

Financial Results Overview for 2nd Quarter Ended September 30, 2023

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

Announcement date : Nov. 14, 2023

1	Summary	P3
2	Results for the current quarter (year-on-year)	P4
3	Progress of the Medium-Term Management Plan (Action Plan)	P9
4	Result forecast	P11
5	Appendix	P13

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

1. Summary

- ✓ Results for the current quarter (year-on-year)
 - Operating revenue decreased to ¥ 426 million (down, 36.3 %). No project-oriented investment was sold.
 - Quarterly net loss attributable to owners of parent was ¥ (560) million (up, ¥95 million).
 - Sales of stocks with high margin progressed. Provisions and write-offs decreased.
- ✓ Progress of the Medium-Term Management Plan (Action Plan)
 - The second fund, which supporting business succession needs, completed the final closing with a total amount ¥5,101 million in Oct. 2023.
 - Promoting the development of three mega solar projects in Tochigi Prefecture
 - Agreed with a construction company to acquire eight group homes for disabled people under construction or scheduled to be constructed.
- ✓ Result Forecast
 - The results for the 1st half of FY 2024 were lower than forecast.
Progression ratio of operating revenue was 81.3% and the deficit widened by ¥150 million.
A part of the planned stock sales has been delayed to 2nd half and capital loss was incurred.
 - No revision on the result forecast for full-year
 - Key factors for achieving the result forecast are capital gains from unlisted stocks which relatively large investment amount and capital gains from project-oriented investments.
We will focus on realizing these capital gains.

2. Results for the current quarter

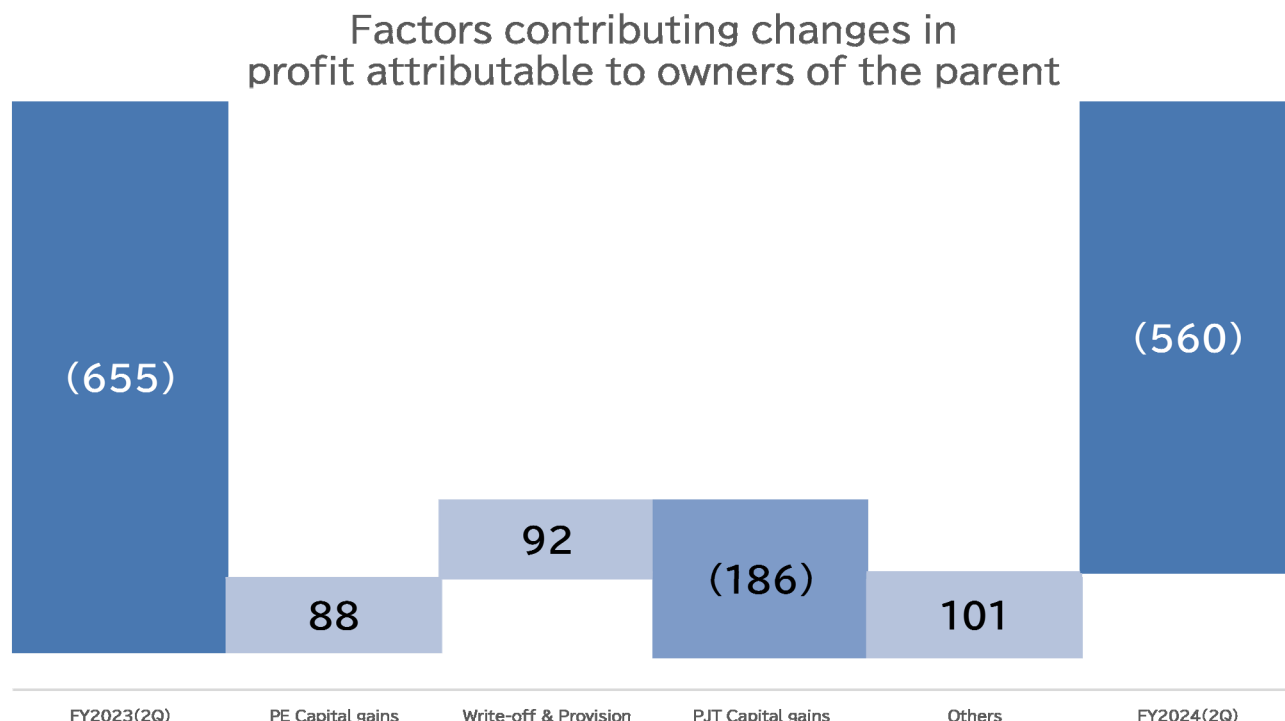


Outline of results	P5
Breakdown of operating revenue & operating cost	P8

2. Results for the current quarter

- Outline of results - I/S

(million yen)	FY 2023 (2Q)	FY 2024 (2Q)	Change
Operating revenue	669	426	(36.3%)
Operating cost	715	420	(41.3%)
Operating gross profit	(46)	6	-
SG&A expenses	552	542	(1.9%)
Operating income	(598)	(535)	-
Ordinary income	(640)	(558)	-
Profit attributable to owners of parent	(655)	(560)	-



✓ Factors for decreased operating revenue

No project-oriented investment was sold. (2 projects were sold in the same period of last fiscal year.)

✓ Factors for reduced deficit

Operating cost decreased.

- Sales of high-margin stocks resulted in a decrease in cost of securities sold.
- Losses from investment write-off and provision for investment assets decreased.

2. Results for the current quarter


- Outline of results - B/S

(million yen)	FY 2023	FY 2024(2Q)	Change	fluctuation factors (billion yen)
Total assets	13,413	↓ 12,147	(9.4%)	
Cash and deposits	2,464	↓ 2,032	(17.5%)	repayments of loan (0.5), execution of investments & loans (0.8), expenses etc.(0.2), collection +1.1
Project oriented investment securities & loans after deducting allowance for possible investment loss	6,053	6,007	(0.8%)	execution of investments & loans +0.5, distribution & collection (0.5), interests income/loss(0.09), unrealized gain +0.04
Strategic investment securities in partner companies after deducting allowance for possible investment loss	782	813	3.9%	execution of investments +0.03
Financial investment securities after deducting allowance for possible investment loss	3,301	↓ 2,746	(16.8%)	execution of investments +0.2, distribution & collection (0.4), unrealized gain (0.2), write-off & allowance (0.2)
Loans payable	5,142	↓ 4,633	(9.9%)	repayments of loan (0.5)
Total shareholders' equity	7,518	↓ 6,800	(9.5%)	loss (0.5), unrealized gain (0.2)

- ✓ Total assets decreased due to investment collection. Collection of financial investments progressed.
- ✓ Cash and deposits decreased due to repayments of loan and execution of investments & loans.
- ✓ Loans payable decreased due to repayments in accordance with agreement.
- ✓ Total shareholders' equity decreased due to loss and a decrease of unrealized gains.

