

Financial Results Overview for the 1st Quarter Ended June 30, 2022

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

Announcement date : August 12, 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 the current quarter (year-on-year)
 - Operating revenue of ¥ 219 million (up, 30.2 % year on year) and quarterly net loss attributable to owners of parent of ¥ (262) million (¥25 million reduction in deficit).
 - Proceeds of sales of shares increased and investment write-off decreased.

- ✓ Business plan progress report
 - Decided to invest in “non FIT type” solar power systems installed on the rooftops of distribution centers
 - The mega solar power plant in Iwaki City, Fukushima started electricity sales in July. We sold our equity of the fund invested in this power plant in August.
 - The logistic warehouse in Hidaka City, Saitama was built up in Apr. and was sold in June.
 - The facility for the elderly in Minamiaoyama, Minato-ku was built up in May and was sold in June.
 - The group home for the handicapped in Takamatsu City, Kagawa was built up. Expanded to 10 group homes including scheduled to be built up by the end of the year
 - Business development has progressed steadily in new investment area.

- ✓ Result forecasts
 - Full-year forecast remains unchanged. Sales of projects progress steadily. 2 projects were sold in 1Q and 1 project was sold in 2Q.
 - Forecast for fist half was revised. Sales of shares and project will be delayed from 2Q to 3Q.

2. Results for the current quarter

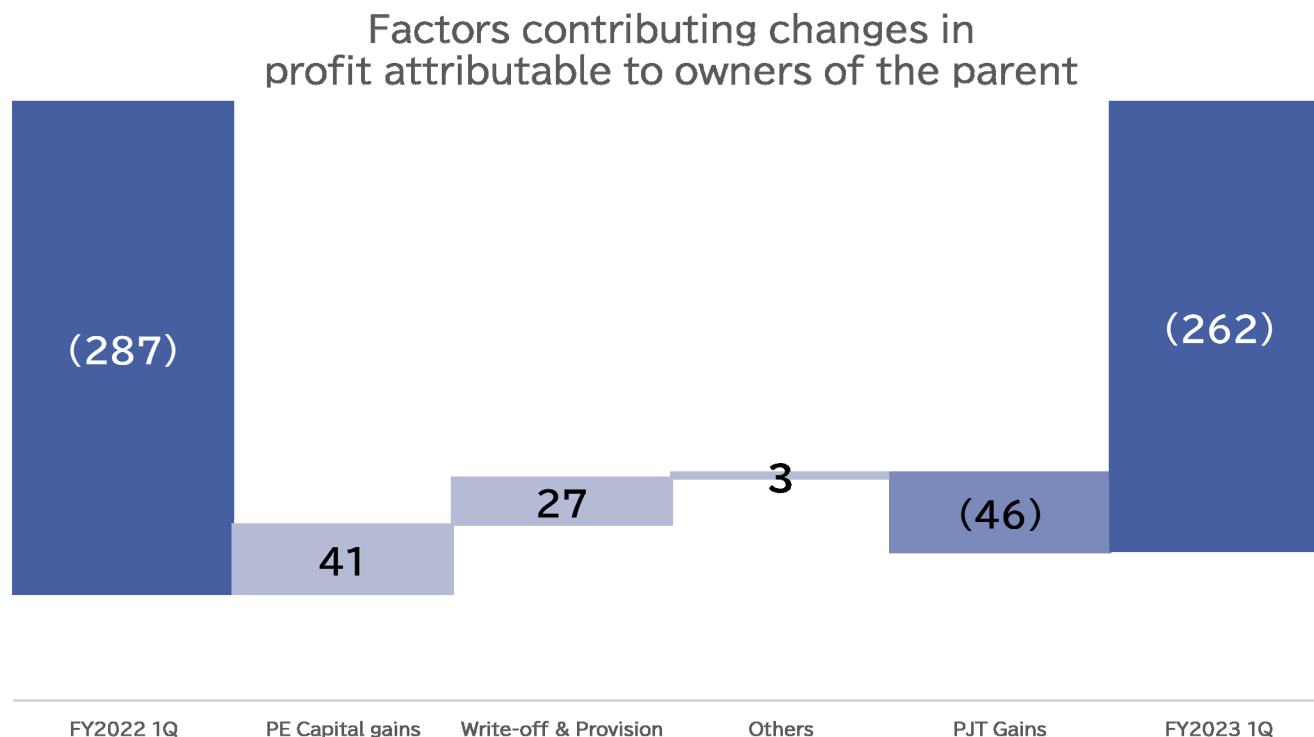


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2. Results for the current quarter - Outline of results - I/S



(million yen)	FY 2022 (1Q)	FY 2023 (1Q)	
	Amount	Amount	Change
Operating revenue	168	↗ 219	30.2%
Operating cost	165	185	12.0%
Operating gross profit	3	34	929.7%
SG&A expenses	273	262	(4.0%)
Operating income	(270)	(227)	-
Ordinary income	(286)	(248)	-
Profit attributable to owners of parent	(287)	↗ (262)	-



- ✓ Of operating revenue, proceeds of listed sales in Japan increased.
- ✓ Capital gains increased from sales of unlisted shares in Greater China.
- ✓ Investment write-off decreased.
- ✓ Upfront costs from projects increased.

