

Financial Results Overview for 3rd Quarter Ended December 31, 2023

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

Announcement date : Feb. 14, 2024

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

- ✓ Results for the current quarter (year-on-year)
 - Operating revenue decreased to ¥ 549 million (down, 79.6 %).
 - Quarterly net loss attributable to owners of parent was ¥ (1,155) million (down, ¥1,075 million).
 - Since no stocks with relatively large investment amount and no project-oriented investment were sold, operating revenue significantly declined, and deficit widened.

- ✓ 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.
 - One logistic warehouse was built up in Akiruno City, Tokyo. One logistic warehouse has started construction in Kaskabe City, Saitama Prefecture.
 - One group home for disabled people has started operation in Yatsushiro City, Kumamoto Prefecture.

- ✓ Result Forecast
 - JAIC revised result forecast for FY 2024. Operating revenue was revised to 950~2,300 million yen and net loss attributable to owners of parent was revised to (1,500) ~ (450) million yen.
 - The timing of sales of project-oriented investments was delayed. Capital loss of shares was incurred. Provision for possible investment loss and investment write-off exceeded the previous forecast.
 - Revised result forecast is estimated to fluctuate significantly depending on the sales of unlisted shares those are under negotiation for sales.

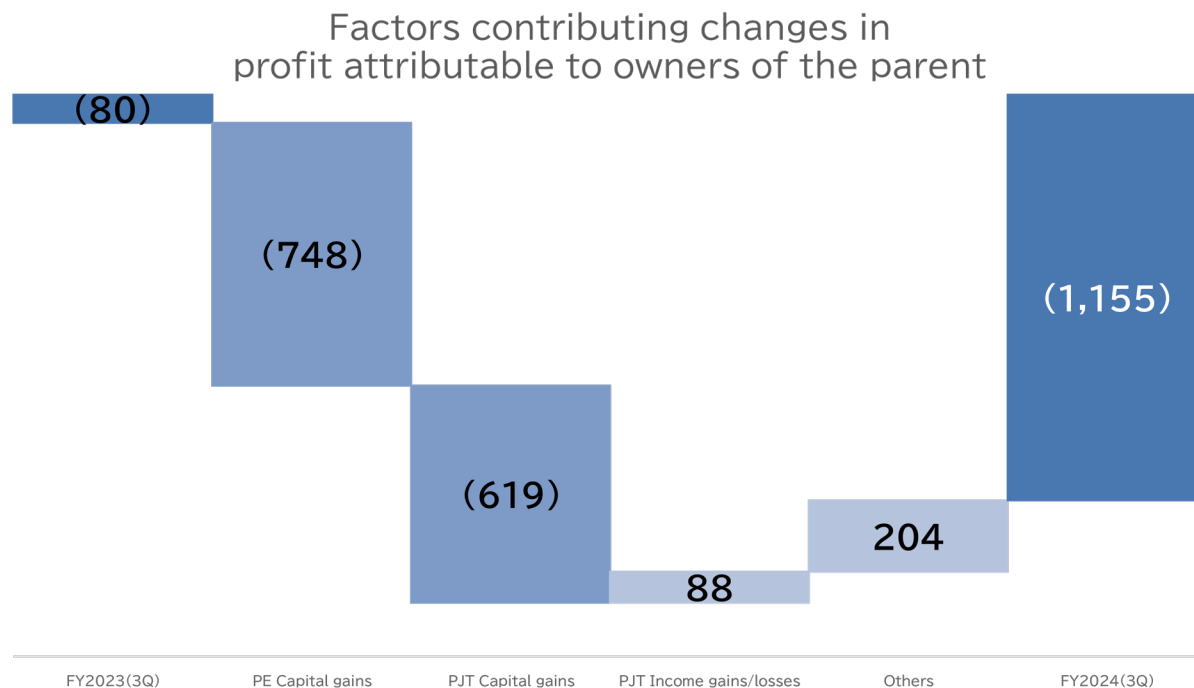
2. Results for the current quarter



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 (3Q)	FY 2024 (3Q)	Change
Operating revenue	2,688	549	(79.6%)
Operating cost	1,774	879	(50.4%)
Operating gross profit	914	(329)	-
SG&A expenses	864	785	(9.2%)
Operating income	49	(1,115)	-
Ordinary income	17	(1,151)	-
Profit attributable to owners of parent	(80)	(1,155)	-



✓ Factors for decreased operating revenue and widened deficit

- Private equity investment

Though sales of listed shares has progressed, sales of unlisted shares with relatively large investment amounts has not been executed.

- Project-oriented investment


No project was sold, compared to 3 projects were sold in the same period of the previous fiscal year.

