

Financial Results Overview for 2nd Quarter Ended September 30, 2022

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

Announcement date : November 14, 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 was ¥ 669 million (up, 75.8 %).
Sales of listed shares progressed in Japan and gains from project-oriented investments increased.
- Quarterly net loss attributable to owners of parent was ¥ (655) million (down, ¥12 million).
Provisions increased and the vegetable plant was delayed in turning a profit.

✓ Business plan progress report

- Although the numerical plan is downside, the action plan is progressing smoothly.
- The operating revenue plan was met by 50.4%.
Some domestic listed shares were suspended from selling due to sluggish stock prices.
- Quarterly net profit attributable to owners of parent was 645 million yen lower than planned.
Provisions increased in addition to lower operating revenues.
Losses from the vegetable plant increased because production volume fell short of plan.
- Healthcare and logistic, the next focus areas after mega solar, were recording profits and expanding the scale of assets.

✓ Result forecasts (compared to the previous forecast)

- Operating revenue of ¥3,150 million (up, 5%), net profit attributable to owners of parent of ¥160 million (down, 70.9%)
- Sale of shares from IPO have been postponed to the next fiscal year. Sale of other listed shares will fall short of target.
- Sales of unlisted shares and project-oriented investments are strong and are expected to exceed the previous forecast.
- Profit will decrease from the previous forecast.
Revenues with high profit margin will decrease.
Provisions will increase and loss from the vegetable plant will also increase.

2. Results for the current quarter

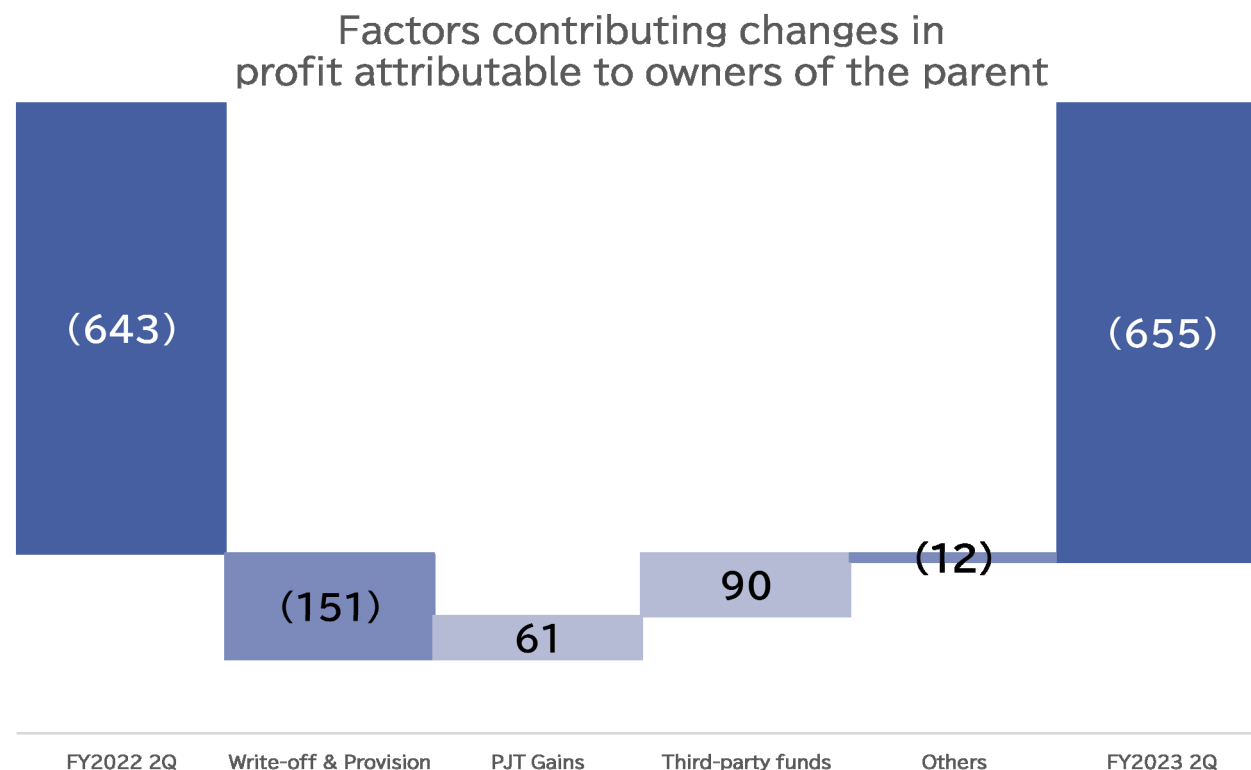


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2. Results for the current quarter - Outline of results - I/S