2. Results for the current quarter - Outline of results - B/S

	FY 2022	FY 2023 (1Q)		
	Amount (million yen)	Amount (million yen)	Change	fluctuation factors (billion yen)
Total assets	14,972	14,294	(4.5%)	
Cash and deposits	2,740	↓ 2,217	(19.1%)	repayments of loan (0.3), execution of investments & loans (0.1), expenses etc.(0.3), collection +0.2
Project oriented investment securities & loans	6,781	6,801	0.3%	
Strategic investment securities in partner companies	1,783	1,622	(9.0%)	unrealized gain (0.1)
Financial investment securities after deducting allowance for possible investment loss	3,029	3,016	(0.4%)	
Loans payable	5,943	↓ 5,633	(5.2%)	repayments of loan (0.3)
Total shareholders' equity	7,779	7,515	(3.4%)	loss (0.2)

- ✓ Cash and deposits decreased due to repayments of loan, and payment of expenses and interests.
- ✓ No significant changes in operational investment assets
- ✓ After securing investment funds for future growth, we will repay loans payable to an appropriate level.

2. Results for the current quarter - Outline of results - C/F

(JPY million)	FY 2022 1Q	FY 2023 1Q
Operating cash flow	(533)	↑ (265)
Investing cash flow	(0)	(0)
Financing cash flow	(507)	↑ (309)
Change in net cash flow	(1,024)	(561)
Cash & cash equivalents at end of period	2,276	1,836

- ✓ Operating cash flow; net cash used in decreased as investment collection progressed.
- ✓ Financing cash flow; net cash used in decreased due to a decrease of repayment of loans payable.

2. Results for FY Mar. 2022

- Break down of operating revenue & operating cost



(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2022 (1Q)	FY 2023 (1Q)	FY 2022 (1Q)	FY 2023 (1Q)	FY 2022 (1Q)	FY 2023 (1Q)
Operating revenue	168	219	150	207	18	12
Fund management fees etc.	41	35	39	34	1	1
Proceeds of sales of securities	104	171	104	171	-	-
Fund interests income etc.	9	1	3	0	6	1
Other operating revenue	12	11	2	1	9	9
Operating cost	165	185	145	124	20	60
Cost of securities sold	88	113	88	113	-	-
Investment write-offs and Provision for allowance for possible investment losses	28	1	28	1	-	-
Fund interests losses etc.	46	66	27	8	18	58
Other operating costs	2	3	1	0	1	2
Operating gross profit	3	34	5	82	(2)	(48)

- ✓ Private equity investment – Revenue increased and operating gross profit increased
 - Of operating revenue, proceeds of sales of securities increased due to progress of sales of listed shares in Japan.
 - Of operating cost, investment write-offs from investees those business development were delays decreased.
- ✓ Project oriented investment – Revenue decreased and operating gross profit decreased
 - Of operating cost, fund interests losses etc. increased due to upfront costs from the smart agriculture project which expanded the vegetable plant and newly developed projects.

3. Business plan progress report

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Healthcare (group home for the handicapped)	P15
New investment area (shared atelier)	P17

3. Business plan progress report – Action plan

	Action plan for 3 years	Progress in the second year (since Apr. 2022)
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"> ✓ Decided to invest in “non FIT type” solar power systems installed on the rooftops of distribution centers ✓ Mega solar power plant in Iwaki City, Fukushima started electricity sales in Jul. and was sold in Aug.
Distribution center (logistics warehouse)	<ul style="list-style-type: none"> ✓ Increase investments as a priority area. ✓ Invest in early stages of projects and achieve high returns by attracting later stage investors looking for middle-risk & middle returns. 	The distribution center in Hidaka City, Saitama was built up in Apr. and sold in Jun. (This profit will be posted in 3Q.)
Healthcare (facility for the elderly)	Continue to invest in carefully selected projects	The facility in Minamiaoyama, Minato-ku was built up in May and sold in Jun. (This profit will be posted in 3Q.)
Healthcare (group home for the handicapped)	Invest in 50 projects by originating funds from major banks and leasing companies	<ul style="list-style-type: none"> ✓ The group home for the handicapped in Takamatsu City, Kagawa was built up. ✓ Collaboration with regional financial institutions accelerated the business development.
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"> ✓ Invested in entertainment contents, “NAKED FLOWERS FOR YOU”, through PIA Corporation ✓ Decided to invest in a shared atelier project in July

- ✓ Business development progressed in renewable energy, distribution center and healthcare
- ✓ Invested in various projects in new investment area

3. Business plan progress report – Renewable energy

Decided to invest in “non FIT type” solar power systems installed on the rooftops of distribution centers



Strategic investee;
KIC Holdings Inc.



Strategic investee;
Smart Solar Corporation

1 環境への配慮:SDGs経営に対応。
例:あきる野DCに180kWの発電設備を設置する場合のCO₂排出削減量

2 施設内消費による経済性:
従来の電力より
安い電力で経営の安定化。

3 BCP対策:
停電時にも大容量蓄電池で一定電力を確保し、
テナント様の事業継続性を強化。

- ✓ These distribution centers were developed by KIC Holdings Inc., one of our strategic investees. This non FIT type solar power system was developed by Smart Solar, other strategic investee.
- ✓ Combined and efficient operation of solar panels installed on the rooftop, storage batteries, and commercial power sources
- ✓ A low environmental-load distribution center that uses sunlight to cover 60% of the power used by the facility
- ✓ The clean energy generated can be consumed at low cost by the tenant of the facility. Additionally, this system functions as an independent emergency power source in the event of a power outage.
- ✓ This is the result of successful collaboration between strategic investee companies.