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

(million yen)	FY 2023	FY 2024(3Q)	Change	fluctuation factors (billion yen)
Total assets	13,413	↓ 10,978	(18.2%)	
Cash and deposits	2,464	↓ 1,611	(34.6%)	repayments of loan (0.8), execution of investments & loans (1.2), expenses etc.(0.4), collection +1.5
Project oriented investment securities & loans after deducting allowance for possible investment loss	6,053	5,735	(5.3%)	execution of investments & loans +0.8, distribution & collection (1.0), interests income/loss(0.19), unrealized gain +0.03
Strategic investment securities in partner companies after deducting allowance for possible investment loss	782	913	16.7%	execution of investments +0.13
Financial investment securities after deducting allowance for possible investment loss	3,301	↓ 2,204	(33.2%)	execution of investments +0.2, distribution & collection (0.5), unrealized gain (0.3), write-off & allowance (0.5)
Loans payable	5,142	↓ 4,314	(16.1%)	repayments of loan (0.8)
Total shareholders' equity	7,518	↓ 6,115	(18.7%)	loss (1.1), unrealized gain (0.2)

- ✓ Total assets decreased mainly due to investment collection, provision and writ-off of financial investments.
- ✓ 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(3Q)	FY 2024(3Q)
Operating cash flow	517	 234
Investing cash flow	(2)	1
Financing cash flow	(806)	(828)
Change in net cash flow	(263)	(580)
Cash & cash equivalents at end of period	2,134	1,181

- ✓ Operating cash flow decreased year-on-year. Investment collection proceeded by redemption of bonds, however, deficit widened.

2. Results for the current quarter

- Break down of operating revenue & operating cost

(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2023 (3Q)	FY 2024 (3Q)	FY 2023 (3Q)	FY 2024 (3Q)	FY 2023 (3Q)	FY 2024 (3Q)
Operating revenue	2,688	549	1,936	↓ 502	752	↓ 47
Fund management fees etc.	103	115	97	110	5	5
Proceeds of sales of securities	1,983	335	1,833	↓ 335	149	↓ 0
Fund interests income etc.	568	47	0	39	567	↓ 7
Other operating reveue	34	50	4	17	29	33
Operating cost	1,774	879	1,397	678	376	201
Cost of securities sold	1,019	179	929	178	90	0
Investment write-offs and Provision for allowance for possible investment losses	450	491	450	↗ 491	-	-
Fund interests losses etc.	293	196	14	5	279	↓ 191
Other operating costs	9	11	2	2	6	9
Operating gross profit	914	(329)	539	↓ (175)	375	↓ (154)

- ✓ Private equity investment – Revenue decreased, and operating gross profit went into the red
 - Of operating revenue, proceeds of sales of securities decreased. Sales of shares with relatively large investment amount has not been executed.
 - Of operating cost, write-offs & provisions increased. JAIC posted provisions and write-offs for portfolio companies those business progress had been slower than planned.
- ✓ Project oriented investment – Revenue decreased, and operating gross profit went into the red
 - Operating revenue decreased since no project was sold. (3 projects were sold in the same period of the previous fiscal year.)
 - Of operating cost, fund interests losses etc. decreased due to decrease of operating cost and loss from projects.

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



Progress in the current quarter

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



	Action plan for 3 years	Progress in FY 2024 3Q (9 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 has started electricity sales in Dec. 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. ✓ 1 of the 8 group homes has started operation in Dec. 2023.

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



	Action plan for 3 years	Progress in FY 2024 3Q (9 months)
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. 	<ul style="list-style-type: none"> ✓ 1 logistics warehouse has started construction in Kaskabe City, Saitama, in Jan. 2024. ✓ 1 logistics warehouse was built up in Akiruno City, Tokyo, in Dec. 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"> ✓ 2 memorial tree burial projects have started operation at Koenji Temple in Minato-ku, Tokyo and at Kaihoji Temple in Fushimi-ku, Kyoto City. ✓ Actively invested in electric assist bicycles those used in subscription service

4. Result forecast



Revised result forecast

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Cautionary statements

P14

4. Result forecast-Revised result forecast

(million yen)	Actual FY 2024 (3Q)	Result forecast FY2024 (disclosed in May 2023)	Result forecast FY2024 (Revised in Feb. 2024)	Change (%)
Operating revenue	549	2,300	950~2,300	△58.7%~0%
Operating income	(1,115)	200	(1,450)~(400)	—
Ordinary income	(1,151)	120	(1,500)~(450)	—
Profit attributable to owners of parent	(1,155)	120	(1,500)~(450)	—

- ✓ JAIC revised result forecast for FY Mar. 2024. The timing of sales of projects was delayed. Capital loss of shares was incurred. Provision for possible investment loss and investment write-off exceeded the previous forecast. Income and profit are estimated to go into the red.
- ✓ Estimated sales of projects such as logistics warehouse and group home for disabled people were delayed to FY Mar. 2025.
- ✓ Estimated sales of shares with relatively large investment amount is under negotiation. If the sale is realized on the best terms currently envisioned by JAIC, consolidated operating revenue is expected to remain unchanged. if the terms of the sale are lower than expected, if only a part of the unlisted shares can be sold, or if the sale is not completed during the current fiscal year, operating revenue is expected to decrease accordingly up to 58.7% lower than the previous forecast.