2. Results for the current quarter

- Outline of results - C/F

(JPY million)	FY 2023(2Q)	FY 2024(2Q)
Operating cash flow	126	 385
Investing cash flow	(0)	1
Financing cash flow	(494)	(509)
Change in net cash flow	(342)	(115)
Cash & cash equivalents at end of period	2,055	1,646

✓ Operating cash flow increased year-on-year reflecting strong investment collection.

2. Results for the current quarter

- Break down of operating revenue & operating cost

(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2023 (2Q)	FY 2024 (2Q)	FY 2023 (2Q)	FY 2024 (2Q)	FY 2023 (2Q)	FY 2024 (2Q)
Operating revenue	669	426	361	↗ 401	308	↘ 25
Fund management fees etc.	69	79	65	76	3	3
Proceeds of sales of securities	441	281	292	281	149	↘ 0
Fund interests income etc.	136	32	0	31	135	↘ 0
Other operating revenue	22	32	2	12	19	20
Operating cost	715	420	520	321	195	98
Cost of securities sold	320	132	230	↘ 131	90	0
Investment write-offs and Provision for allowance for possible investment losses	275	183	275	↘ 183	-	-
Fund interests losses etc.	113	97	12	4	100	92
Other operating costs	6	7	1	1	4	5
Operating gross profit	(46)	6	(159)	↗ 79	113	↘ (73)

- ✓ Private equity investment – Revenue increased, and operating gross profit turned profitable
 - Of operating cost, cost of securities sold decreased. While capital loss was incurred, sales of stocks with high profit margin progressed.
 - Of operating cost, write-offs & provisions decreased. JAIC posted provisions for portfolio companies those business progress had been slower than planned, but the amount decreased year-on-year.
- ✓ Project oriented investment – Revenue decreased, and operating gross profit went into the red
 - Operating revenue decreased since no project-oriented investment was sold. (1 mega sola project and 1 distribution facility were sold in the same period of last fiscal year.)

3. Progress of the Medium-Term Management Plan (Action Plan)



Progress in the current quarter

P10

3. Progress of the Medium-Term Management Plan (Action Plan) - Progress in the current quarter



	Action plan for 3 years	Progress in FY 2024 2Q (6 months)
Private equity investment	<ul style="list-style-type: none"> ✓ Liquidate existing assets and complete asset replacement. ✓ Originate three new funds. ✓ Support strategic partners to go on public. Cultivate new investment areas and promote strategic investment. 	<ul style="list-style-type: none"> ✓ JAPAN SYSTEMBANK CORPORATION achieved IPO. ✓ “Succession Investment Limited Partnership, II” completed the final closing with a total amount ¥5,101 million in Oct. 2023.
Renewable energy	<ul style="list-style-type: none"> ✓ Increase investments in rooftop solar power generation project in Vietnam and biogas project in Japan. ✓ Sell mega solar projects in Japan after the completion to post gain on sale. 	<ul style="list-style-type: none"> ✓ Promoting the development of 3 mega solar projects in Tochigi Prefecture ✓ 1 of the 3 projects was built up in Sep. 2023.
Healthcare (group home for disabled people)	Invest in 50 projects by originating funds from major banks and leasing companies	<ul style="list-style-type: none"> ✓ 2 group homes developed in-house have started operation in Aug. 2023. ✓ Agreed with a construction company to acquire 8 group homes under construction or scheduled to be constructed. ✓ Acquired 1 of the 8 in Sep. 2023
New investment area	Develop new investment area that will become a core revenue generator from businesses related to existing investment themes and other business themes which may arise from corona crisis	<ul style="list-style-type: none"> ✓ The 1st perpetual memorial tree burial project has started at Koenji Temple in Minato-ku, Tokyo. ✓ Actively invested in electric assist bicycles those used in subscription service

4. Result forecast



Progress for the current quarter and full-year forecast P12

Cautionary statements P13

4. Result forecast-Progress for the current quarter and full-year forecast



(million yen)	Actual FY 2024 (2Q)	Result forecast FY2024 1st Half (disclosed in May 2023)	Progression ratio	Result forecast FY2024 (disclosed in May 2023)	Progression ratio
Operating revenue	426	525	81.3%	2,300	18.6%
Operating cost	420	325	129.3%	1,000	42.0%
Operating gross profit	6	200	3.2%	1,300	0.5%
SG&A expenses	542	570	95.1%	1,100	49.3%
Operating income	(535)	(370)	-	200	-
Ordinary income	(558)	(410)	-	120	-
Profit attributable to owners of parent	(560)	(410)	-	120	-

- ✓ In the 1st half, progression ratio of operating revenue was 81.3% and the deficit widened by ¥150 million.
- ✓ A part of the planned stock sales has been delayed to 2nd half and unplanned capital loss was incurred.
- ✓ JAIC expects to complete the stock sales by the end of the fiscal year.
- ✓ Write-off and provision are expected to be below the forecast and to compensate the unplanned capital loss.
- ✓ Key factors for achieving the full-year result forecast are capital gains from unlisted stocks which relatively large investment amount and capital gains from project-oriented investments.
- ✓ A cumulative deficit is expected until the third quarter.

