- ✓ Sales of listed shares didn't reach the target because share prices of some shares were lower than expected and couldn't reach the conditions for unlocking lockup.
- ✓ Sales of unlisted shares also didn't reach the target because some sale negotiations lasted longer than expected and didn't reach the agreement by the end of the term.

3. Business plan progress report - Action plan



3. Business plan progress report - IPOs



WonderPlanet Inc.
10 Jun. 2021
TSE Mothers(4199)
https://wonderpla.net/en/



Last One Mile Co., Ltd.
24 Nov. 2021
TSE Mothers(9252)
https://lomgrp.co.jp/



The 1st IPO
from
strategic
investees.

Renewable Japan Co., Ltd.
22 Dec. 2021
TSE Mothers(9522)
https://www.rn-j.com/en/



TORICO Co., Ltd.
23 Mar. 2022
TSE Mothers(7138)
https://www.torico-corp.com/

- ✓ 4 investee companies newly listed
- ✓ Renewable Japan is the first newly listed company from among the seven strategic investees.
- ✓ This is the result of “strategic investment,” which we have been focusing on in recent years to actively support project investment partner companies through collaboration in projects.

3. Business plan progress report - Distribution warehouse - New investment



Strategic investee: KIC Holdings Inc.

KIC Sayamahidaka Distribution Center



Location	Hidaka City, Saitama
Access	approximately 0.5km from the Ken-O Expressway "Sayamahidaka IC", approximately 4.8km from Seibu Shinjuku Line "Sayama City" Station
Outline of warehouse	Total floor space: 15,113㎡, 4 floors above ground
Investment	Jan. 2021
Completion	Apr. 2022

KIC Akiruno Distribution Center



Location	Akiruno City, Tokyo
Access	approximately 4.6km from the Chuo Expressway "Hachioji IC", approximately 3.8km from the Kin-O Express way "Akiruno IC", approximately 1.5km from National highway No. 16 "Musashinohashi Minami Intersection", approximately 1.7km from JR East and Seibu Line "Haijima" Station
Outline of warehouse (Scheduled)	Total floor space: 25,804㎡, 4 floors above ground
Investment	Mar. 2022
Completion(Scheduled)	Dec. 2023

✓ Invested in 4 projects in FY Mar. 2022 and "Sayamhidaka" project has been built up in Apr. 2022.

3. Business plan progress report - Distribution warehouse – Capital gains



KIC Koshigaya Distribution Center was built up in Oct. 2021 and was sold in Mar. 2022



- ✓ 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"> • approximately 6km from TOHOKU Expressway Urawa IC • approximately 10 minutes on foot from TOBU SKYTREE Line Oobukuro station
Total floor space	11,212m², 4 floors above ground



3. Business plan progress report - Smart agriculture - Expansion of vegetable plant



Expanding Tamba Sasayama Plant, which grows leaf lettuce, aiming to expand production capacity 2.3 times



Strategic investee:
Morihi
Engineering



Front: 2nd plant (expansion part), back: 1st plant (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)	
Operation	Started in Dec. 2021 Full-scale operation is scheduled for June 2022
Plant type	Completely closed
Crops	Leaf lettuce
Production	Approx. 270 tons p.a.