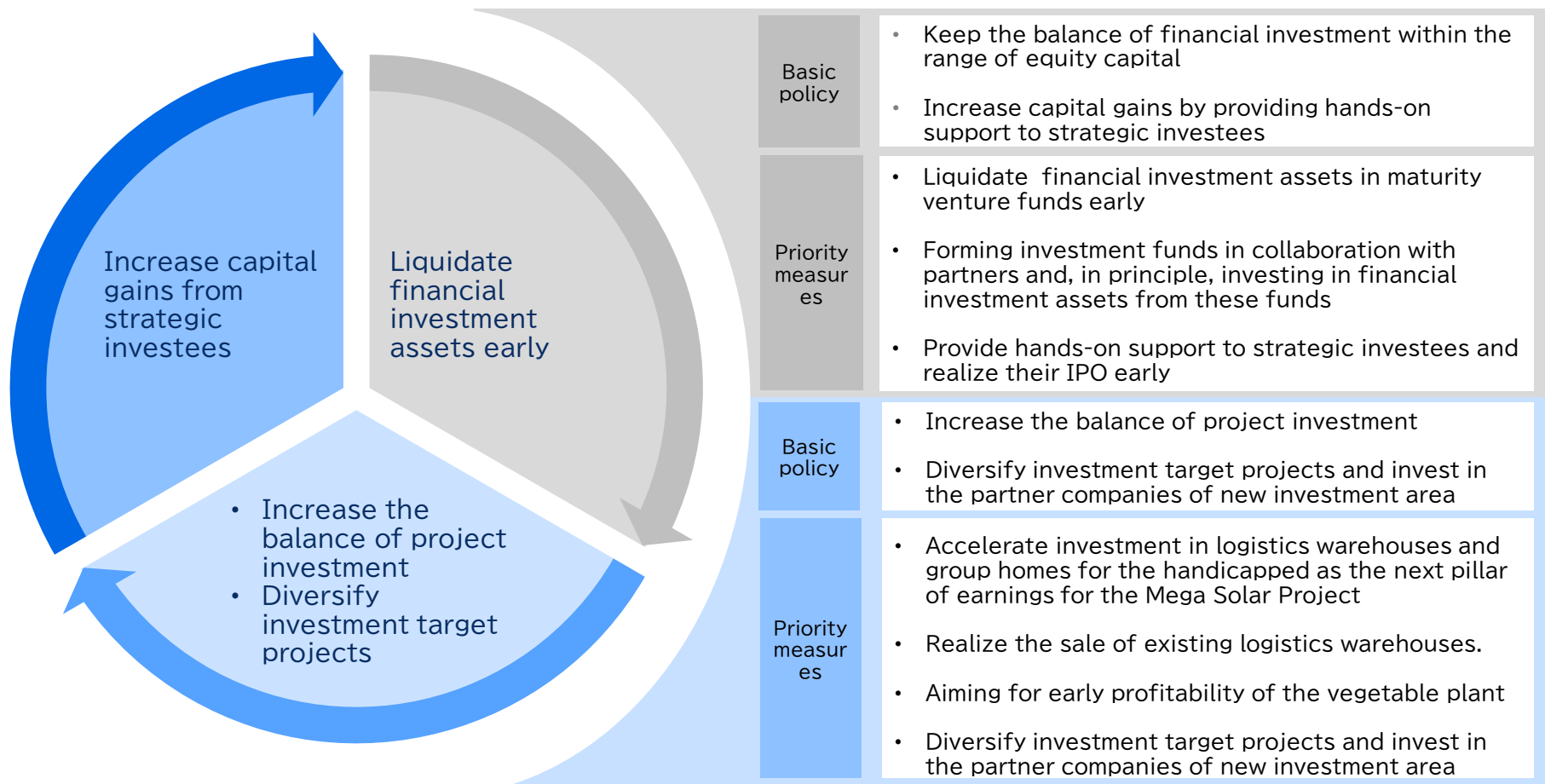
4. Result forecast - Cautionary statements

- ✓ 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.

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

Business Policy	<ul style="list-style-type: none"> ✓ 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
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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.



KIC Akiruno Distribution Center has been built up



Partner:
KIC Holdings Inc.



Partner:
Smart Solar Corporation



- ✓ In Dec. 2023, KIC Akiruno Distribution Center, developed KIC Holdings Inc, has been built up. The logistics warehouse is in good locations and with low environmental impact.
- ✓ It is about 4.6 km from the Hachioji IC on the Chuo Expressway, about 3.8 km from the Akiruno IC on the Ken-O Expressway, about 1.5 km from National Route 16, and about 1.7 km from Haijima Station on the JR East Japan and Seibu Railway, covering a wide range of areas in central Tokyo, West Tokyo, western Saitama, and Kanagawa
- ✓ The logistics warehouse plans to introduce a combined power supply system developed by Smart Solar Corporation. Low-cost clean energy generated by solar power covers part of the facility's electricity consumption, reduces CO2 emissions, and functions as an emergency power source in the event of a power outage.



Perpetual memorial tree burial project, “Fushimi Momoyama Forest”, started at Kaihoji Temple in Fushimi-ku, Kyoto City



366
サンロクロク

Partner:
366 Co., Ltd.

- ✓ In Nov. 2023, a tree burial garden has opened in Kaihoji Temple in Fushimi-ku, Kyoto City. This is the 2nd project co-developed with 366 Co., Ltd.
- ✓ URL: <https://366jumokuso.jp/jiin/fushimimomoyamanomori/>