(million yen)	FY 2022 (2Q)	FY 2023 (2Q)	Change
Operating revenue	381	669	75.8%
Operating cost	327	715	118.8%
Operating gross profit	53	(46)	-
SG&A expenses	550	552	0.4%
Operating income	(496)	(598)	-
Ordinary income	(538)	(640)	-
Profit attributable to owners of parent	(643)	(655)	-





- ✓ Factors for increased operating revenue
 - Private equity investment; sales of listed shares progressed in Japan
 - Project-oriented investment; 1 mega solar project was sold, and profit dividend was implemented from a logistic warehouse project that sold the facility in the previous fiscal year
- ✓ Factors for increased operating cost
 - Provisions increased. Provisions were recorded for investee companies those experienced significant delays in business progress or for which negotiation for the recovery of investment took a long time.
 - Losses from the vegetable plant increased. Timing of profitability was delayed more than expected.
- ✓ Losses from funds operated by other companies decreased. The losses incurred in the previous fiscal year (mainly recorded as extraordinary losses).

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

(million yen)	FY 2022	FY 2023 (2Q)	Change	fluctuation factors (billion yen)
Total assets	14,972	13,576	(9.3%)	
Cash and deposits	2,740	↘ 2,394	(12.6%)	repayments of loan (0.5), execution of investments & loans (1.0), expenses etc.(0.4), collection +1.6
Project oriented investment securities & loans	6,781	↘ 5,868	(13.5%)	execution of investments & loans +0.6, fund interests loss (0.1), distribution & collection (1.4)
Strategic investment securities in partner companies	1,783	1,665	(6.6%)	execution of investments +0.2, unrealized gain (0.3)
Financial investment securities after deducting allowance for possible investment loss	3,029	2,957	(2.4%)	execution of investments +0.3, collection (0.3), unrealized gain +0.1, allowance (0.2)
Loans payable	5,943	↘ 5,448	(8.3%)	repayments of loan (0.5)
Total shareholders' equity	7,779	↘ 7,019	(9.8%)	loss (0.6), unrealized gain (0.1)

- ✓ Cash and deposits decreased due to repayments of loan, and payment of expenses and interests.
- ✓ The balance of project-oriented investment decreased because investment collection exceeded investment execution.
- ✓ After securing investment funds for future growth, we will repay loans payable to an appropriate level.
- ✓ Total shareholders' equity decreased due to loss and a decrease in unrealized gains on listed shares.

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

(JPY million)	FY 2022 (2Q)	FY 2023 (2Q)
Operating cash flow	(1,232)	 126
Investing cash flow	55	(0)
Financing cash flow	(697)	 (494)
Change in net cash flow	(1,855)	(342)
Cash & cash equivalents at end of period	1,445	2,055

- ✓ Operating cash flow; net cash generated from increased as investment collection progressed, and investment execution decreased.
- ✓ Financing cash flow; net cash used in decreased because of a decrease of repayment of loans payable.

2. Results for the current quarter

- Break down of operating revenue & operating cost



(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2022 (2Q)	FY 2023 (2Q)	FY 2022 (2Q)	FY 2023 (2Q)	FY 2022 (2Q)	FY 2023 (2Q)
Operating revenue	381	669	293	↗ 361	87	↗ 308
Fund management fees etc.	81	69	77	65	3	3
Proceeds of sales of securities	176	441	176	↗ 292	-	↗ 149
Fund interests income etc.	95	136	32	0	63	↗ 135
Other operating revenue	27	22	7	2	19	19
Operating cost	327	715	292	520	35	195
Cost of securities sold	131	320	131	230	0	90
Investment write-offs and Provision for allowance for possible investment losses	124	275	124	↗ 275	-	-
Fund interests losses etc.	66	113	34	12	31	↗ 100
Other operating costs	4	6	1	1	2	4
Operating gross profit	53	(46)	1	↘ (159)	51	↗ 113