3. Business plan progress report – Renewable energy

Mega solar power plant in Iwaki City, Fukushima started electricity sales in Jul. 2022



Location	Iwaki City, Fukushima
Maximum output	around 2.4 MW
Expected annual power generation	Around 2,950 MWh (Equivalent to annual power consumption of approx. 620 average households ※)
Start of electricity sales	July 2022
Investment exit	August 2022



※ Annual power consumption of average households are converted at 4,743 kWh per annum based on the Photovoltaic Power Generation Association “Disclosure Guidelines (FY 2022).

3. Business plan progress report – Logistic warehouse



KIC Sayamahidaka Distribution Center was built up in Apr. 2022



Strategic investee;
KIC Holdings Inc.

Location	Hidaka City, Saitama
Access	approximately 0.5 km 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 execution	Jan. 2021
Completion	Apr. 2022
Investment exit	Jun. 2022



3. Business plan progress report – Facility for the elderlies



Facility in Minamiaoyama, Minato-ku was built up in May 2022

Name	Plaisant Luxe Minami Aoyama
Access	about 15 minutes from Tokyo Metro Hibiya Line Hiroo Station, 17 minutes from Tokyo Metro Chiyoda Line Omotesando Station, about 15 minutes from Minami Aoyama 7-chome bus stop, on foot
Outline	Site area: 1,691.52m ² , Reinforced concrete construction, 5 floors above ground, Paid nursing home for the elderly (Capacity 61 people)
Investment execution	Jan. 2021
Completion	May. 2022
Investment exit	Jun. 2022



**Partner company:
AIP Healthcare Japan GK**

3. Business plan progress report - Group home for the handicapped



Social Inclu Home Kagawa Town Takamatsu was built up in May 2022



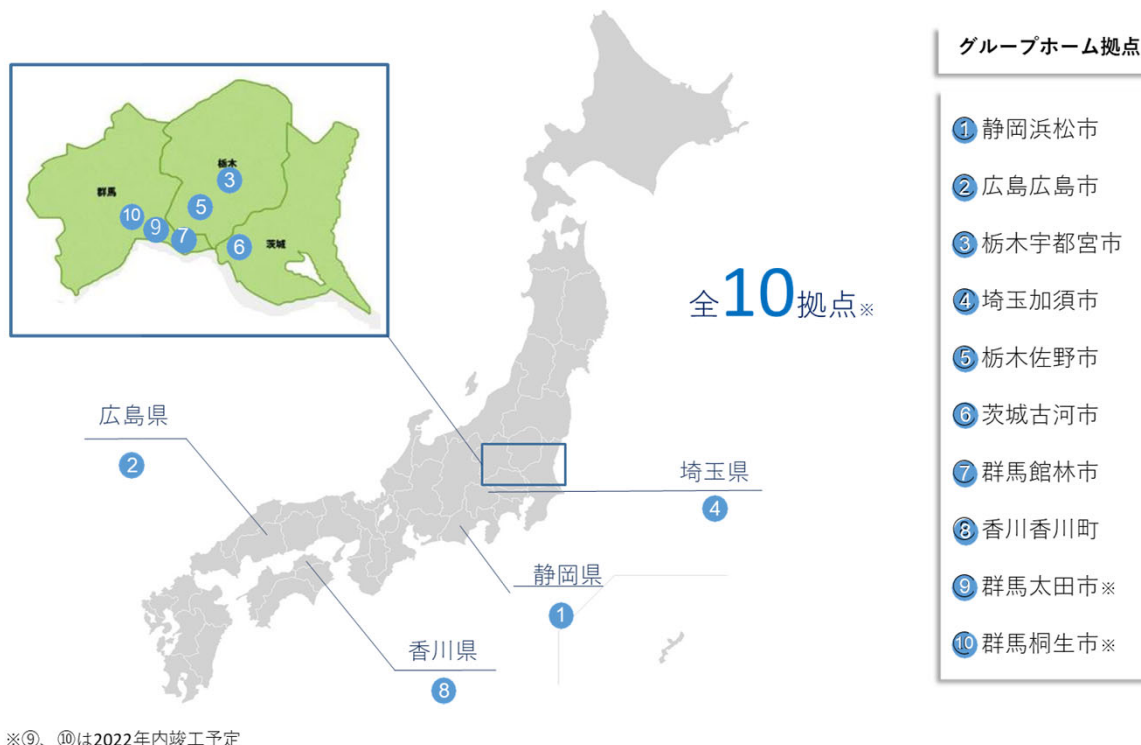
**Strategic investee;
social inclu CO., LTD.**

Location	Kagawa town, Takamatsu city, Kagawa
Completion	May 2022
No. of rooms	20 for residents, 2 for short-stay
Type of group home	24-hours support service type
Operator	social inclu CO., LTD.



3. Business plan progress report – Group home for the handicapped

Collaboration with regional financial institutions accelerated business development



- ✓ By strengthening cooperation with regional financial institutions, the speed of project development has accelerated and the target area has expanded.
- ✓ Expanded to 10 group homes including scheduled to be built up by the end of the year
- ✓ 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 business

Decided to invest in a shared atelier in Fujisawa City, Kanagawa in Jul. 2022



**Partner company;
ENJOYWORKS**

A photo of "Sakurayama Shared Atelier" where ENJOYWORKS renovated an abandoned factory in Sakurayama, Zushi City, Kanagawa.