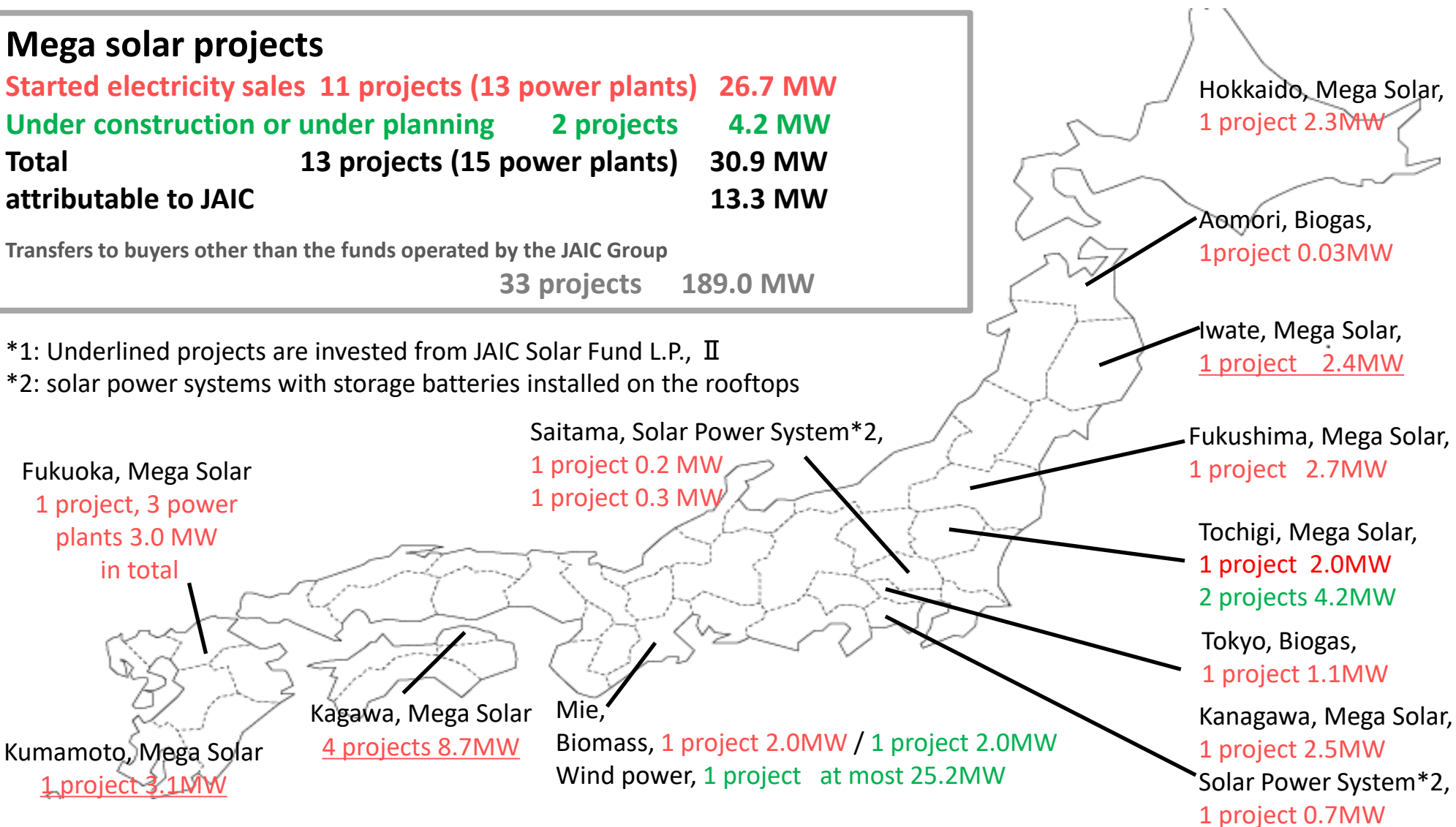
5. Appendix - Renewable energy projects (as of December 2023)

Mega solar projects

Started electricity sales	11 projects (13 power plants)	26.7 MW
Under construction or under planning	2 projects	4.2 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