4. Result forecast - 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.

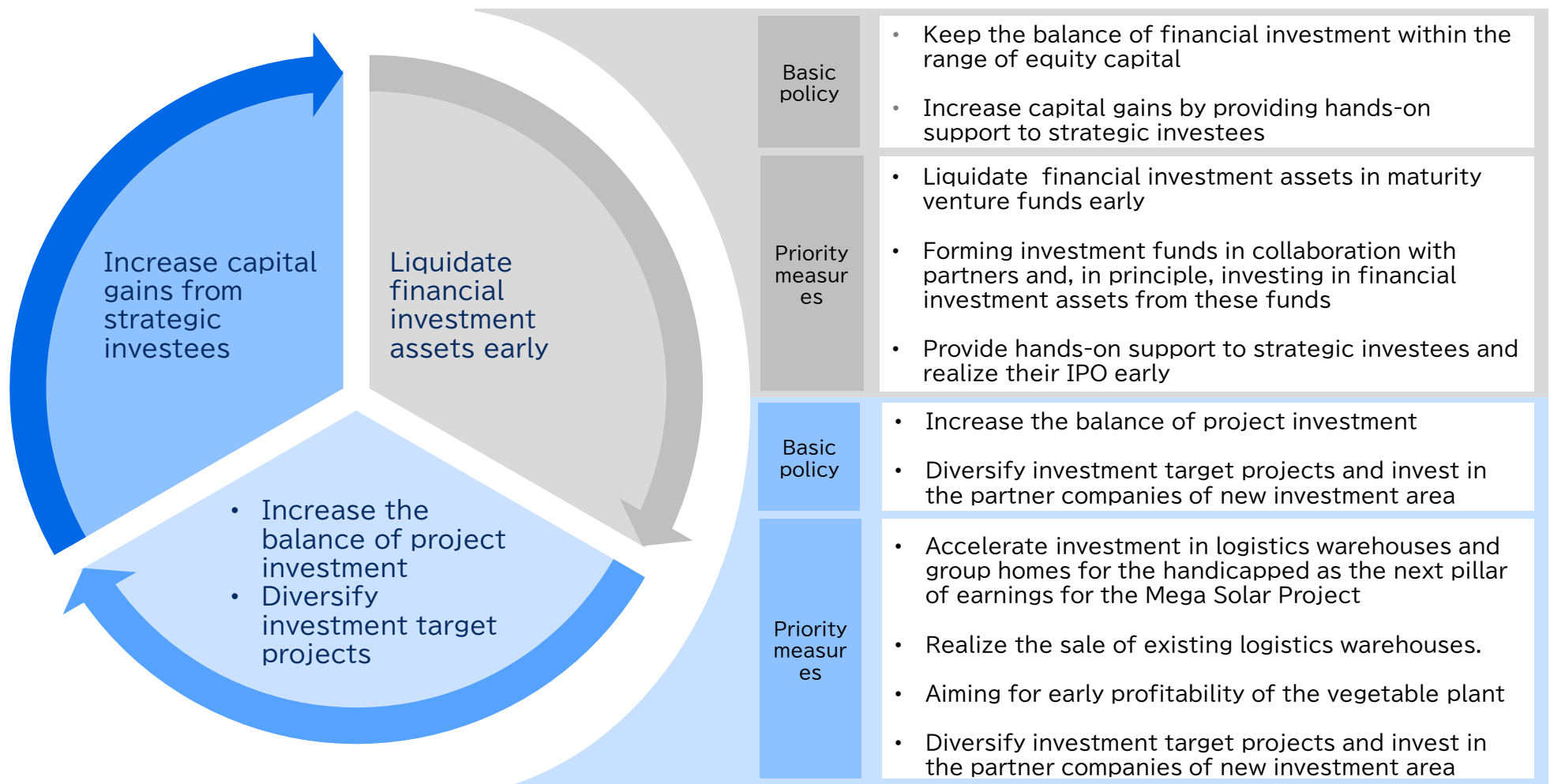
5. Appendix

Business policy of the Medium-Term Management Plan	P15
Cases of business progress	P16
Renewable energy projects	P21
Health care projects (group home for disabled people)	P22
List of project-oriented investments	P23
Strategic investment	P27
Asia network	P28
Funds & investment activities	P29
Business results & financial position	P30
Breakdown of operating revenue & operating cost	P31
Business field	P32
Profit structure	P33
Core competence	P35
Efforts for SDGs	P36
Company data	P37

5. Appendix - Business policy of the Medium-Term Management Plan

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



5. Appendix - Cases of business progress



JAPAN SYSTEMBANK CORPORATION
achieved IPO on the NSE Main Market



Ticker symbol	5530
Stock market	NSE Main
IPO date	Apr. 14, 2023
Business	Operation of coin-operated parking lots, sales and maintenance of parking equipment
Representative	President & CEO Nobuyoshi Nosaka
Head office	Fukui:Fukui City, Fukui Prefecture Tokyo:Shibuya ku, Tokyo
URL	https://www.syb.co.jp/

5. Appendix - Cases of business progress



Succession Investment Limited Partnership, II completed the final closing with a total amount of ¥5,101 million

Name	Succession Investment Limited Partnership, II
Date of establishment	16, August 2022
General Partner	AJ Capital Co., Ltd. [JV as a 50% stake in JAIC and Aozora Bank, Ltd.]
Total commitment amount	5,101 million yen
Limited Partners	Aozora Bank, Awa Bank, Ikeda Senshu Bank, Ehime Bank, Kagoshima Bank, Gifu Shoko Shinkumi Bank, Keiyo Bank, Shonai Bank, Towa Bank, Tottori Bank, Bank of Toyama, Japan Asia Investment, Fukui Bank, Hokuto Bank, Japan Post Bank
Investment target	SMEs in Japan with business succession needs

- ✓ AJ Capital, JV as a 50% stake in JAIC and Aozora Bank, manages the fund which supporting the business succession needs.
- ✓ The fund was funded by 15 companies, including regional financial institutions, and was completed the final closing in October 2023 with a total commitment amount of 5,101 million yen.
- ✓ The Fund mainly invests in small cap zone (enterprise value is less than 1 billion yen).
- ✓ The Fund collaborates with regional financial institutions nationwide to ensure smooth business succession of SMEs.

5. Appendix - Cases of business progress



Promoting the development of 3 mega solar projects, with 6.2 MW in total, in Tochigi Prefecture



Name	Kanuma City Kamiishikawa Solar Power Plant	Otawara City Kamehisa Solar Power Plant	Karasuyama Nakayama Solar Power Plant
Location	Kanuma City	Otawara City	Nasu-Karasuyama City
Maximum output※1	Around 2.0 MW	Around 2.1 MW	Around 2.1 MW
Expected annual power generation [Equivalent to annual power consumption of average households※2]	Around 2,500 MWh [approx. 530 households]	Around 2,500 MWh [approx. 530 households]	Around 2,630 MWh [approx. 560 households]
FIT(excl. tax)	¥32/kWh	¥32/kWh	¥36/kWh

Kanuma City Kamiishikawa Solar Power Plant

※1: Solar panel installation capacity base

※2: Converted at 4,716 kWh per annum based on the Photovoltaic Power Generation Association
“Disclosure Guidelines (FY 2023)”

- ✓ Mega solar projects those procured 2,027 million yen in project finance from Ashikaga Bank
- ✓ Developing 3 solar power plants in Kanuma City, Otawara City, and Nasu-Karasuyama City
- ✓ In September 2023, the Kamiishikawa Solar Power Plant in Kanuma City was built up.
- ✓ For the other two projects, JAIC will start full-scale civil engineering and construction work.

5. Appendix - Cases of business progress



2 group homes for disabled people started the operation and acquired 1 built up group home

Social Inclu Home Kawagoe Imafuku
Aug. 2023 : Started the operation



Social Inclu Home Iwaki Kashima
Aug. 2023 : Started the operation



Social Inclu Home Kumamoto
Yatsushiro Hiokimachi
(Yatsushiro City, Kumamoto
Prefecture)

Sep. 2023 : built up and acquired
Dec. 2023 : scheduled to start the
operation



social inclu
Partner:
Social Inclu Inc.

5. Appendix - Cases of business progress



Perpetual memorial tree burial project, "Shiba Atago Forest TM", started at Koenji Temple in Minato-ku, Tokyo.