- ✓ Decided to invest in a shared atelier project to renovate an abandoned factory in Fujisawa City, Kanagawa into a shared factory and shared atelier for creators and artists
- ✓ ENJOYWORKS ("EW"), the partner company of this project, develops and renovates real estate for 15 years since its incorporation. EW has successfully involved local residents, local companies, regional financial institutions and local government in EW's projects and has developed various distinctive projects.
- ✓ By utilizing the crowdfunding sympathetic investment fund "Hello! RENOVATION", EW solicits investment from various related population and raises the funds necessary for development.

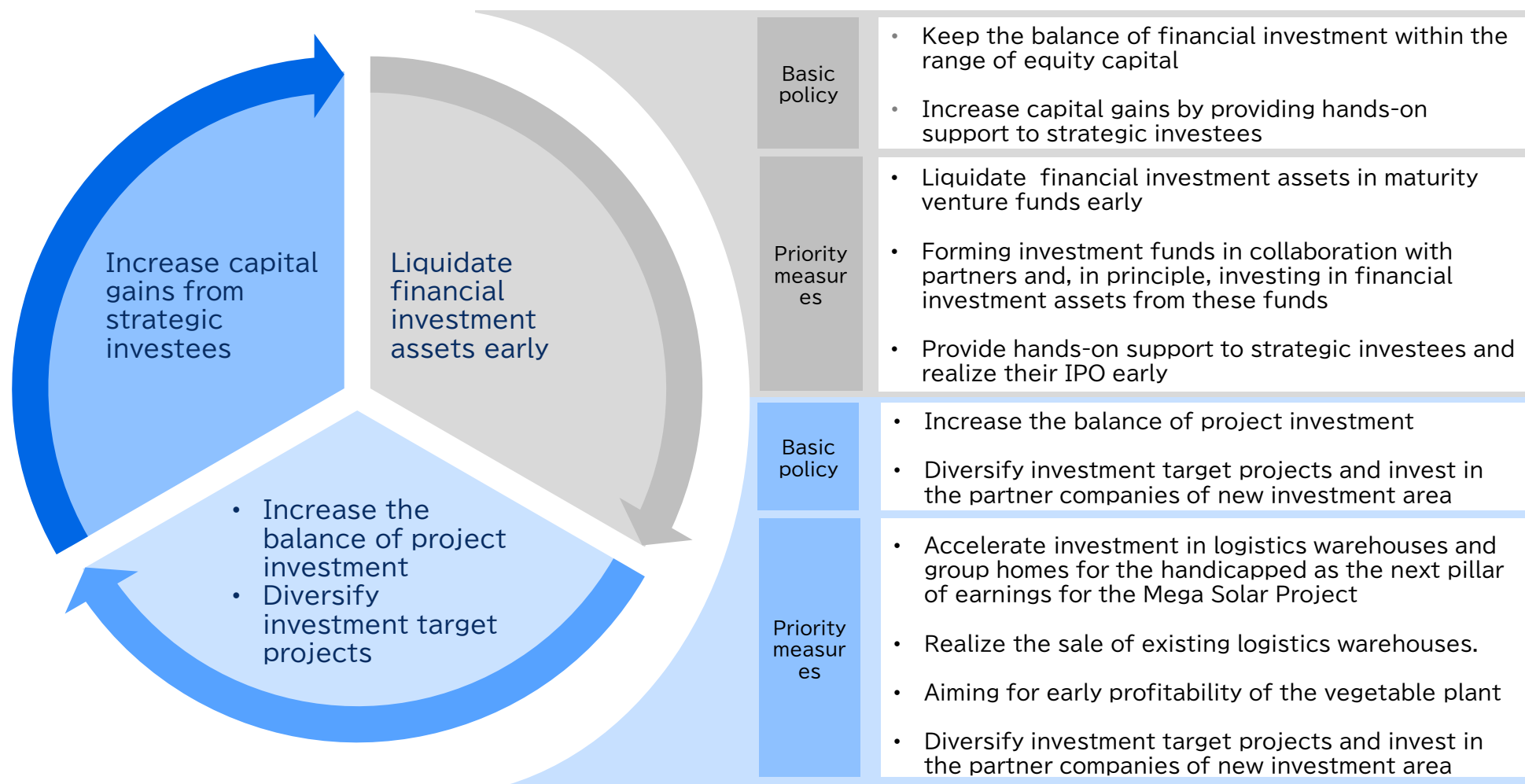
4. Result forecasts

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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 2023 (1Q)	Result forecast FY2023 1st Half (disclosed in May 2022)	Revised result forecast FY2023 1st Half (Revised in Aug. 2022)		Result forecast FY. 2023 full-year (disclosed in May 2022)	
	Amount		Amount	Amount	Change	Amount
Operating revenue	219	1,950	1,330	(31.8%)	3,000	7.3%
Operating cost	185	600	740	23.3%	1,050	17.7%
Operating gross profit	34	1,350	590	(56.3%)	1,950	1.8%
SG&A expenses	262	570	540	(5.3%)	1,200	21.9%
Operating income	(227)	780	50	(93.6%)	750	-
Ordinary income	(248)	730	0	(100.0%)	650	-
Profit attributable to owners of parent	(262)	600	(10)	-	550	-

- Full-year forecast remains unchanged. Reflecting capital gains from private equity investments mainly in Japan and sales of projects, we aim to achieve the profit plan.
- Forecast for first half was revised. Expected sales of shares and project have been delayed from 2Q to 3Q.
- Sales of projects have steadily progressed. 2 projects were sold in 1Q and the profits will be posted in 3Q.
- Actual results of 1Q were behind the forecast due to unexpected extraordinary loss, less capital gain from shares and operating costs from projects those exceeded expectations.
- On the other hand, 1 mega solar project was sold in 2Q. This capital gain was not expected at the beginning of the term and is expected to compensate for behinds in 1Q.