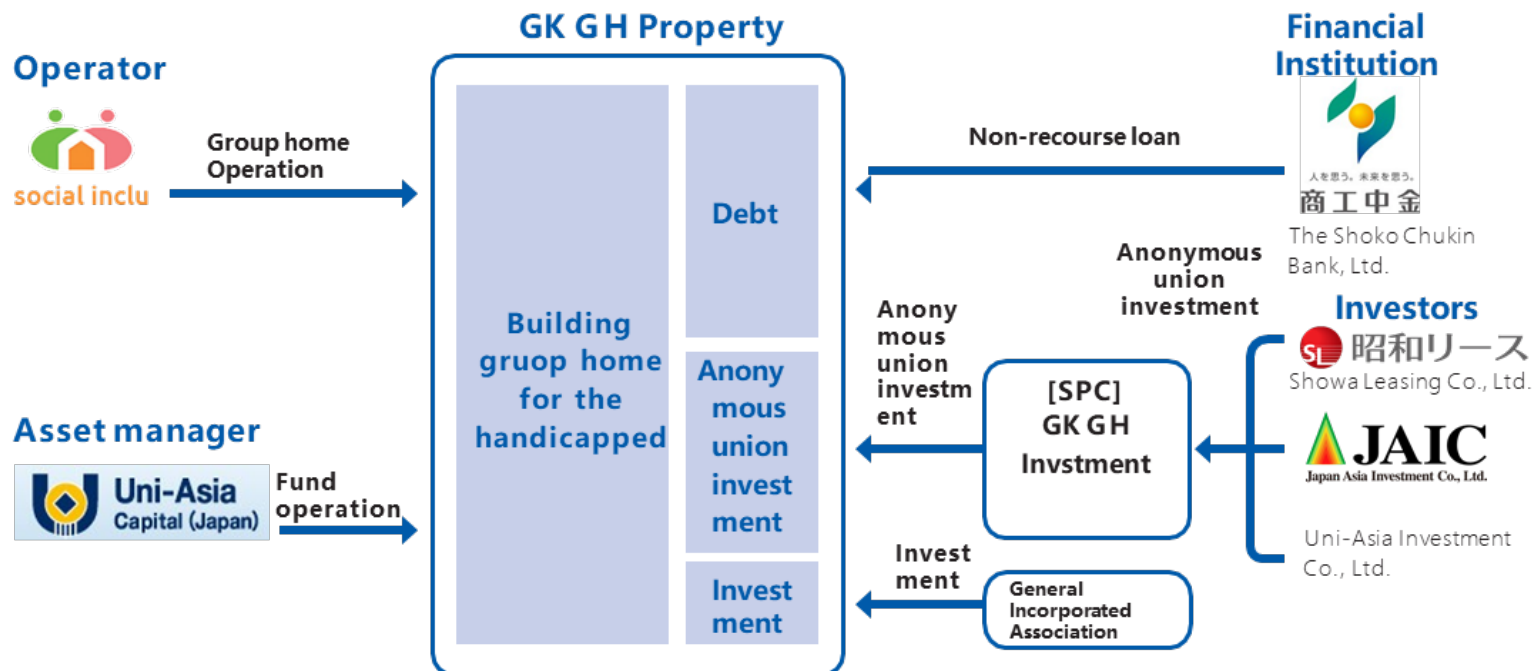
3. Business report – Group home for the handicapped – Investment Fund



“GK GH Property”, a fund that develops and operates group homes for the handicapped



Strategic
investee:
Social
Inclu



- ✓ In August 2021, we invested in “GK GH Property”, a fund that develops and operates group homes for the handicapped. Showa Leasing Co., Ltd. and Uni-Asia Investment Co., Ltd. also invested in the fund.
- ✓ In November 2021, The Shoko Chukin Bank, Ltd. opened a loan facility for real estate non-recourse loan.

3. Business plan progress report - Group home for the handicapped – Built up Project

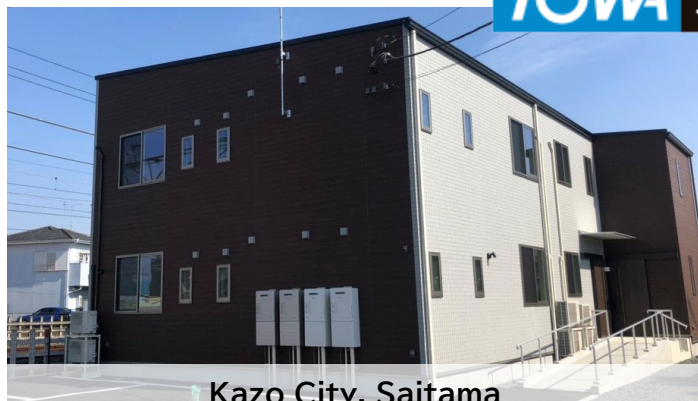


Project development has accelerated by strengthening cooperation with regional financial institutions

ふれあいバンク



Utsunomiya City, Tochigi



Kazo City, Saitama



Koga City, Ibaragi



Tatebayashi City, Gunma



Sano City, Tochigi

- ✓ By strengthening cooperation with regional financial institutions, the speed of project development has accelerated and the target area has expanded. 5 group homes were built up in FY Mar. 2022.
- ✓ Social Inclu, our partner company of group home for the handicapped business, operates these group homes.
- ✓ We have also invested in Social Inclu and have proactively supported its growth through developing projects.

3. Business plan progress report – New investment area



Collaboration with PIA Global Entertainment Corporation, we support domestic contents those are expanding globally, mainly in Asia.

Through PIA Corporation, participated in the investment in "NAKED FLOWERS FOR YOU", an experiential art exhibition that goes around with all five senses, which is the first permanent installation in Tokyo.



Going forward, we plan to collaborate with PIA Global Entertainment Corporation, a wholly owned subsidiary of PIA Corporation, which is responsible for overseas business of PIA Group, to support domestic contents those are expanding globally, mainly in Asia.