Partner:
366 Co., Ltd.



- ✓ In May 2023, a tree burial garden has opened near Toranomon Kamiyacho Station, Minato-ku, Tokyo. A peaceful garden away from the hustle and bustle of the city.
- ✓ URL: <https://366jumokuso.jp/jiin/shibaatagonomori/>

5. Appendix - Renewable energy projects (as of September 2023)

Mega solar projects

Started electricity sales 10 projects (12 power plants) 24.7 MW

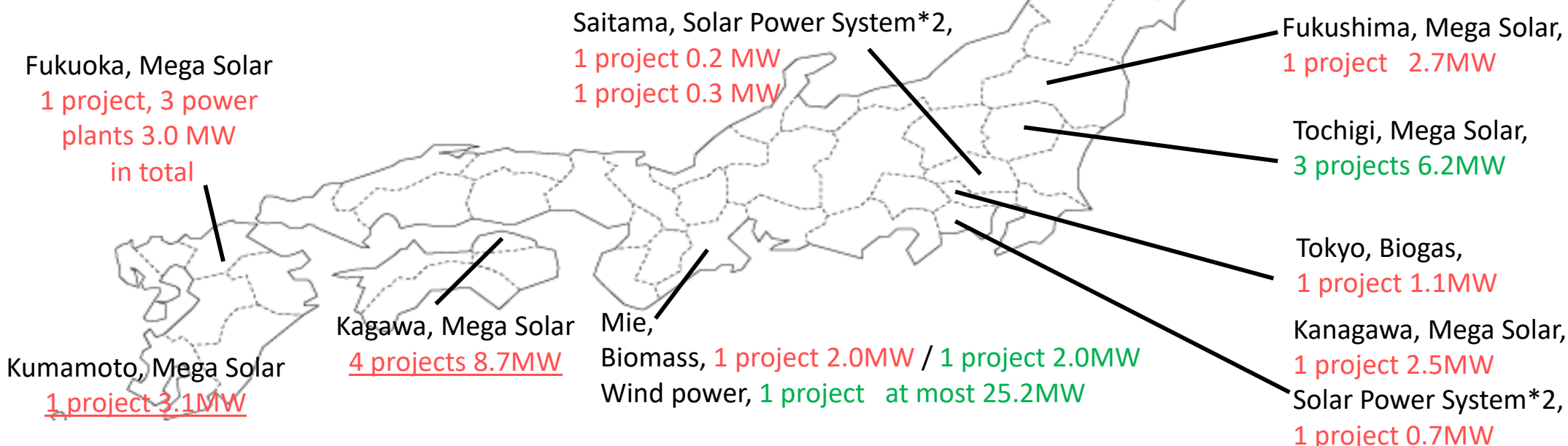
Under construction or under planning 3 projects 6.2 MW

Total 13 projects (15 power plants) 30.9 MW
attributable to JAIC 13.3 MW

Transfers to buyers other than the funds operated by the JAIC Group
33 projects 189.0 MW

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

*2: solar power systems with storage batteries installed on the rooftops

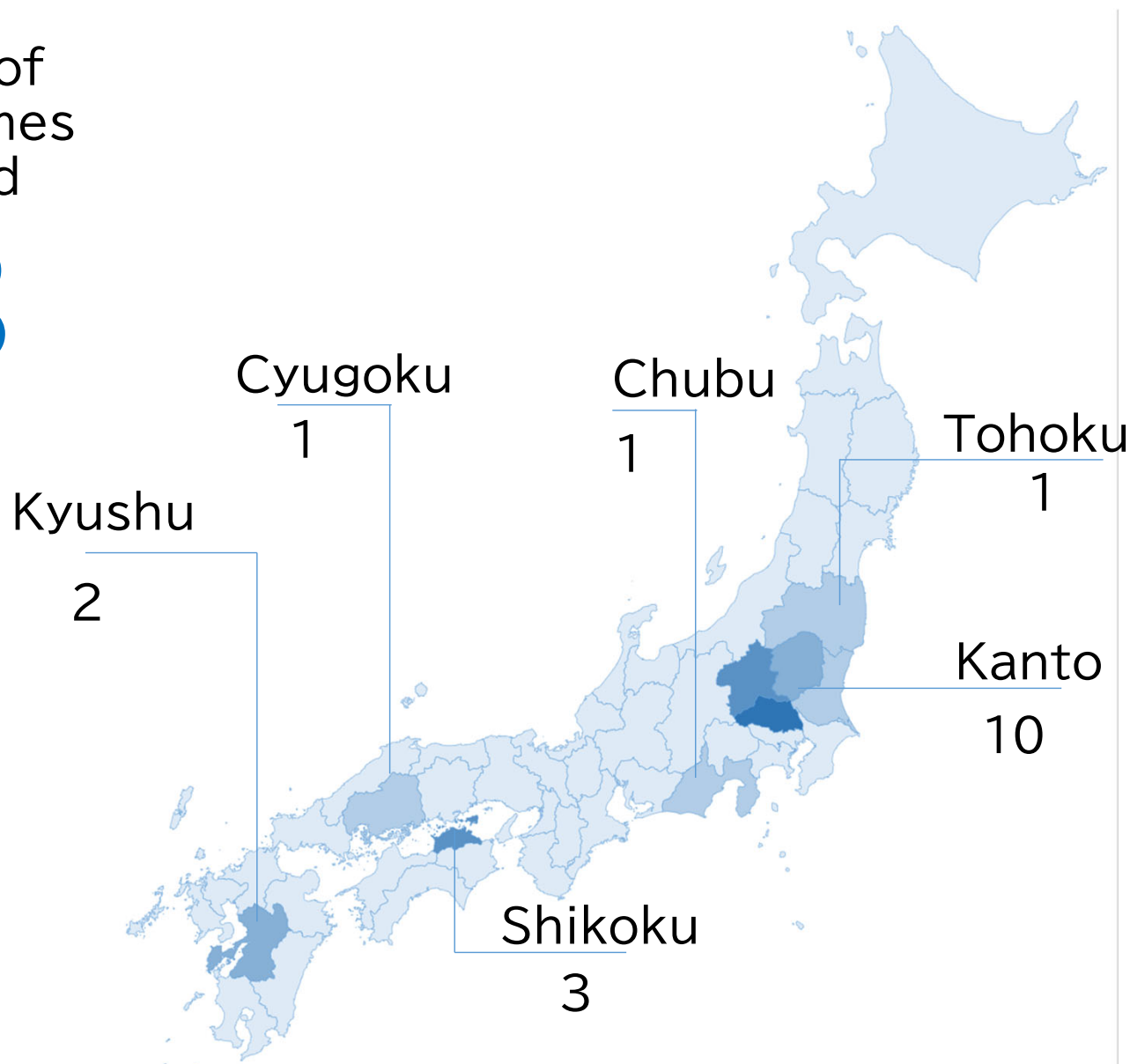


* Since our investment ratio differs in each project, the amount of JAIC's investment or revenues from mega solar projects that are attributable to JAIC are not necessarily linked to the MW figure of the project.