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.

5. Appendix

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5. Appendix - Renewable energy projects (as of June 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 project 2.3MW

Aomori, Bio gas,
1 project 0.03MW

Iwate, Solar,
1 project 2.4MW

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

Tochigi, Solar,
3 projects 6.0MW

Tokyo, Bio gas,
1 project 1.1MW

Kanagawa, Solar,
1 project 2.4MW

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

5. Appendix - List of project oriented investments (as of June 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	Nakaoudaie solar power plant(*)	2.4	Started electricity sales in Apr. 2018	36
	6	Higashioudaie solar power plant(*)	2.4	Started electricity sales in Jul. 2018	36
	7	Iwaki City, Fukushima	2.4	Under construction (Started electricity sales in Jul. 2022)	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 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 planning	36
	13	Tochigi	2.0	Under planning	32
	14	Tochigi	2.0	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 June 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 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 Aug. 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	Akiruno City, Tokyo	Total floor area 25,804 m ² (scheduled), 4 stories above ground	Under construction or Under planning
	4	Non-disclosed	Non-disclosed	Under construction or Under planning
	5	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 June 2022)



Type of project	No.	Location	Project scale	Current status
Facility for the elderly	1	Shinonome, Koto-ku, Tokyo	8-story complex facility with a capacity of 100 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 (Scheduled to be built up in 2022)
	10	Takamatsu City, Kagawa		Built up in May 2022
	11	Kiri City, Gunma		Under construction (Scheduled to be built up in 2022)
	12	Iwaki City, Fukushima		Under construction or Under planning
Contents	1	Naked Flowers For You	-	Held on the 8th floor of Yurakucho Marui since March 2022

Other 2 projects

5. Appendix – Strategic investment



Renewable Japan

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

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

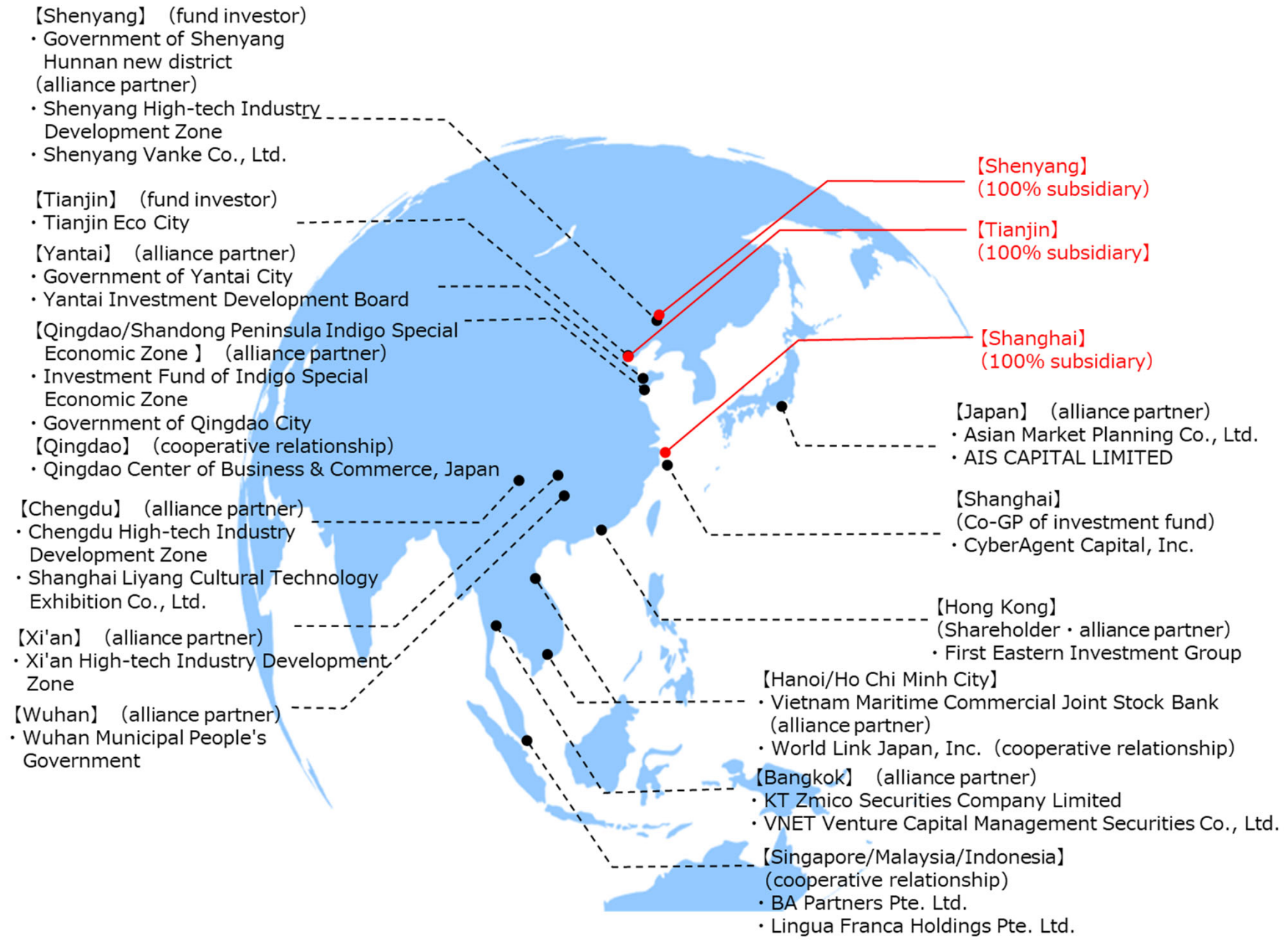


KIC Holdings Inc.