Company name	PIA Global Entertainment Corporation
CEO	President & CEO Mamoru SHIRAI
URL	https://pge.jp/en/#about
Shareholder	PIA Corporation(100%)

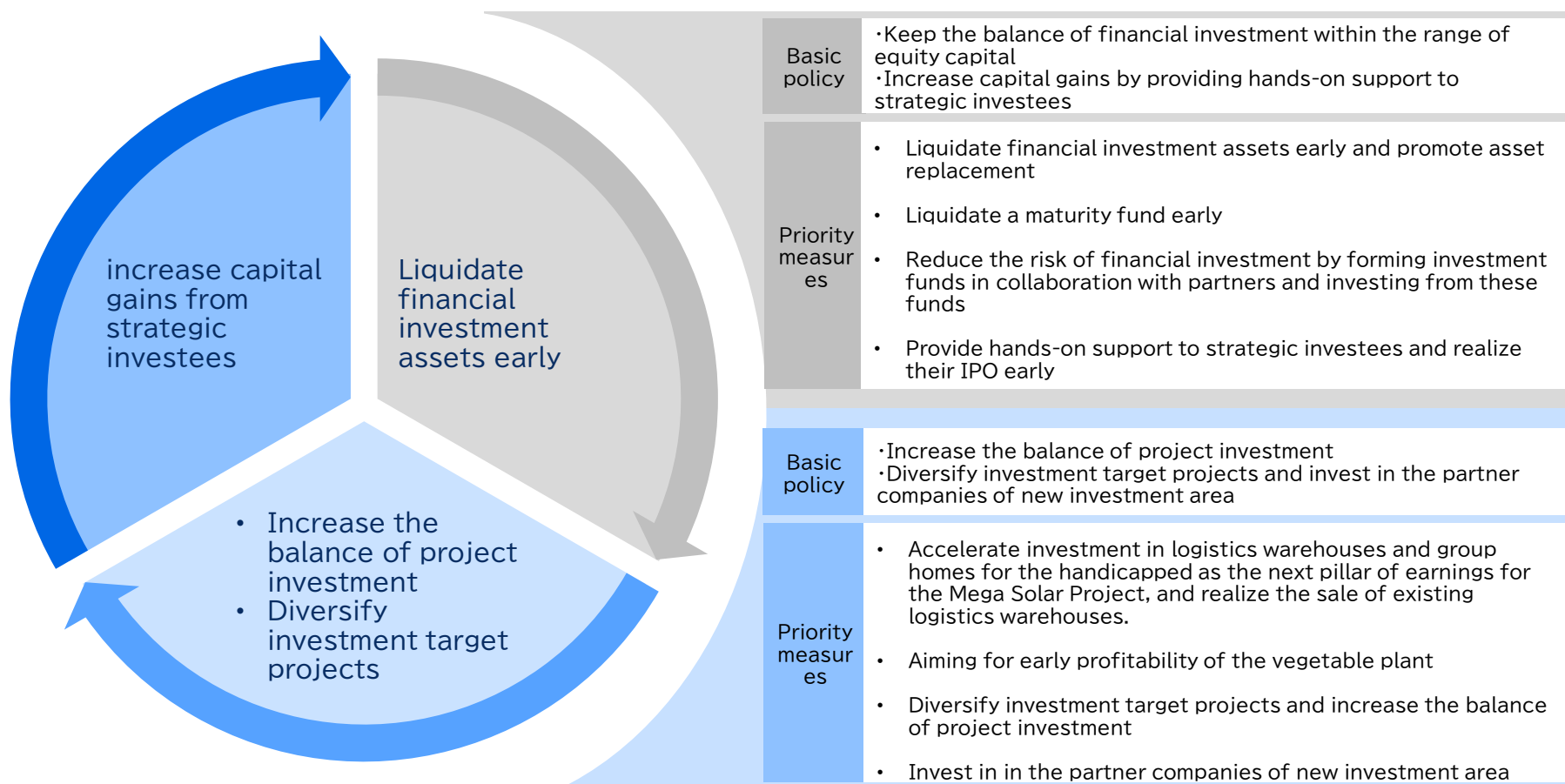
4. Result forecasts for FY Mar. 2023

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4. Result forecasts for FY Mar. 2023 - Business policy

Business Policy

- ✓ Secure profits and funds by selling existing financial investment assets
- ✓ Increase the balance of project investment based on the new investment policy
- ✓ Establish a hands-on investment style through collaboration in project investment and increase capital gains from strategic investees



4. Result forecasts for FY Mar. 2023 - Breakdown of result forecast

(million yen)	Actual FY 2022	Result forecast FY2023	Change	Result forecast FY2023(2Q)
Operating revenue	2,409	3,000	24.5%	1,950
Operating cost	1,133	1,050	(7.4%)	600
Operating gross profit	1,276	1,950	52.8%	1,350
SG&A expenses	1,189	1,200	0.9%	570
Operating income	86	750	768.7%	780
Ordinary income	61	650	954.8%	730
Profit attributable to owners of parent	49	550	1,017.2%	600
ROE	0.7%	6.3%	-	-