5. Appendix – Health care projects, group home for disabled people (as of September 2023)

Number of
group homes
invested

18



5. Appendix - List of project-oriented investments (as of September 2023)



Type of project	No.	Name of power plant or Location	Generation Capacity [MW]	Current status	FIT [excl. tax, ¥]
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	Mitakabei 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	Nakaouda solar power plant(*)	2.4	Started electricity sales in Apr. 2018	36
	6	Higashiouda solar power plant(*)	2.4	Started electricity sales in Jul. 2018	36
	7	Hirono solar park	2.7	Started electricity sales in Feb. 2020	40
	8	Akkeshi Luke Supor Solar Power Plant	2.3	Started electricity sales in May 2020	40
	9	Akada solar power plant	2.5	Started electricity sales in March 2023	32
	10	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
	11	Karasuyama Nakayama Solar Power Plant	2.1	Under construction	36
	12	Kanuma City Kamiishikawa Solar Power Plant	2.0	Preparing for operation (Built up in Sep. 2023)	32
	13	Otawara City Kamehisa Solar Power Plant	2.1	Under construction	32
Total 30.9MW [attributable to JAIC 13.3MW]					

In addition to the above, there is one project to hold anonymous partnership interests.

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

5. Appendix - List of project-oriented investments (as of September 2023)



Type of project	No.	Location	Generation Capacity [MW]	Current status	FIT [excl. tax, ¥]
solar power systems with storage batteries installed on the rooftops	1	Koshigaya City, Saitama	0.2	Started electricity sales in Dec. 2022	—
	2	Hidaka City, Saitama	0.3	Started electricity sales in Feb. 2023	—
	3	Atsugi City, Kanagawa	0.7	Started electricity sales in Feb. 2023	—
Biomass	1	Matsusaka City, Mie	2.0	Started electricity sales in Jan. 2018	—
	2	Matsusaka City, Mie	2.0	Under planning	—
Biogas	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 planning	22

5. Appendix - List of project-oriented investments (as of September 2023)



Type of project	No.	Location	Project scale	Current status
Group home for disabled people	1	Hamamatsu City, Shizuoka	20-21 rooms for residents, 2-3 rooms for short stay	Started operation in Aug. 2020
	2	Hiroshima City, Hiroshima		Started operation in Aug. 2020
	3	Utsunomiya City, Tochigi		Started operation in Sep. 2021
	4	Kazo City, Saitama		Started operation in May. 2023
	5	Sano City, Tochigi		Started operation in Sep. 2022
	6	Koga City, Ibaragi		Started operation in Oct. 2022
	7	Tatebayashi City, Gunma		Started operation in June 2023
	8	Takamatsu City, Kagawa		Started operation in Sep. 2022
	9	Oota City, Gunma		Started operation in Oct. 2022
	10	Kiryu City, Gunma		Started operation in Mar. 2023
	11	Kawagoe City, Saitama		Started operation in Aug. 2023
	12	Konosu City, Saitama		Under construction
	13	Iwaki City, Fukushima		Started operation in Aug. 2023
	14	Higashikagawa City, Kagawa		Under construction
	15	Takamatsu City, Kagawa		Under construction
	16	Kumamoto City, Kumamoto		Under construction
	17	Kuki City, Saitama		Under construction
	18	Yatsushiro City, Kumamoto		Scheduled to start operation in Dec. 2023
Facility for the elderly	1	Shinonome, Koto-ku, Tokyo	8-story complex facility with a capacity of 100 people	Started operation in Apr. 2023

5. Appendix - List of project-oriented investments (as of September 2023)



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 started in Aug. 2022
Logistics warehouse	1	Atsugi City, Kanagawa	Total floor area 10,370 m ² , 3 stories above ground	Started operation
	2	Ebina City, Kanagawa	Undecided	Under construction or Under planning
	3	Akiruno City, Tokyo	Total floor area 25,804 m ² (scheduled), 4 stories above ground	Under construction or Under planning
	4	Kasukabe City, Saitama	Total floor area 18,158 m ² (scheduled), 4 stories above ground	Under construction or Under planning
	5	Non-disclosed	Non-disclosed	Under construction or Under planning

Type of project	No.	Location	Details of project	Current status
Others	1	Kanagawa City	Shared facility for creative activities "KIKI BASE FUJISAWA"	Started operation in Apr. 2023
	2	-	Electric assisted bicycle subscription service "NORUDE"	Executed first investment in Aug. 2022
	3	Non-disclosed	Non-disclosed	Non-disclosed
	4	Non-disclosed	Non-disclosed	Non-disclosed
	5	Tokyo	Tree burial project, Koenji Temple "Shiba Atago Forest ™"	Started operation in May. 2023
	6	Kyoto City	Tree burial project, Kaihoji Temple "Fushimi Momoyama Forest"	Scheduled to start operation in Nov. 2023
	7	Korea	Exhibition of Japanese animation, "Attack on Titan FINAL in SEOUL"	Held from July 15 th to October 15 th , 2023

5. Appendix – Strategic investment



Renewable Japan Co., Ltd.

Partner company in mega solar projects

IPO date : 22 Dec. 2021

Stock market : TSE Mothers



Smart Solar Corporation

Partner company in mega solar projects



social inclu CO., LTD.

Partner company in projects for group homes for the handicapped

Investment Exit: Nov. 2022



Morihisa Engineering Co., Ltd.

Morvel Farm (subsidiary of Morihisa Engineering)

Partner company in smart agriculture projects (vegetables)



MD-Farm

Partner company in smart agriculture projects (strawberries)



KIC Holdings Inc.