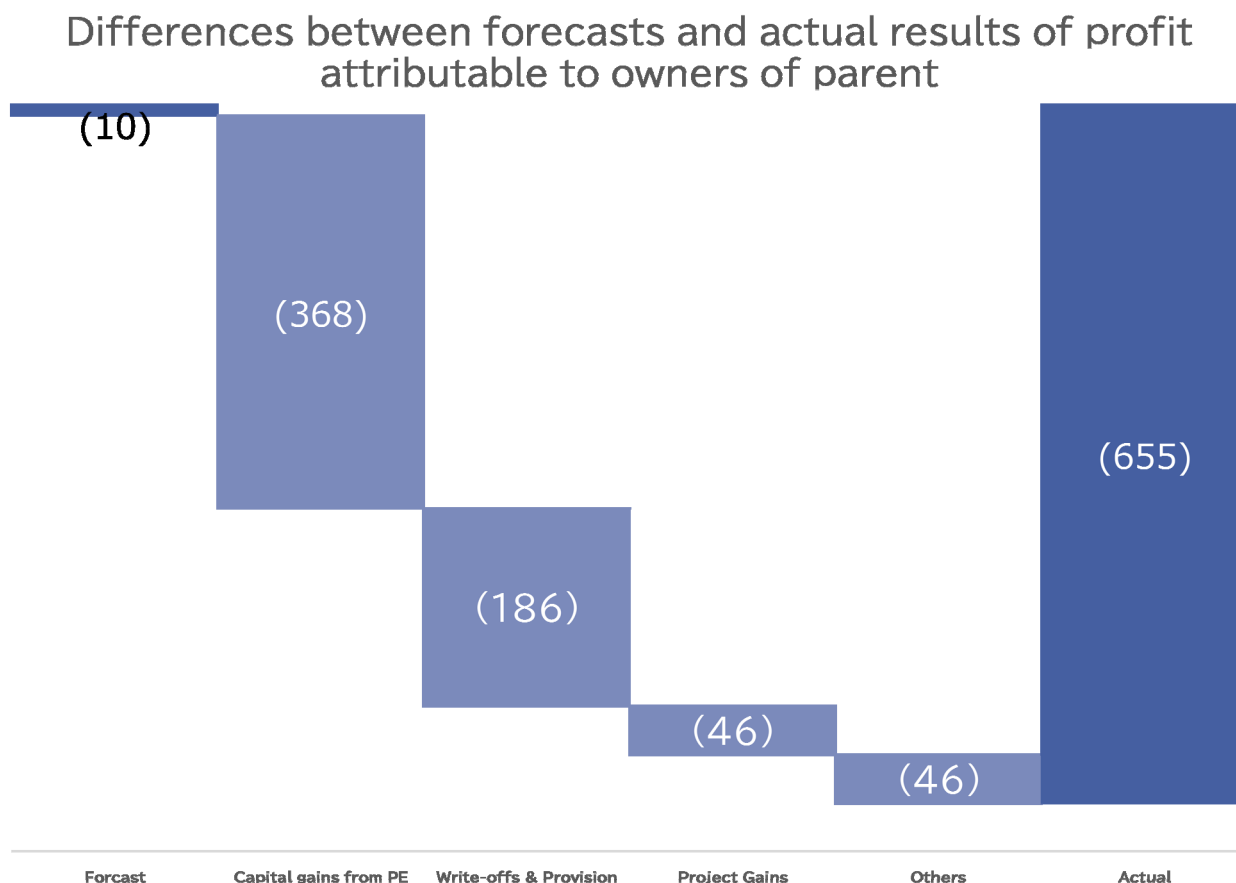
- ✓ Private equity investment – Revenue increased, and operating gross profit decreased
 - Of operating revenue, proceeds of sales of securities increased due to progress of sales of listed shares in Japan.
 - Of operating cost, provisions were recorded for investee companies those experienced significant delays in business progress or for which negotiation for the recovery of investment took a long time.
- ✓ Project oriented investment – Revenue increased, and operating gross profit increased
 - Of operating revenue, proceeds of sales of securities recognized due to 1 mega solar project sold.
 - Of operating revenue, fund interests income etc. increased due to profit dividend from a logistic warehouse project that sold the facility in the previous fiscal year.
 - Of operating cost, fund interests losses etc. increased due to delay in turning vegetable plant profitable and increased costs associated with launching new projects.

3. Business plan progress report

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3. Business plan progress report – Numerical plan

(million yen)	Revised result forecast (Disclosed on '22 Aug.)	Actual FY 2023 1st Half	Achievement ratio
Operating revenue	1,330	669	50.4%
Operating cost	740	715	96.8%
Operating gross profit	590	(46)	-
SG&A expenses	540	552	102.3%
Operating income	50	(598)	-
Ordinary income	0	(640)	-
Profit attributable to owners of parent	(10)	(655)	-



✓ Operating revenue

- Some domestic listed shares were suspended from selling due to sluggish share prices.
- Sales of some overseas unlisted shares were delayed in sales due to delays in the procedures.