Break down of operating revenue

Proceeds of sales of IPOs & listed shares	1,470
Proceeds of sales of unlisted shares	550
Gains from project oriented investments	610
Gains from funds operated by third parties	130
Management fees	130
Others	110

Break down of operating cost

Cost of IPOs & listed shares sold	270
Cost of unlisted shares sold	410
Write-offs & Provision	260
Cost from project oriented investments	100
Others	10

- Reflecting a recovery of capital gains from private equity investments in Japan, we aim to achieve the profit plan for the second year of the medium-term management plan.
- Expecting operating revenue increased to ¥ 3,000 million (up, 24.5 % year on year) and expecting profit attributable to owners of parent increased to ¥ 550 million (up, 1,017.2 % year on year).
- Unlike FY Mar. 2022, in addition to IPOs during the fiscal year, capital gains from the shares that have already achieved IPO are expected due to sales of the shares when their lockup period will end. Therefore, compared to FY Mar. 2022, it is expected that an increase in capital gains on the sale of shares and a reduction in downside risk of the capital gains.
- Capital gains are expected from sales of 4 projects such as distribution warehouse, health care and other project.
- Most of the profits are expected to be generated in the second quarter.

4. Result forecasts for FY Mar. 2023 - 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.

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5. Appendix - Renewable energy projects as of Mar. 31, 2022

Mega solar projects

Started electricity sales	9 projects (11 power plants)	22.2 MW
Under construction or under planning	5 projects	10.8 MW
Total	14 projects (16 power plants)	33.0 MW
attributable to JAIC		14.2 MW

Transfers to buyers other than the funds operated by the JAIC Group
32 projects 186.6 MW

*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
Wind power, 1 project at most 25.2MW

Hokkaido, Solar,
1 projects 2.3MW

Aomori, Bio gas,
1project 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 Mar. 2022)

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	Fukushima	2.4	Under construction or Under planning	32
	8	Hirono solar park	2.7	Started electricity sales in Feb. 2020	40
	9	Akkeshi Luke Supor Solar Power Plant	2.3	Started electricity sales in May 2020	40
	10	Kanagawa	2.4	Under construction or Under planning	32
	11	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
	12	Tochigi	2.0	Under construction or Under planning	36
	13	Tochigi	2.0	Under construction or Under planning	32
	14	Tochigi	2.0	Under construction or Under planning	32
Total 33.0MW [attributable to JAIC 14.2MW]					

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

5. Appendix - List of project oriented investments (as of Mar. 2022)

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

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 June 2022
Logistics warehouse	1	Atsugi City, Kanagawa	Total floor area 10,890 m ² (scheduled), 2 stories above ground	Under construction or Under planning
	2	Ebina City, Kanagawa	Undecided	Under construction or Under planning
	3	Hidaka City, Saitama	Total floor area 15,123 m ² , 4 stories above ground	Under construction or Under planning [Built up in Apr. 2022]
	4	Akiruno City, Tokyo	Total floor area 25,804 m ² (scheduled), 4 stories above ground	Under construction or Under planning
	5	Non-disclosed	Non-disclosed	Under construction or Under planning
	6	Non-disclosed	Non-disclosed	Under construction or Under planning
Commercial building		Aichi	Site area 1,752 m ² , 1 basement floor, 6 floors above ground	Opened *investment in building which has already started operation

5. Appendix - List of project oriented investments (as of Mar. 2022)

Type of project	No.	Location	Project scale	Current status
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 for the handicapped	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		Built up in Feb. 2022
	5	Koga City, Ibaragi		Built up in Mar. 2022
	6	Tatebayashi City, Gunma		Built up in Mar. 2022
	7	Kawagoe City, Saitama		Under construction or Under planning
	8	Sano City, Tochigi		Built up in Mar. 2022
	9	Oota City, Gunma		Under construction or Under planning
	10	Takamatsu City, Kagawa		Under construction or Under planning
	11	Kiri City, Gunma		Under construction or Under planning
	12	Iwaki City, Fukushima		Under construction or Under planning

Other 2 project

5. Appendix – Strategic investment



Renewable Japan Co., Ltd.