Partner company in distribution warehouse projects

Year of first investment: 2020

5. Appendix - Asia network



5. Appendix - Funds & investment activities



(JPY million)	18/3	19/3	20/3	21/3	22/3	22/3(1Q)	23/3(1Q)
New & increased funds	1,000	2,000	1,359	151	1,001	1,001	-
AUM of funds - total *1	19,150	16,494	17,390	16,450	16,463	17,020	16,952
AUM of funds - JAIC *1	5,867	5,344	5,163	5,434	4,953	5,470	5,113
New investnemt (Total)*2	3,887	3,749	3,374	1,767	3,420	862	93
Balance of investments (Total)*2	13,981	13,951	15,101	12,855	13,784	13,522	13,128
New investnemt (project oriented investment)*2	2,681	3,612	2,150	1,445	1,938	142	81
Balance of investments (project oriented investment)*2	3,582	5,514	6,696	6,088	6,344	6,208	5,879
New investnemt (private equity)*2	1,205	136	1,224	322	1,482	720	11
Balance of investments (private Equity)*2	10,398	8,437	8,405	6,767	7,440	7,313	7,248

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)

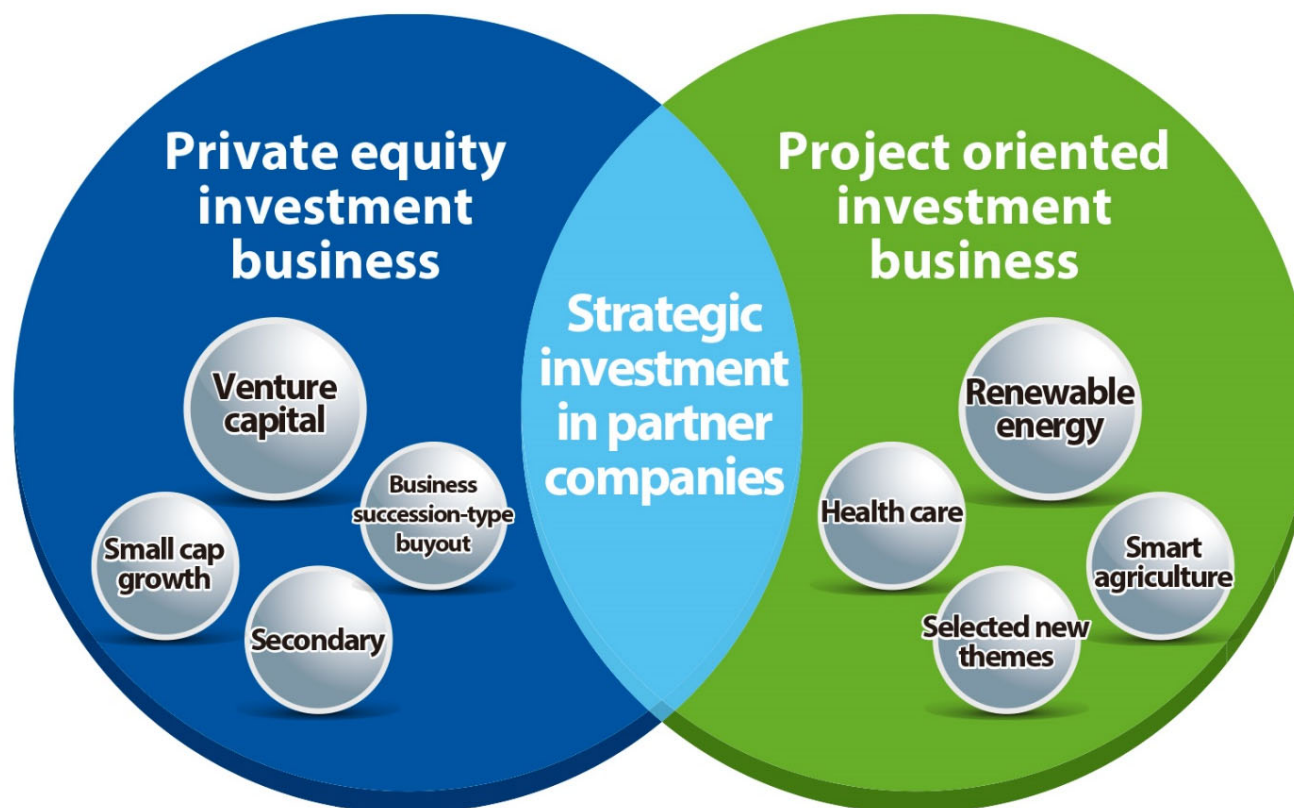


(JPY million)	18/3	19/3	20/3	21/3	22/3	22/3(1Q)	23/3(1Q)
Business results							
Operating revenues	5,403	2,475	2,760	3,089	2,409	168	219
Operating gross profit	2,328	1,286	1,359	1,301	1,276	3	34
SG&A expenses	1,311	1,109	1,094	1,086	1,189	273	262
Operating income	1,017	177	265	214	86	(270)	(227)
Ordinary income	954	83	140	173	61	(286)	(248)
Net income	874	578	302	144	49	(287)	(262)
Financial position							
Cash and deposits	7,308	5,564	3,920	3,699	2,740	2,781	2,217
Operational investment securities and operating loans of project oriented investment	3,582	5,514	5,437	5,583	6,781	5,646	6,801
Operational investment securities of strategic investment in partner companies	373	373	1,005	1,155	1,783	1,355	1,622
Operational investment securities of financial investment after deducting allowance for possible investment loss	5,657	4,765	4,282	3,111	3,029	3,047	3,016