✓ Profit attributable to owners of parent

- Capital gains from shares decreased due to a decrease of operating revenue.
- Provisions for possible investment losses increased.
- Production volume of the vegetable plant fell short of plan, and the timing of profitability was delayed more than expected.

3. Business plan progress report – Action plan

	Action plan for 3 years	Progress in second year (since Apr. 2022)
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"> ✓ “Succession Investment Limited Partnership, II” was newly established. The fund is supporting the business succession needs of SMEs in Japan. ✓ Executed 2 strategic investments
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 was sold.
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"> ✓ Received profit dividend from the project which sold its facility in last fiscal year ✓ The distribution center in Hidaka City, Saitama was built up in Apr. and sold. (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 sold. (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"> ✓ 3 group homes in Takamatsu City, (Kagawa), Oota City and Kiri City (Gunma) were built up. ✓ 10 group homes were established by JAIC. ✓ 2 group homes were established by the fund which JAIC invested with a leasing company etc.
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 2 entertainment contents (one of them was executed in October) ✓ Invested in a shared atelier project in Fujisawa City, Kanagawa

3. Business plan progress report – Private equity investment



Establish second fund
which supporting the business succession needs

Main portfolio of 1st fund

	株式会社 山 広
	
快適生活のお手合い  Mochida	★輝ける未来へのお手合い。 株式会社 かがやき総合保険企画

Outline of 2nd fund

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	1,801 million yen [at establishment]
Limited Partners	Aozora Bank, Ltd. and JAIC
Investment target	SMEs in Japan with business succession needs

- ✓ AJ Capital, JV as a 50% stake in JAIC and Aozora Bank, manages the fund.
- ✓ Second fund which supporting the business succession needs
- ✓ Mainly invest in small cap zone, Enterprise Value of less than 1 billion yen
- ✓ Collaborate with regional financial institutions nationwide to ensure smooth business succession of SMEs
- ✓ 1st fund was established in June 2017. The 1st fund invested 7 companies and has succeeded in taking over the business of 3 companies.

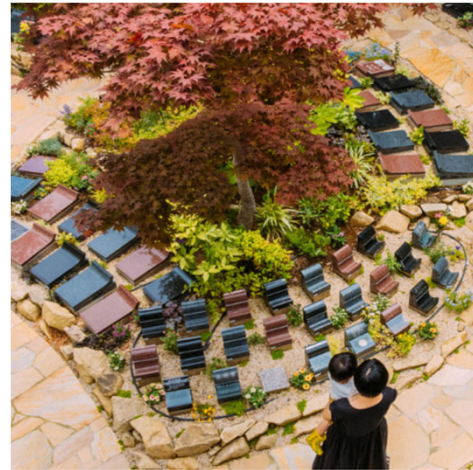
3. Business plan progress report – Private equity investment



366 Co., Ltd.

Producing perpetual memorial tree burial/
Supporting DX of religious corporations

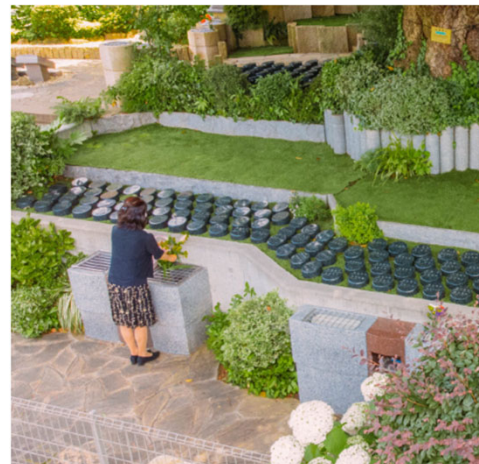
Executed 2 strategic investments



静岡県 裾野市
光明寺 樹木葬 裾野の森®



神奈川県 小田原市
願修寺 樹木葬 小田原の森™



東京都 台東区
長明寺 樹木葬 谷中樹陵 久遠®



cycloop Co., Ltd.

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subscription service
“NORUDE”

電動アシスト自転車の最新モデルに
買わずに“借りて”乗る
月額1,990円(税込)~!!

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BtoC部門 金賞受賞

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通勤・通学・送り迎え・買い物に使える

一般利用コース

25車種以上の豊富なラインナップから自由に選択
月額1,990円〜!! 圧倒的な低価格を実現!!