Partner company in mega solar projects

Year of first investment: 2015

IPO date : 22 Dec. 2021

Stock market : TSE Mothers



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

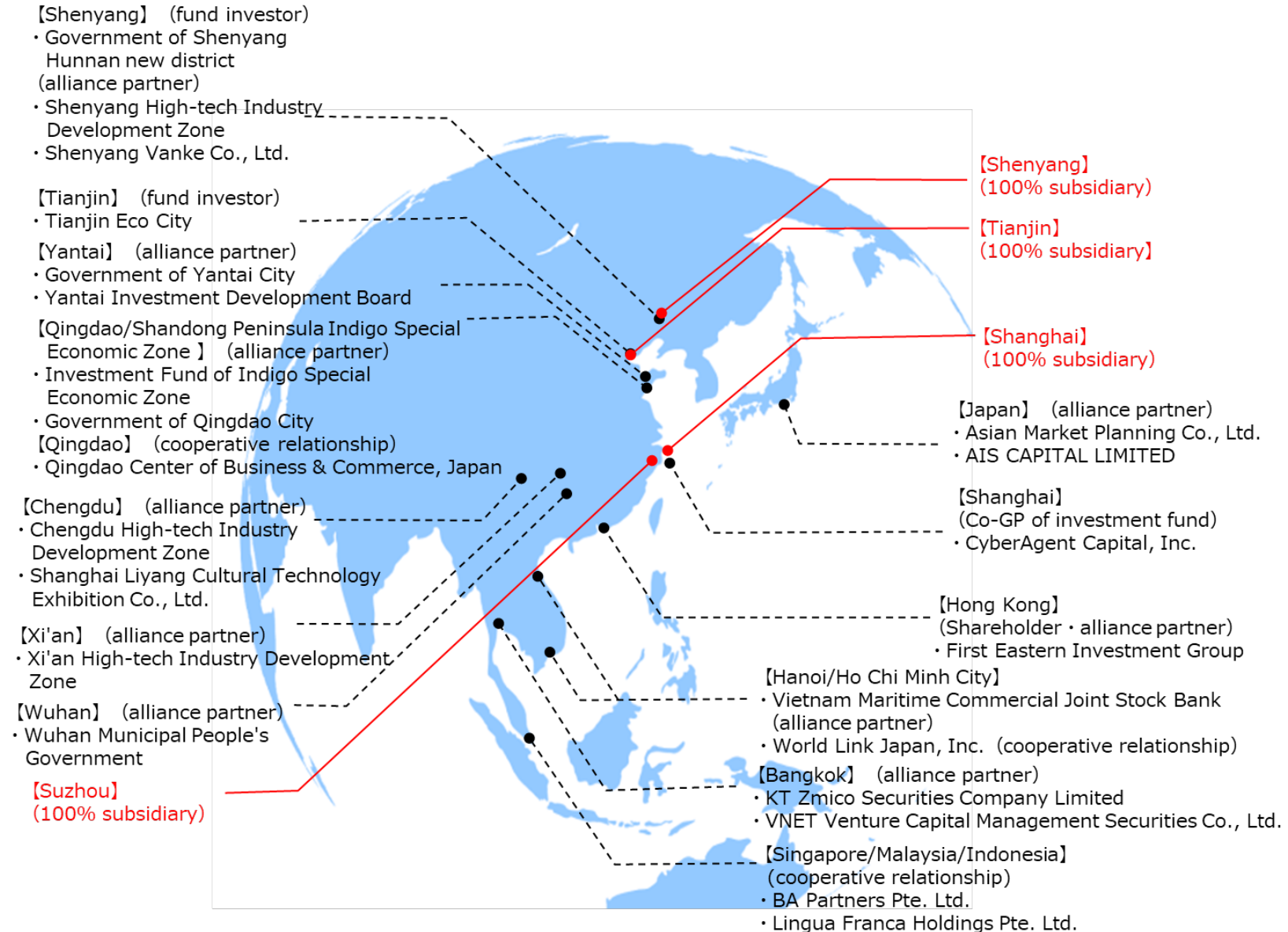


KIC Holdings Inc.

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	22/3
New & increased funds	500	1,000	2,000	1,359	151	1,001
AUM of funds - total *1	28,753	19,150	16,494	17,390	16,450	16,463
AUM of funds - JAIC *1	9,427	5,867	5,344	5,163	5,434	4,953
New investnemts (Total)*2	4,315	3,887	3,749	3,374	1,767	3,420
Balance of investments (Total)*2	16,558	13,981	13,951	15,101	12,855	13,784
New investnemts (project oriented investmer	3,184	2,681	3,612	2,150	1,445	1,938
Balance of investments (project oriented investmer	4,576	3,582	5,514	6,696	6,088	6,344
New investnemts (private equity)*2	1,131	1,205	136	1,224	322	1,482
Balance of investments (private Equity)*2	11,981	10,398	8,437	8,405	6,767	7,440

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.