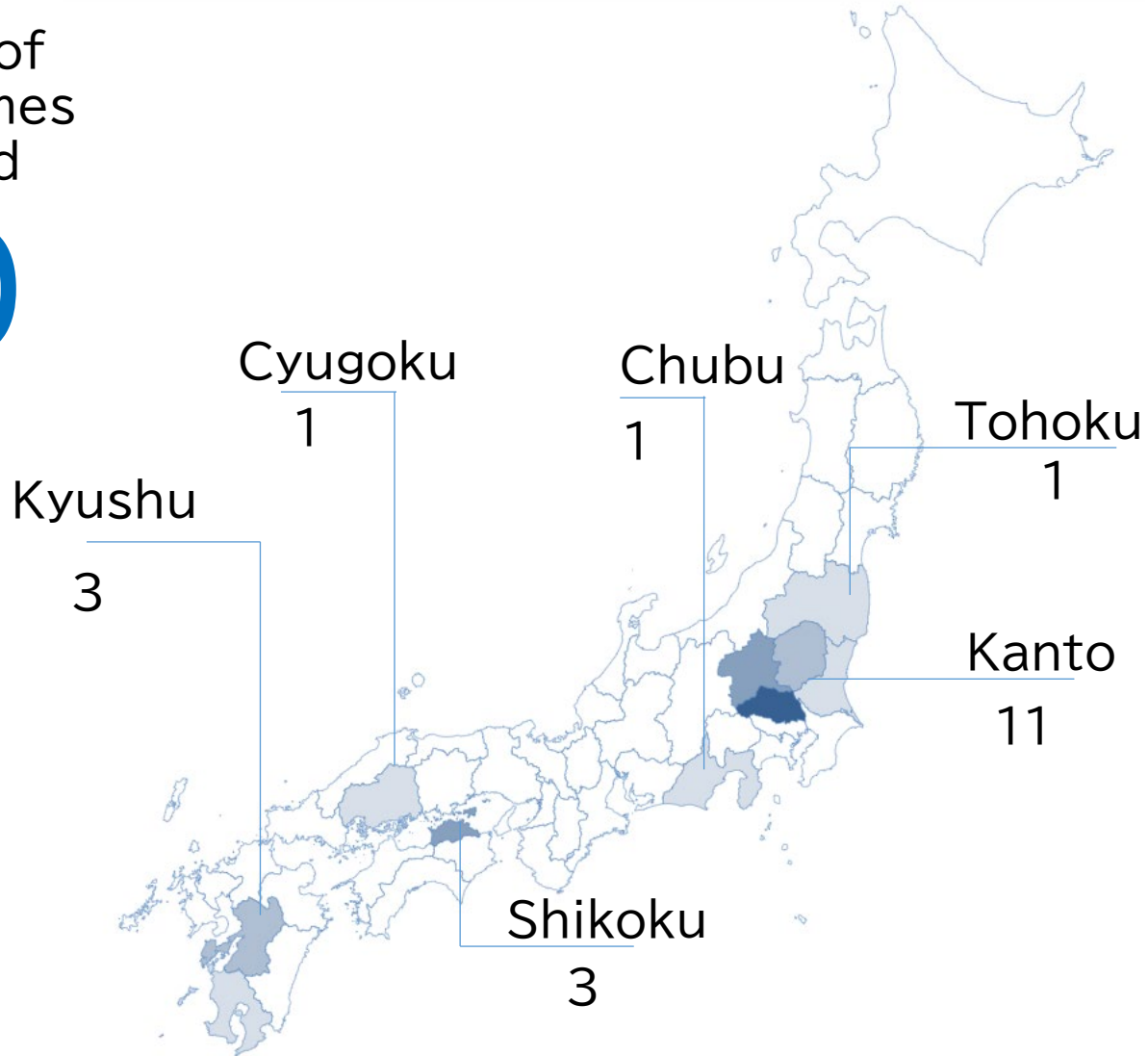


* Since our investment ratio differs in each project, the amount of JAIC's investment or revenues from mega solar projects that are attributable to JAIC are not necessarily linked to the MW figure of the project.

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

Number of group homes invested

20



5. Appendix - List of project-oriented investments (as of December 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	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	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 Mar. 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	Started electricity sales in Dec. 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 December 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 December 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		Preparing for operation
	15	Takamatsu City, Kagawa		Under construction
	16	Kumamoto City, Kumamoto		Preparing for operation
	17	Kuki City, Saitama		Under construction
	18	Yatsushiro City, Kumamoto		Started operation in Dec. 2023
	19	Kumagaya City, Saitama		Under construction
	20	Kirishima City, Kagoshima		Under construction
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 December 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	Akiruno City, Tokyo	Total floor area 25,804 m ² (scheduled), 4 stories above ground	Completed in Dec. 2023
	3	Kasukabe City, Saitama	Total floor area 18,158 m ² (scheduled), 4 stories above ground	Under construction
	4	Non-disclosed	Non-disclosed	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"	Started 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

Renewable Japan Co., Ltd.

Partner company in mega solar projects

IPO date : 22 Dec. 2021

Stock market : TSE Mothers



SMART SOLAR

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.

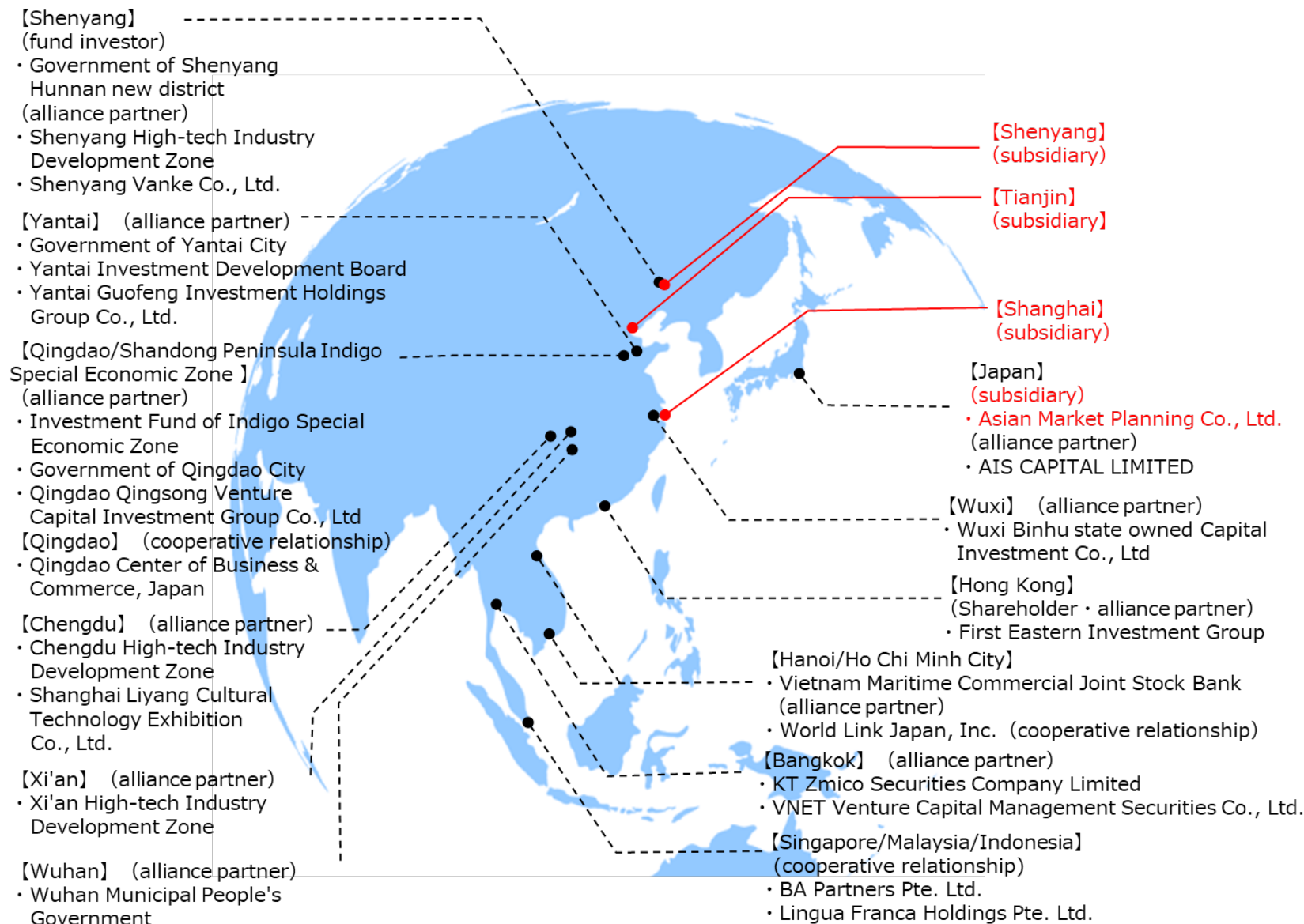
Partner company in perpetual memorial tree burial project