Loans payable, bonds & bonds with subscription rights to shares	11,954	9,784	8,166	6,950	5,943	6,442	5,633
Total shareholders' equity	6,545	6,840	7,223	7,338	7,779	6,998	7,515
Total assets	19,220	17,305	15,800	14,657	14,972	13,900	14,294

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



(JPY:million)	18/3	19/3	20/3	21/3	22/3	22/3(1Q)	23/3(1Q)	Change(%)
1. Fund management operation								
Fund management fees and others	277	241	199	169	154	41	35	(13.1%)
Success Fees	86	-	-	-	-	-	-	-
Operating revenue	364	241	199	169	154	41	35	(13.1%)
Operating cost	-	-	-	-	-	-	-	-
Operating gross profit	364	241	199	169	154	41	35	(13.1%)
2. Investment operation								
Proceeds of sales of securities	3,219	1,746	2,349	2,221	1,573	104	171	63.3%
Fund interests income etc.	1,677	429	172	648	631	9	1	(83.5%)
Operating revenue	4,897	2,176	2,521	2,870	2,204	114	172	50.9%
Cost of securities sold	2,469	554	965	1,249	810	88	113	29.3%
Investment write-offs and Provision for allowance for possible investment losses	562	579	245	194	145	28	1	(94.9%)
Fund interests losses etc.	36	49	184	336	167	46	66	43.6%
Operating cost	3,069	1,182	1,395	1,780	1,123	163	182	11.7%
Operating gross profit	1,827	993	1,125	1,090	1,081	(48)	(9)	-
3. Others								
Operating revenue	142	57	40	49	50	12	11	(13.7%)
Operating cost	5	6	5	7	10	2	3	36.9%
Operating gross profit	136	51	34	41	40	10	8	(24.5%)
Total								
Operating revenues	5,403	2,475	2,760	3,089	2,409	168	219	30.2%
Operating cost	3,074	1,188	1,401	1,788	1,133	165	185	12.0%
Operating gross profit	2,328	1,286	1,359	1,301	1,276	3	34	929.7%



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

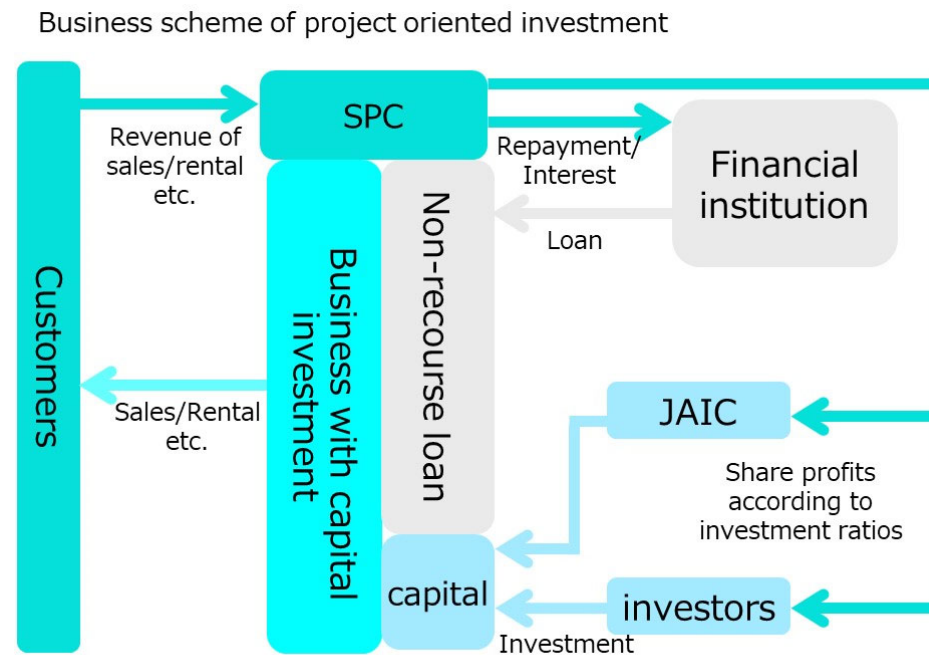
Expertise to structure sophisticated finance scheme