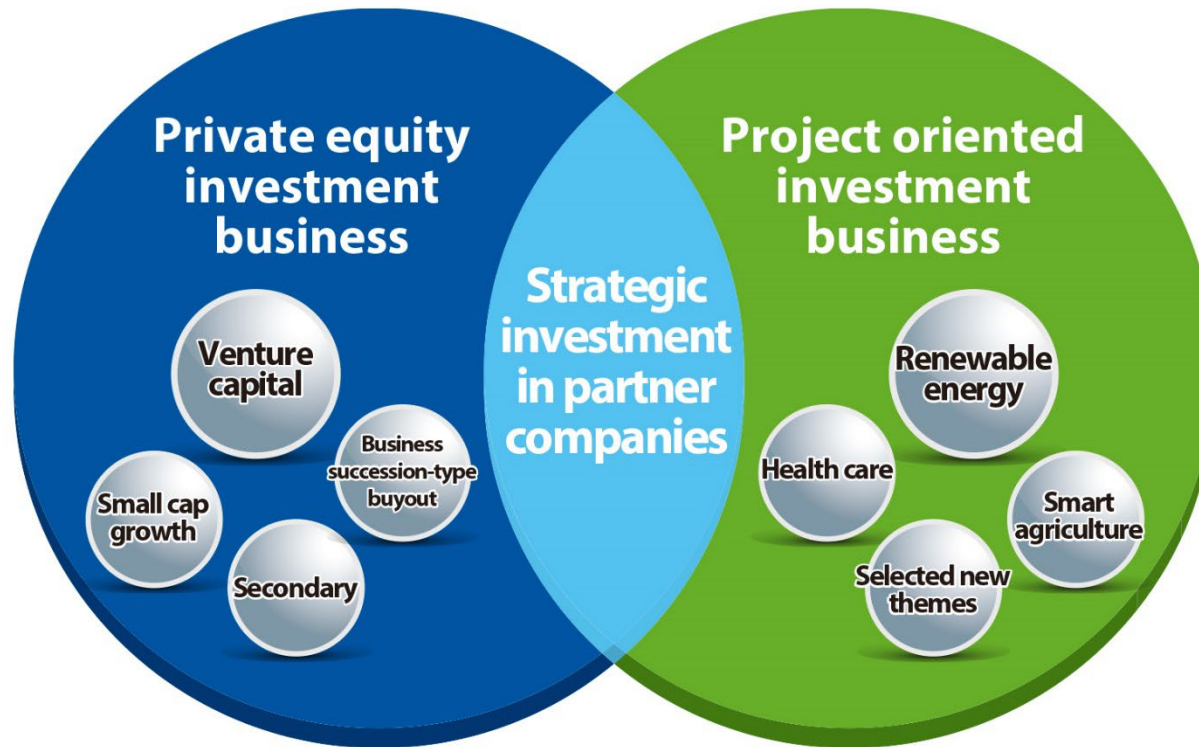
Note 2: Due to an increase in loan execution for the projects by the JAIC Group, the aggregation method has been changed from FY March 2021 to include loans extended to the projects (excluding distressed receivables) in the scope of aggregation.

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

(JPY million)	17/3	18/3	19/3	20/3	21/3	22/3
Business results						
Operating revenues	3,926	5,403	2,475	2,760	3,089	2,409
Operating gross profit	2,176	2,328	1,286	1,359	1,301	1,276
SG&A expenses	1,339	1,311	1,109	1,094	1,086	1,189
Operating income	836	1,017	177	265	214	86
Ordinary income	726	954	83	140	173	61
Net income	553	874	578	302	144	49
Financial position						
Cash and deposits	6,213	7,308	5,564	3,920	3,699	2,740
Operational investment securities and operating loans of project oriented investment	4,081	3,582	5,514	5,437	5,583	6,781
Operational investment securities of strategic investment in partner companies	100	373	373	1,005	1,155	1,783
Operational investment securities of financial investment after deducting allowance for possible investment loss	7,256	5,657	4,765	4,282	3,111	3,029
Loans payable, bonds & bonds with subscription rights to shares	14,128	11,954	9,784	8,166	6,950	5,943
Total shareholders' equity	5,686	6,545	6,840	7,223	7,338	7,779
Total assets	20,305	19,220	17,305	15,800	14,657	14,972