Partner company in distribution warehouse projects



366 Co., Ltd.

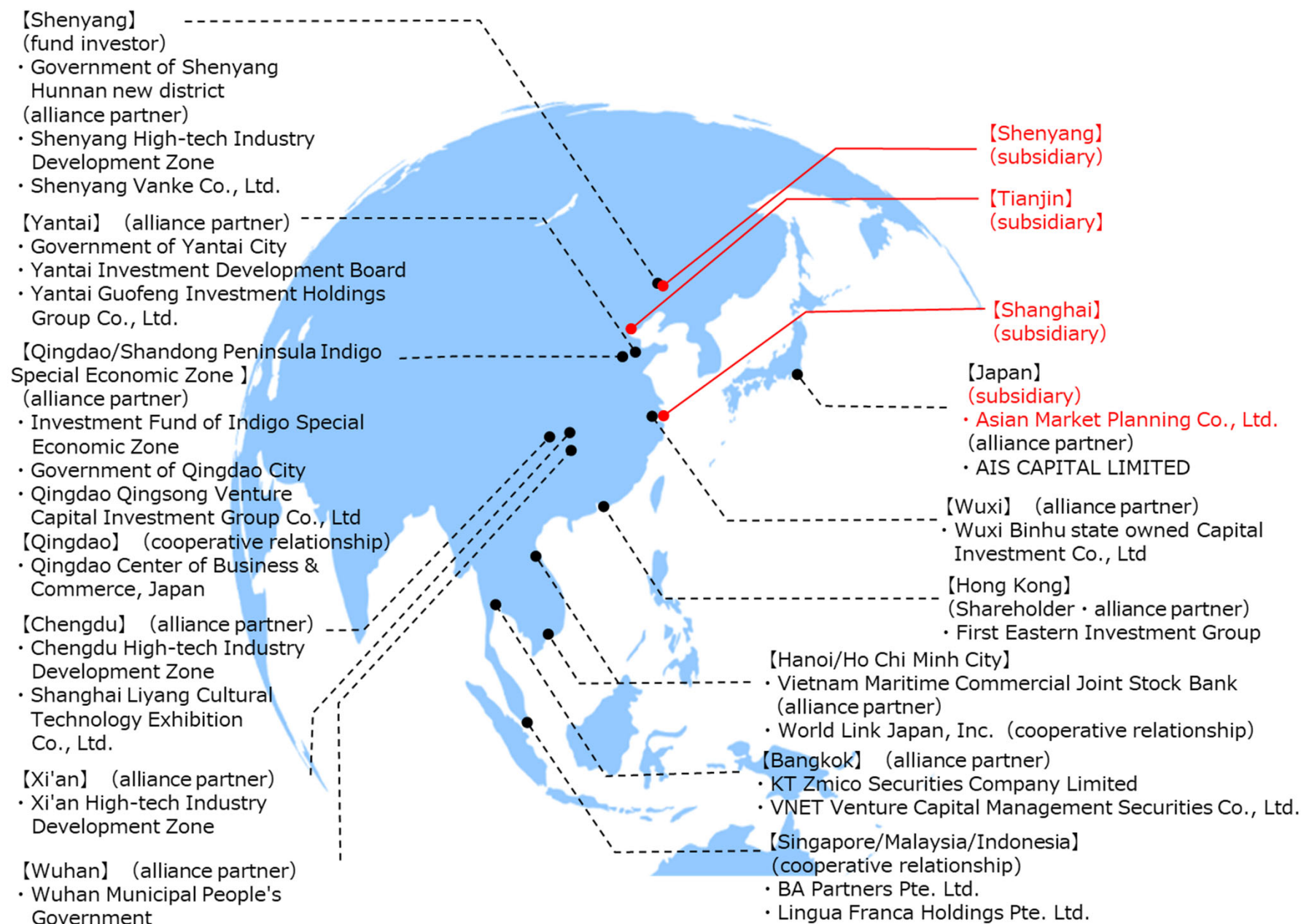
Partner company in perpetual memorial tree burial project



cycloop Co., Ltd.

Partner company in electric assisted bicycle subscription service

5. Appendix - Asia network



5. Appendix - Funds & investment activities

(JPY million)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023 (2Q)	FY 2024 (2Q)
New & increased funds	2,000	1,359	151	1,001	3,701	1,801	600
AUM of funds - total *1	16,494	17,390	16,450	16,463	15,850	16,787	14,664
AUM of funds - JAIC *1	5,344	5,163	5,434	4,953	3,389	3,849	2,418
Execution of investnemt (Total)*2	3,749	3,374	1,767	3,420	3,561	1,324	1,118
Balance of investments (Total)*2	13,951	15,101	12,855	13,784	14,133	13,618	13,458
Execution of investnemt (project oriented investment)*2	3,612	2,150	1,445	1,938	2,152	600	563
Balance of investments (project oriented investment)*2	5,514	6,696	6,088	6,344	7,123	6,191	6,980
Execution of investnemt (private equity)*2	136	1,224	322	1,482	1,408	724	555
Balance of investments (private Equity)*2	8,437	8,405	6,767	7,440	7,010	7,427	6,478

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)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Business results					
Operating revenues	2,475	2,760	3,089	2,409	3,017
Operating gross profit	1,286	1,359	1,301	1,276	961
SG&A expenses	1,109	1,094	1,086	1,189	1,147
Operating income	177	265	214	86	(185)
Ordinary income	83	140	173	61	(224)
Net income	578	302	144	49	(269)
Financial position					
Cash and deposits	5,564	3,920	3,699	2,740	2,464
Operational investment securities and operating loans of project oriented investment after deducting allowance for possible investment loss	5,514	5,437	5,583	6,781	6,053
Operational investment securities of strategic investment in partner companies after deducting allowance for possible investment loss	373	1,005	1,155	1,783	782
Operational investment securities of financial investment after deducting allowance for possible investment loss	4,765	4,282	3,111	3,029	3,301
Loans payable, bonds & bonds with subscription rights to shares	9,784	8,166	6,950	5,943	5,142
Total shareholders' equity	6,840	7,223	7,338	7,779	7,518
Total assets	17,305	15,800	14,657	14,972	13,413