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 (3Q)	FY 2024 (3Q)
New & increased funds	2,000	1,359	151	1,001	3,701	2,701	1,400
AUM of funds - total *1	16,494	17,390	16,450	16,463	15,850	14,813	15,416
AUM of funds - JAIC *1	5,344	5,163	5,434	4,953	3,389	3,378	2,404
Execution of investnemt (Total)*2	3,749	3,374	1,767	3,420	3,561	2,330	1,932
Balance of investments (Total)*2	13,951	15,101	12,855	13,784	14,133	13,697	12,951
Execution of investnemt (project oriented investment)*2	3,612	2,150	1,445	1,938	2,152	1,132	826
Balance of investments (project oriented investment)*2	5,514	6,696	6,088	6,344	7,123	6,584	6,968
Execution of investnemt (private equity)*2	136	1,224	322	1,482	1,408	1,198	1,105
Balance of investments (private Equity)*2	8,437	8,405	6,767	7,440	7,010	7,113	5,983

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.

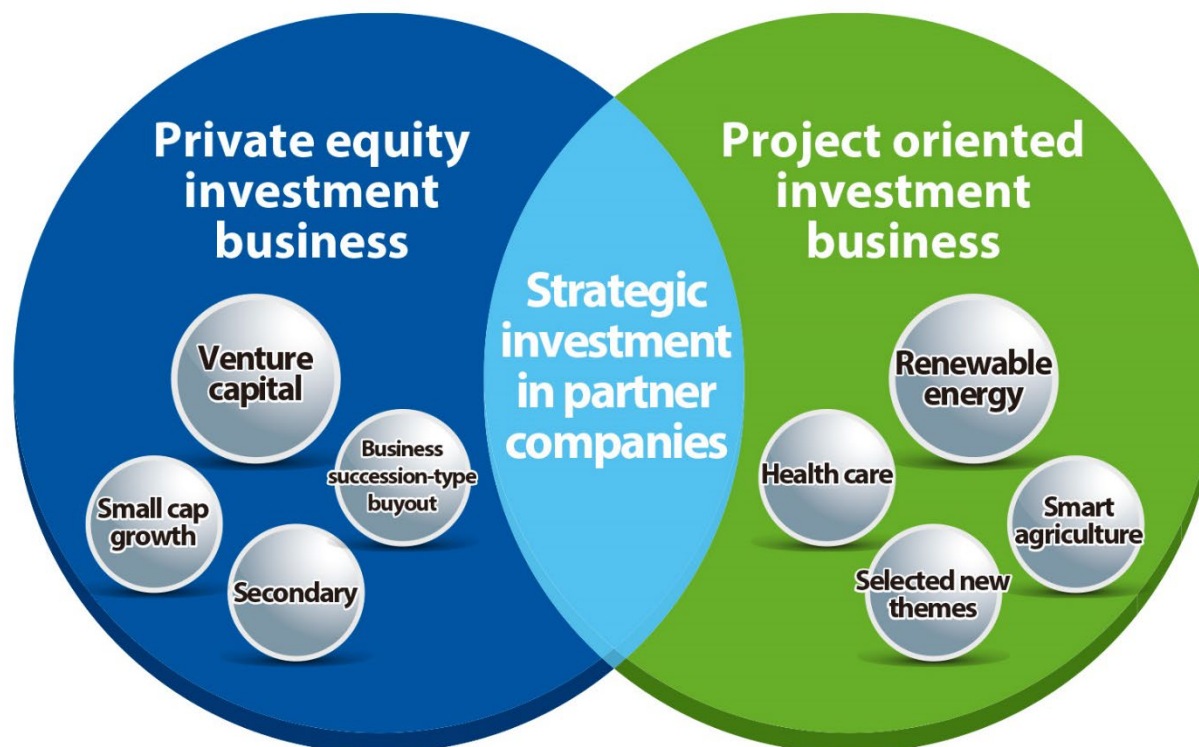
5. Appendix - Business results, financial position (Previous accounting standards)