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

(JPY:million)	18/3	19/3	20/3	21/3	22/3	Change(%)
1. Fund management operation						
<i>Fund management fees and others</i>	277	241	199	169	154	(9.3%)
<i>Success Fees</i>	86	-	-	-	-	-
Operating revenue	364	241	199	169	154	(9.3%)
Operating cost	-	-	-	-	-	-
Operating gross profit	364	241	199	169	154	(9.3%)
2. Investment operation						
<i>Proceeds of sales of securities (A)</i>	3,219	1,746	2,349	2,221	1,573	(29.2%)
<i>Fund interests income etc.</i>	1,677	429	172	648	631	(2.6%)
Operating revenue	4,897	2,176	2,521	2,870	2,204	(23.2%)
<i>Cost of securities sold (B)</i>	2,469	554	965	1,249	810	(35.2%)
<i>Investment write-offs and Provision for allowance for possible investment losses (C)</i>	562	579	245	194	145	(25.0%)
<i>Fund interests losses etc.</i>	36	49	184	336	167	(50.2%)
Operating cost	3,069	1,182	1,395	1,780	1,123	(36.9%)
Operating gross profit	1,827	993	1,125	1,090	1,081	(0.8%)
3. Others						
Operating revenue	142	57	40	49	50	3.4%
Operating cost	5	6	5	7	10	29.7%
Operating gross profit	136	51	34	41	40	(1.6%)
Total						
Operating revenues	5,403	2,475	2,760	3,089	2,409	(22.0%)
Operating cost	3,074	1,188	1,401	1,788	1,133	(36.6%)
Operating gross profit	2,328	1,286	1,359	1,301	1,276	(1.9%)



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.



JAIC

Wide range of network with venture companies

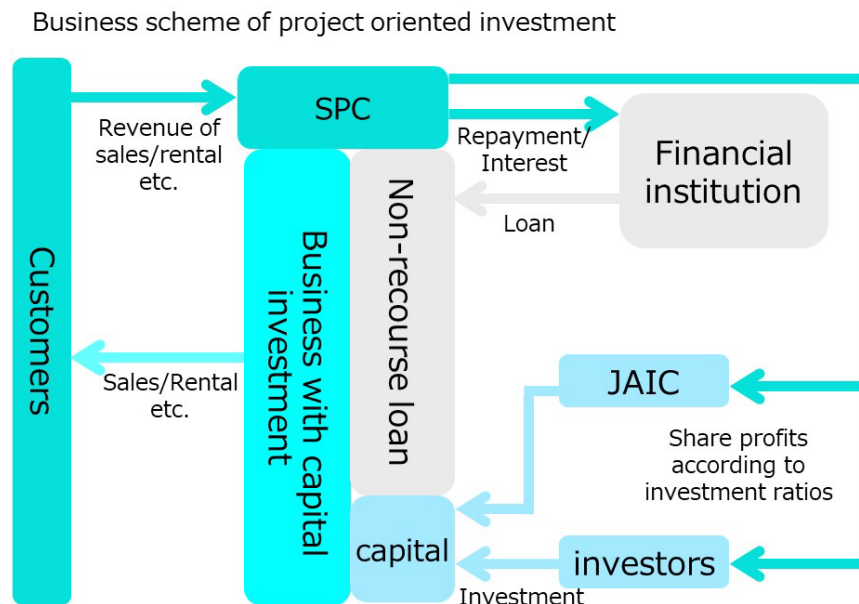
JAIC has track record of leading more than 300 invested venture companies to “Going Public”. Through the long time investment activities, JAIC enjoys close relationship with wide range of venture companies. Based on this intangible asset, JAIC is utilizing the network to create value for invested companies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

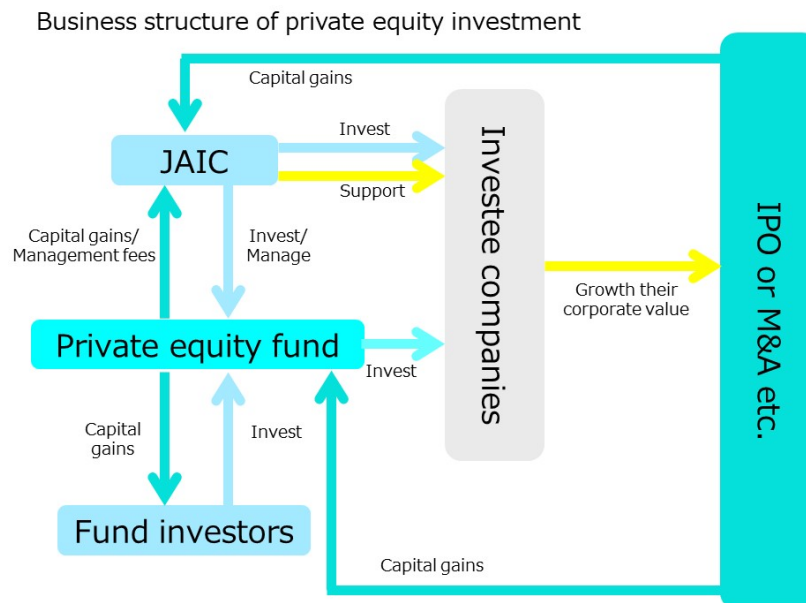
For the project oriented investment, in addition to providing direct equity investment, JAIC has been arranging various financing scheme utilizing project-finance approach and leverage financing together with financial institutions.