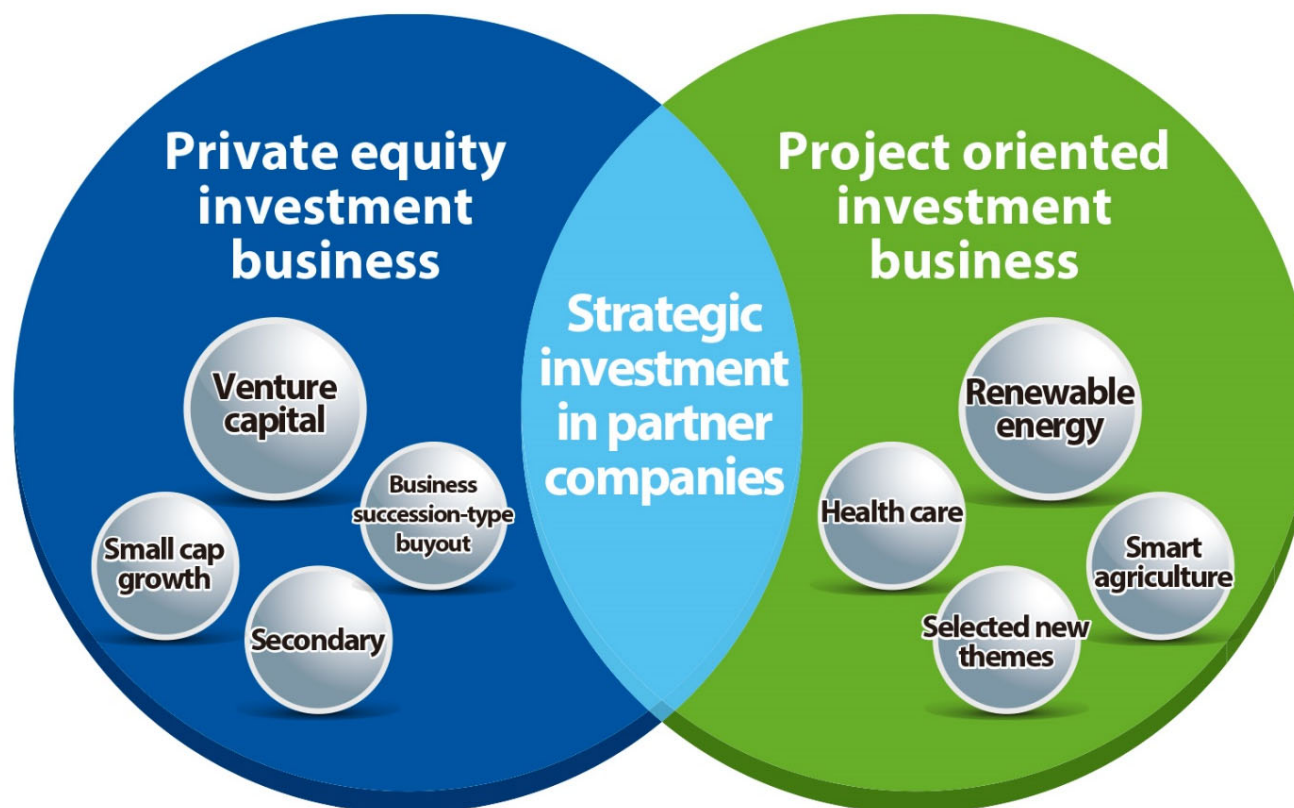
FY 2023 (2Q)	FY 2024 (2Q)
669	426
(46)	6
552	542
(598)	(535)
(640)	(558)
(655)	(560)
2,394	2,032
5,868	6,007
1,665	813
2,957	2,746
5,448	4,633
7,019	6,800
13,576	12,147

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



(JPY:million)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY2023 (2Q)	FY2024 (2Q)	Change(%)
1. Fund management operation								
Operating revenue	241	199	169	154	134	69	79	15.2%
Operating cost	-	-	-	-	-	-	-	-
Operating gross profit	241	199	169	154	134	69	79	15.2%
2. Investment operation								
Proceeds of sales of securities	1,746	2,349	2,221	1,573	2,057	441	281	(36.2%)
Fund interests income etc.	429	172	648	631	781	136	32	(76.0%)
Operating revenue	2,176	2,521	2,870	2,204	2,839	578	314	(45.6%)
Cost of securities sold	554	965	1,249	810	1,311	320	132	(58.7%)
Investment write-offs and Provision for allowance for possible investment losses	579	245	194	145	304	275	183	(33.5%)
Fund interests losses etc.	49	184	336	167	426	113	97	(14.2%)
Operating cost	1,182	1,395	1,780	1,123	2,043	709	412	(41.8%)
Operating gross profit	993	1,125	1,090	1,081	796	(131)	(98)	-
3. Others								
Operating revenue	57	40	49	50	44	22	32	44.1%
Operating cost	6	5	7	10	12	6	7	19.3%
Operating gross profit	51	34	41	40	31	16	24	53.8%
Total								
Operating revenues	2,475	2,760	3,089	2,409	3,017	669	426	(36.3%)
Operating cost	1,188	1,401	1,788	1,133	2,056	715	420	(41.3%)
Operating gross profit	1,286	1,359	1,301	1,276	961	(46)	6	-

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.

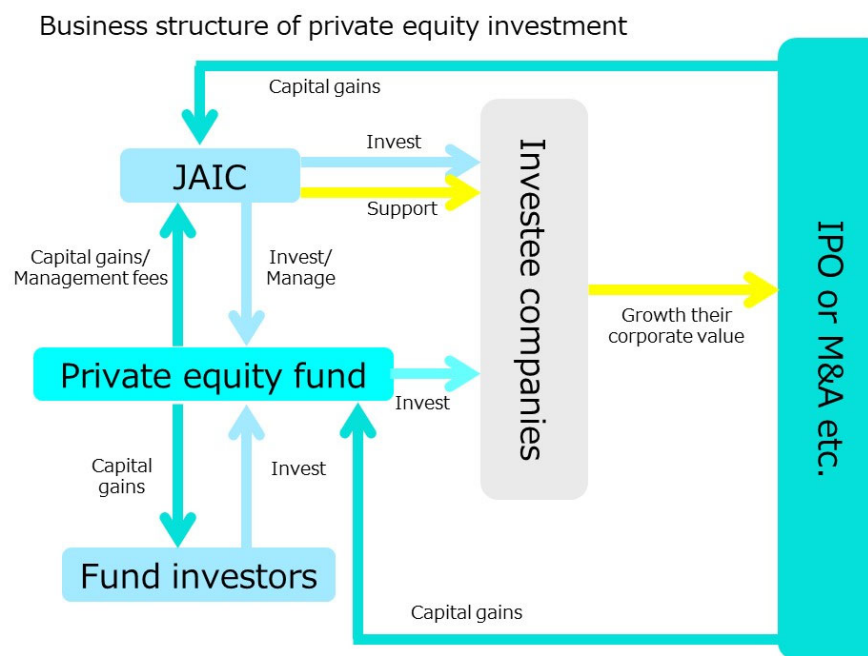
JAIC provides “hands-on” support to partner companies to improve its business promotion and financing activities, etc.

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.