(JPY million)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023 (3Q)	FY 2024 (3Q)
Business results							
Operating revenues	2,475	2,760	3,089	2,409	3,017	2,688	549
Operating gross profit	1,286	1,359	1,301	1,276	961	914	(329)
SG&A expenses	1,109	1,094	1,086	1,189	1,147	864	785
Operating income	177	265	214	86	(185)	49	(1,115)
Ordinary income	83	140	173	61	(224)	17	(1,151)
Net income	578	302	144	49	(269)	(80)	(1,155)
Financial position							
Cash and deposits	5,564	3,920	3,699	2,740	2,464	2,841	1,611
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	5,878	5,735
Operational investment securities of strategic investment in partner companies after deducting allowance for possible investment loss	373	1,005	1,155	1,783	782	1,194	913
Operational investment securities of financial investment after deducting allowance for possible investment loss	4,765	4,282	3,111	3,029	3,301	2,882	2,204
Loans payable, bonds & bonds with subscription rights to shares	9,784	8,166	6,950	5,943	5,142	5,137	4,314
Total shareholders' equity	6,840	7,223	7,338	7,779	7,518	7,772	6,115
Total assets	17,305	15,800	14,657	14,972	13,413	13,517	10,978

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

(JPY:million)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY2023 (3Q)	FY2024 (3Q)	Change(%)
1. Fund management operation								
Operating revenue	241	199	169	154	134	103	115	12.3%
Operating cost	-	-	-	-	-	-	-	-
Operating gross profit	241	199	169	154	134	103	115	12.3%
2. Investment operation								
Proceeds of sales of securities	1,746	2,349	2,221	1,573	2,057	1,983	335	(83.1%)
Fund interests income etc.	429	172	648	631	781	568	47	(91.7%)
Operating revenue	2,176	2,521	2,870	2,204	2,839	2,551	382	(85.0%)
Cost of securities sold	554	965	1,249	810	1,311	1,019	179	(82.4%)
Investment write-offs and Provision for allowance for possible investment losses	579	245	194	145	304	450	491	9.1%
Fund interests losses etc.	49	184	336	167	426	293	196	(33.1%)
Operating cost	1,182	1,395	1,780	1,123	2,043	1,764	867	(50.8%)
Operating gross profit	993	1,125	1,090	1,081	796	786	(484)	-
3. Others								
Operating revenue	57	40	49	50	44	34	50	49.3%
Operating cost	6	5	7	10	12	9	11	22.6%
Operating gross profit	51	34	41	40	31	24	39	59.7%
Total								
Operating revenues	2,475	2,760	3,089	2,409	3,017	2,688	549	(79.6%)
Operating cost	1,188	1,401	1,788	1,133	2,056	1,774	879	(50.4%)
Operating gross profit	1,286	1,359	1,301	1,276	961	914	(329)	-



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.

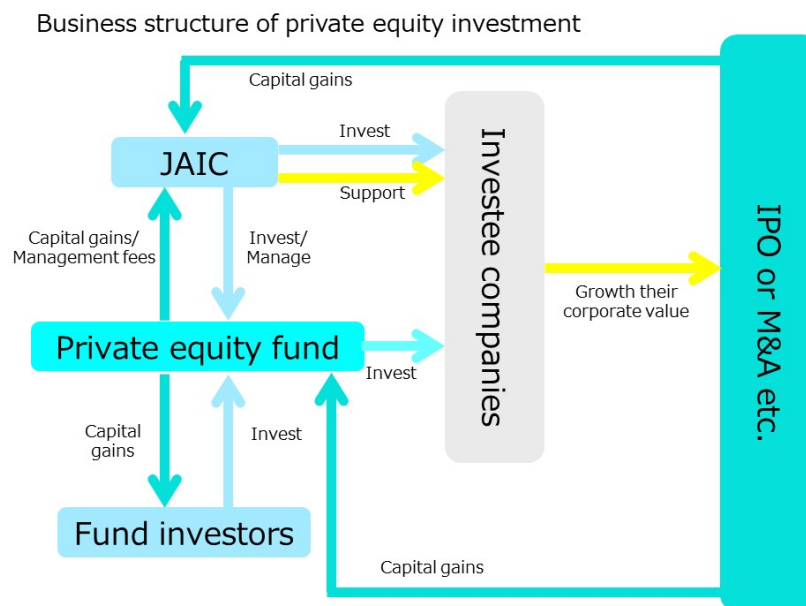
JAIC provides “hands-on” support to partner companies to improve its business promotion and financing activities, etc.

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.