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 (vegetable plant), 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.

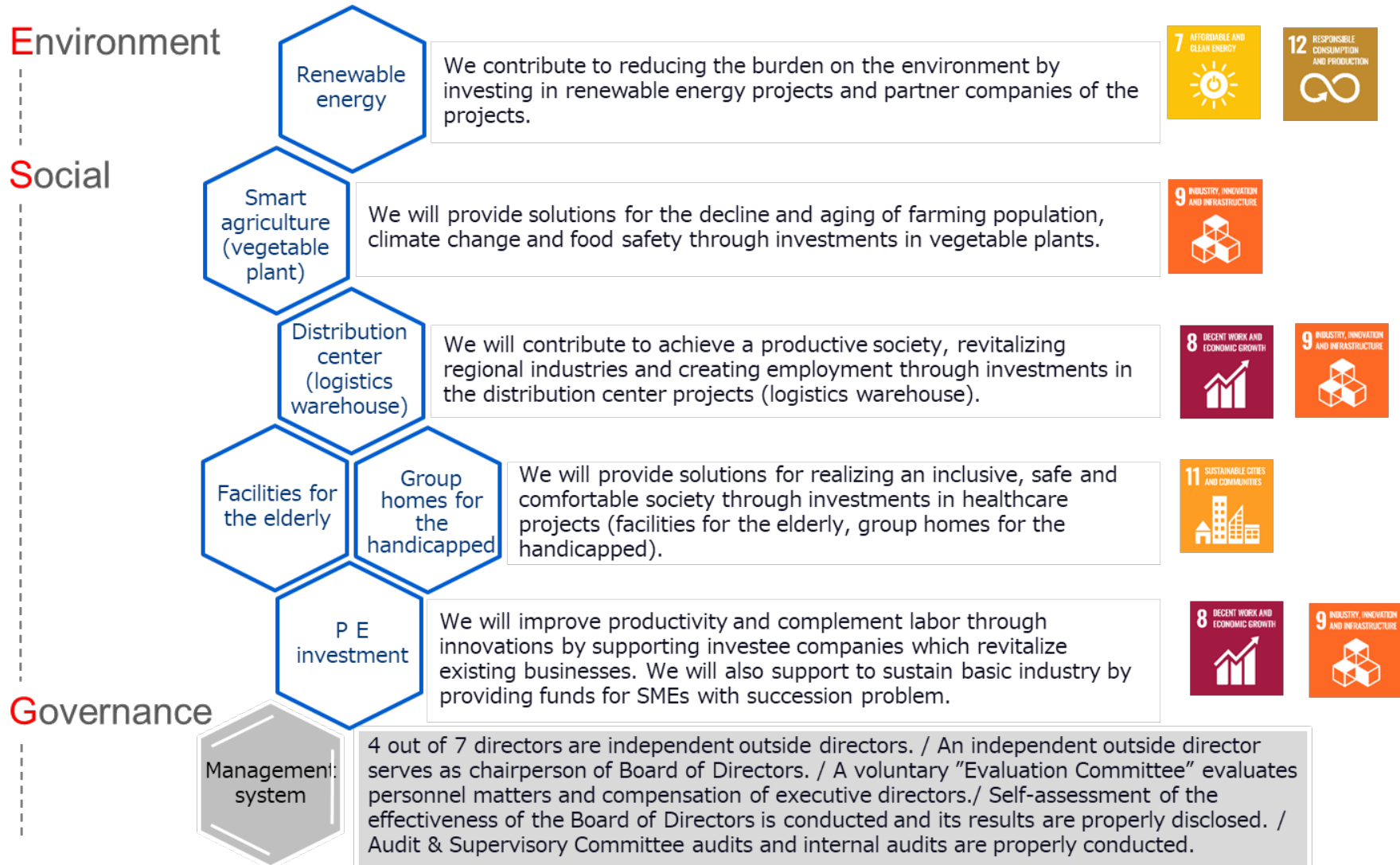
5. Appendix - Profit structure – Private equity investment



- 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 Mar. 31, 2022)



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	40 (Consolidated) /21 (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</p> <p style="padding-left: 100px;">:Masafumi Hatta</p> <p>Chairman of Audit & Supervisory Committee</p> <p style="padding-left: 100px;">:Kazunori Omori</p> <p>Member of Audit & Supervisory Committee</p> <p style="padding-left: 100px;">:Hitoshi Yasukawa [Outside/Independent]</p> <p style="padding-left: 100px;">:Tadashi Nunami [Outside/Independent]</p> <p style="padding-left: 100px;">:Harumi Katagiri [Outside/Independent]</p>

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