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

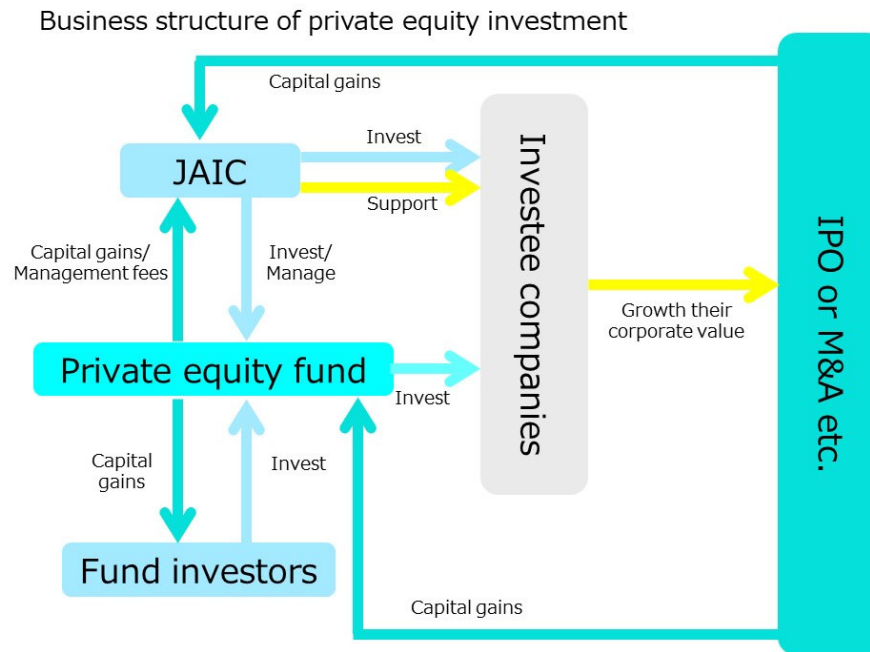
JAIC has track record of leading more than 300 invested venture companies to "Going Public". Through the long time investment activities, JAIC enjoys close relationship with wide range of venture companies. Based on this intangible asset, JAIC is utilizing the network to create value for invested companies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

5. Appendix - 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.

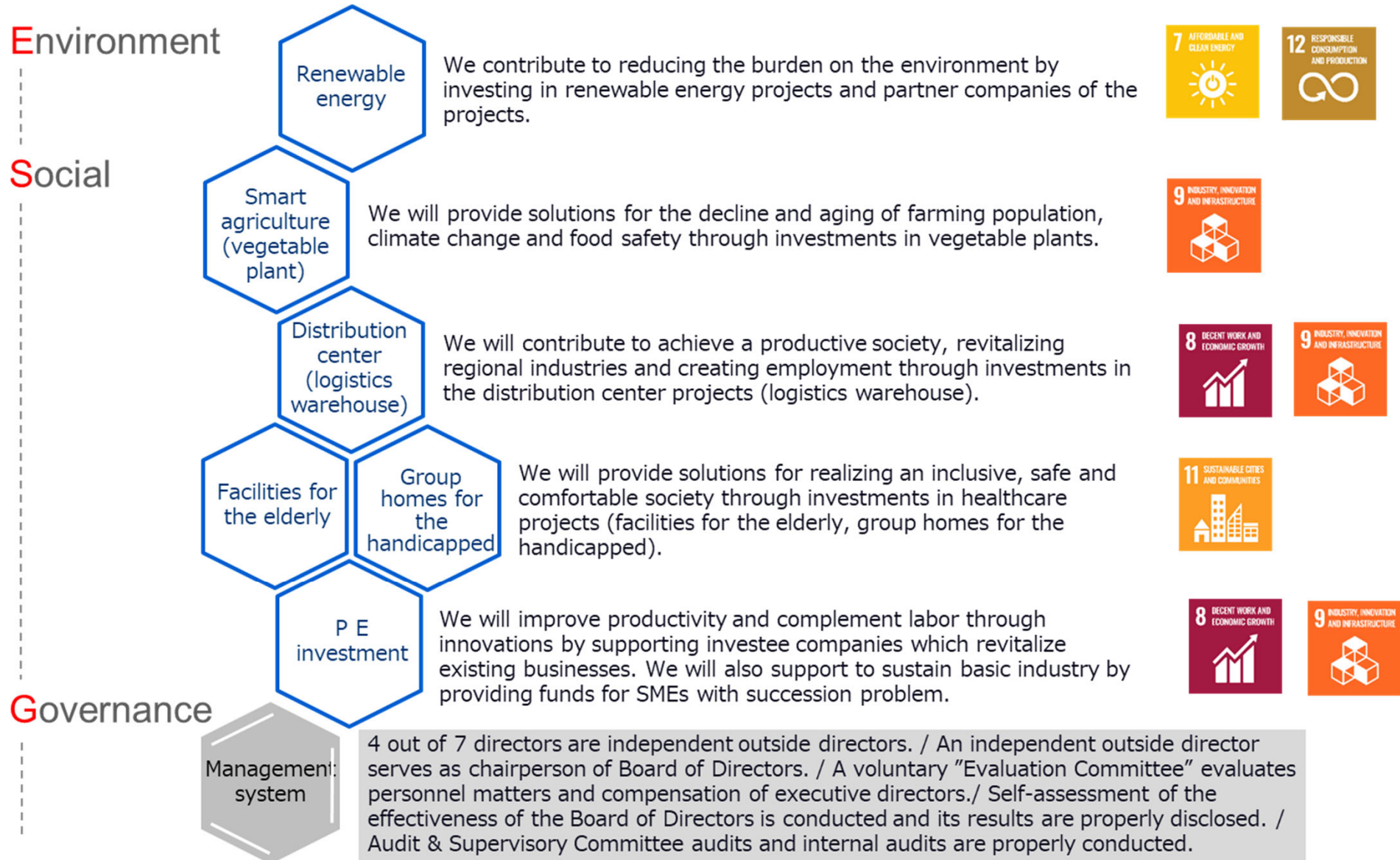
5. Appendix - Profit structure – Private equity investment



- 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 June 30, 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, Standard Market (Securities code 8518)
Employees	40 (Consolidated) / 21 (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 :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]

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