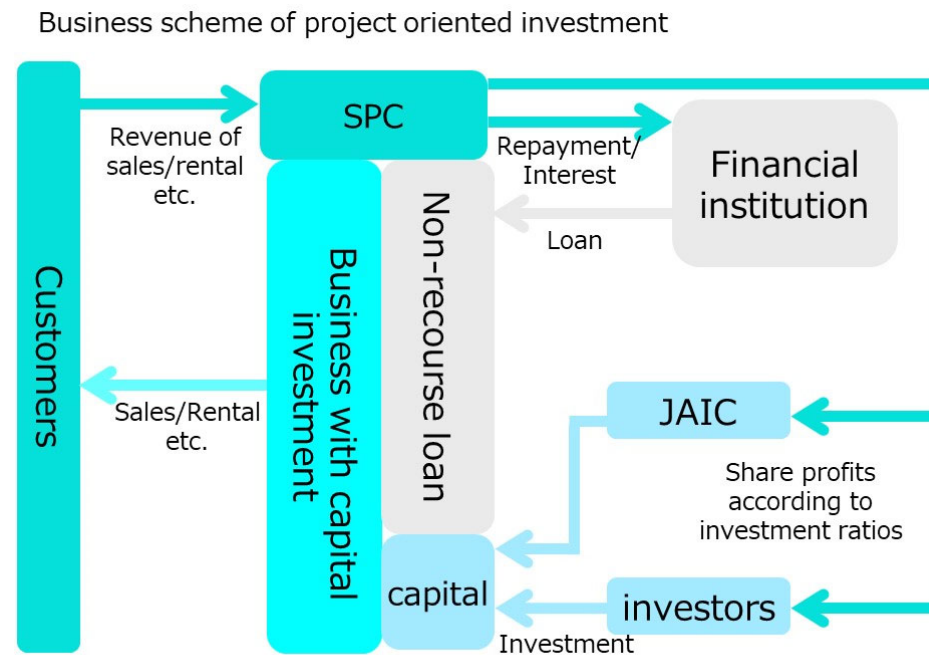
In addition to above, JAIC is determined to invest to new areas such as smart-agri business represented by vegetable plant and logistic industry such as distribution center where JAIC’s accumulated expertise can be leveraged.

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



- 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 - 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

Expertise to structure sophisticated finance scheme

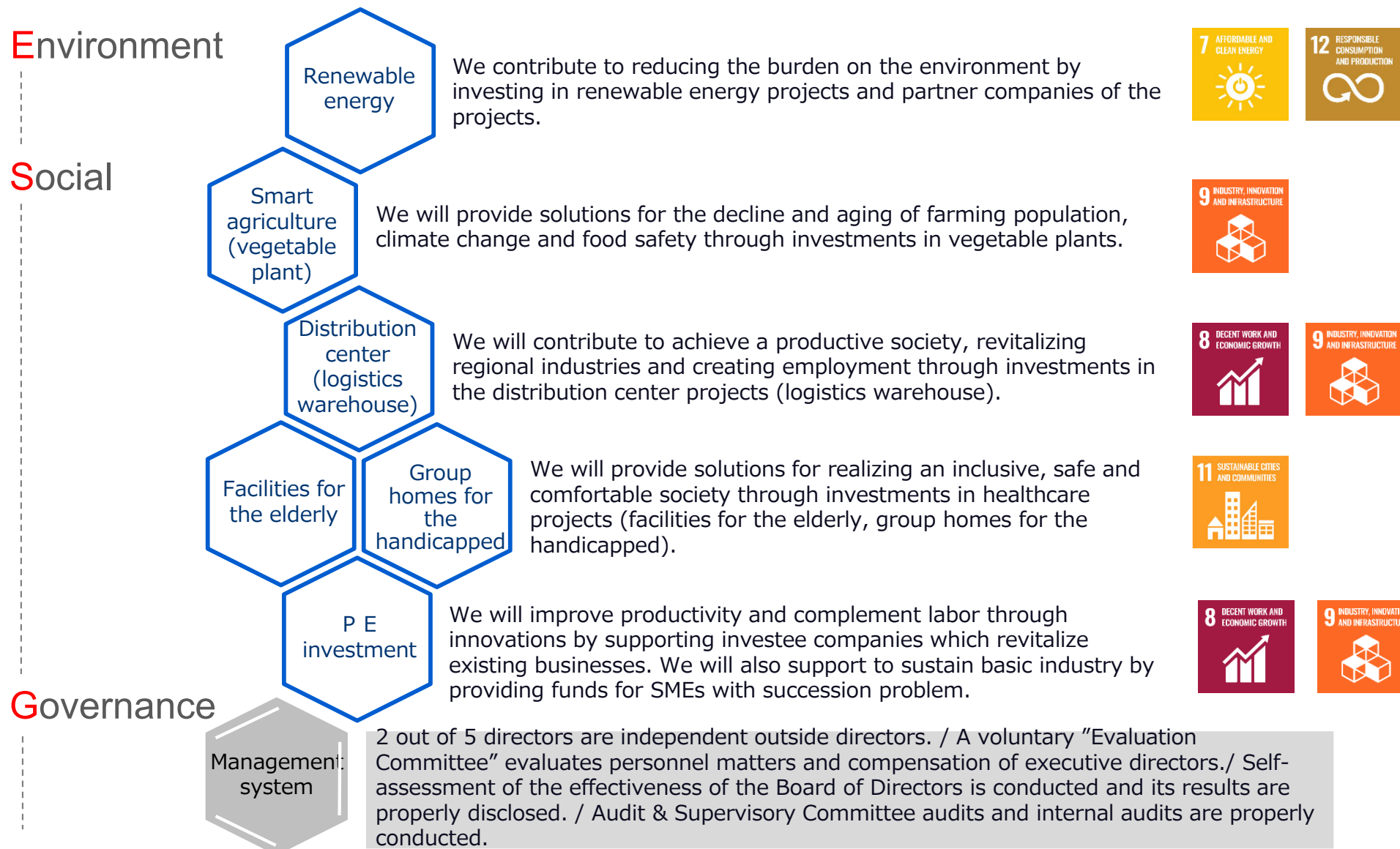
JAIC's accumulated invested volume inside and outside of Japan is Japanese Yen 330 billion. For the project oriented investment, in addition to providing direct equity investment, JAIC has been arranging various financing scheme utilizing project-finance approach and leverage financing together with financial institutions.

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.

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, 2023)



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, Standard Market (Securities code 8518)	
Employees	40 (Consolidated) / 20 (Non-consolidated)	
Main business	Private equity investment / Project oriented investment	
Directors	President & CEO	Tetsuro Shimomura
	Managing Executive Officer	Masafumi Hatta
	Chairman of Audit & Supervisory Committee	Kazunori Omori
	Member of Audit & Supervisory Committee	Harumi Katagiri [Outside/Independent]
		Ken Kudo [Outside/Independent]

- ✓ The information in this document is for presentational purposes only and is not an inducement to invest in securities issued by JAIC.
- ✓ Any forward-looking statements in this document are based on materials available at the time of its compilation and no guarantee can be made as to the continued accuracy and reliability of the material. The contents may be changed without prior notice. Risks and uncertainties including changes to economic circumstances may cause results and projections to differ materially from those presented in the document.
- ✓ JAIC owns all copyrights and other rights to all information contained in this material, and it is prohibited to copy or divert it without the permission of JAIC.
- ✓ The figures in this document are based on consolidated financial statements prepared in accordance with the previous accounting standards.
- ✓ This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. JAIC assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.



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

Contact to:

Kenji Kishimoto, Executive Officer

Miyuki Maruyama, Administration Group

IR e-mail : ir@jaic-vc.co.jp