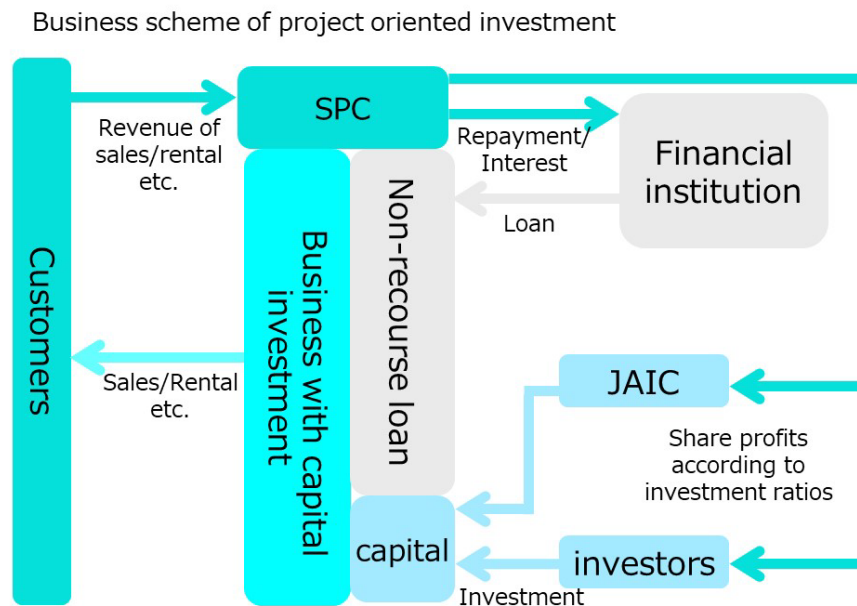
In addition to above, JAIC is determined to invest to new areas such as smart-agri business represented by vegetable plant and logistic industry such as distribution center where JAIC’s accumulated expertise can be leveraged.

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



- 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

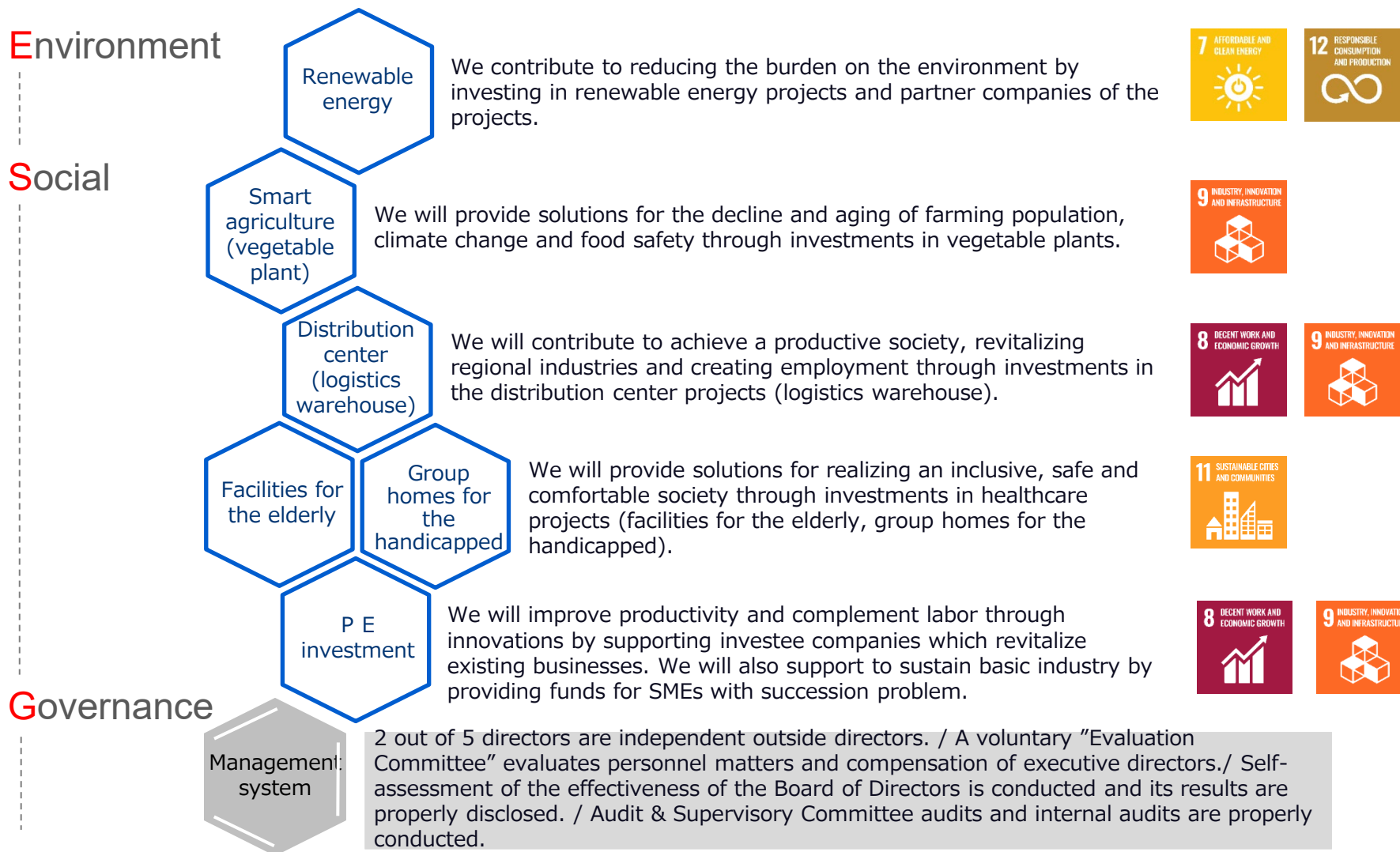
JAIC's accumulated invested volume inside and outside of Japan is Japanese Yen 330 billion. For the project oriented investment, in addition to providing direct equity investment, JAIC has been arranging various financing scheme utilizing project-finance approach and leverage financing together with 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 December 31, 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) / 21 (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]		

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