プラン・グレード	車種	3年契約	2年契約	1年契約
エントリー	Panasonic VWH SX 	1,990円	2,189円	2,408円
スタンダード	Panasonic VWH DX 	2,680円	2,948円	3,243円
プライム	Panasonic VWH EX 	3,493円	3,842円	4,227円
シティー	Panasonic PAS mini 	3,140円	3,454円	3,799円
押し歩き	Panasonic VWH L 押し歩き 	2,700円	2,970円	3,267円
スポーツ	グラッパ 	2,609円	2,870円	3,157円
ハイスピード スポーツ	Panasonic オフロード 	2,999円	3,299円	3,629円
子ども乗せ (後)	Panasonic パナソニック DX 	3,496円	3,846円	4,230円
子ども乗せ (前)	Panasonic パナソニック DX 	3,503円	3,853円	4,239円
子ども乗せ (前後2人乗)	Panasonic パナソニック mini SP 	4,110円	4,521円	4,973円
E-bike	Panasonic JETTER 440 	3,952円	4,347円	4,782円

デリバリー配達員
専用コース

6ヶ月・1年から選べる電動自転車サブスク
ワークスタイルに合わせて選ぶ!!

プラン・グレード	車種	1年契約	6ヶ月契約
エントリー <small>5ヶ月契約から選べる 電動自転車</small>	Panasonic VWH SX 	5,990円	6,470円
スタンダード <small>自転車ドライブレコーダー も選べるパッケージ</small>	Panasonic VWH DX 	6,840円	7,388円
スポーツ ミニベロ <small>自転車ドライブレコーダー も選べるパッケージ</small>	Panasonic VWH EX 	7,877円	8,508円
スポーツ 700C <small>自転車ドライブレコーダー も選べるパッケージ</small>	Panasonic ペロスターミニ 	7,877円	8,508円
E-bike <small>自転車ドライブレコーダー も選べるパッケージ</small>	Panasonic ペロスター 	8,571円	9,257円

NORUDE 一般利用コース・デリバリー配達員専用コース共通費用【オプション特約】

- 車庫手数料
1一般利用コース 3,520円
(デリバリー配達員専用コース 5,280円)
- 納車配達費用 **オプション** 3,850円〜
※車両により費用は異なります
- 返却時取扱い費用 **オプション** 3,850円〜
※車両により費用は異なります
- 盗難・損害賠償免状特約 **オプション** 月額 330円
※盗難被害の発生時、全額または一部を賠償保証する特約
- 故障対応レックカー特約 **オプション** 月額 220円
※車両故障に際しては、最速で代替車（※1〜最速型）を3ヵ月以内にお届けします
- カラー指定特約 **オプション** 月額 110円
※一般的に、この色の車両はターボ車（※1〜最速型コースのみ対象）

※1「NORUDE」について
の詳しい情報、このページの
流れについては、最後
のページにてご説明
いたします

3. Business plan progress report – Renewable energy

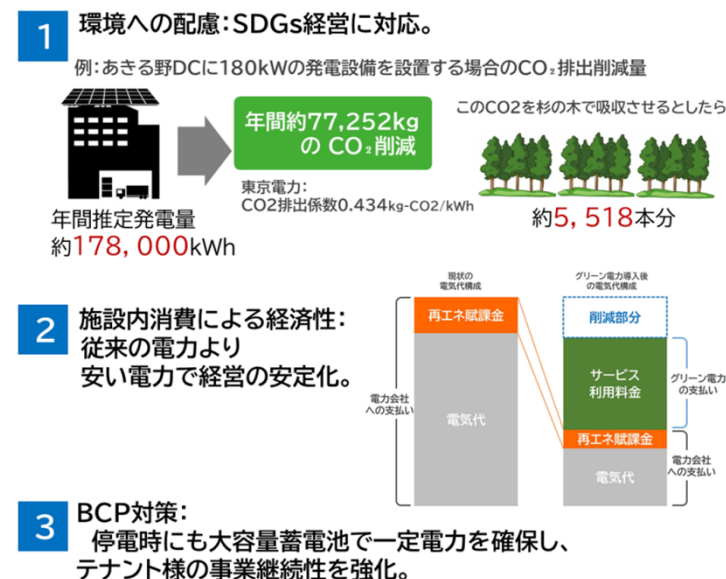
Decided to invest in “non-FIT type” solar power systems installed on the rooftops of distribution centers



Strategic investee;
KIC Holdings Inc.



Strategic investee;
Smart Solar Corporation



- ✓ 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, another 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 was sold

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 sold



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 sold

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



3 group homes were built up in Kagawa and Gunma



Strategic investee;
social inclu CO., LTD.



Social Inclu Home Ootayabuzuka [Gunma]



Social Inclu Home Takamatsu-kagawa Town [Kagawa]

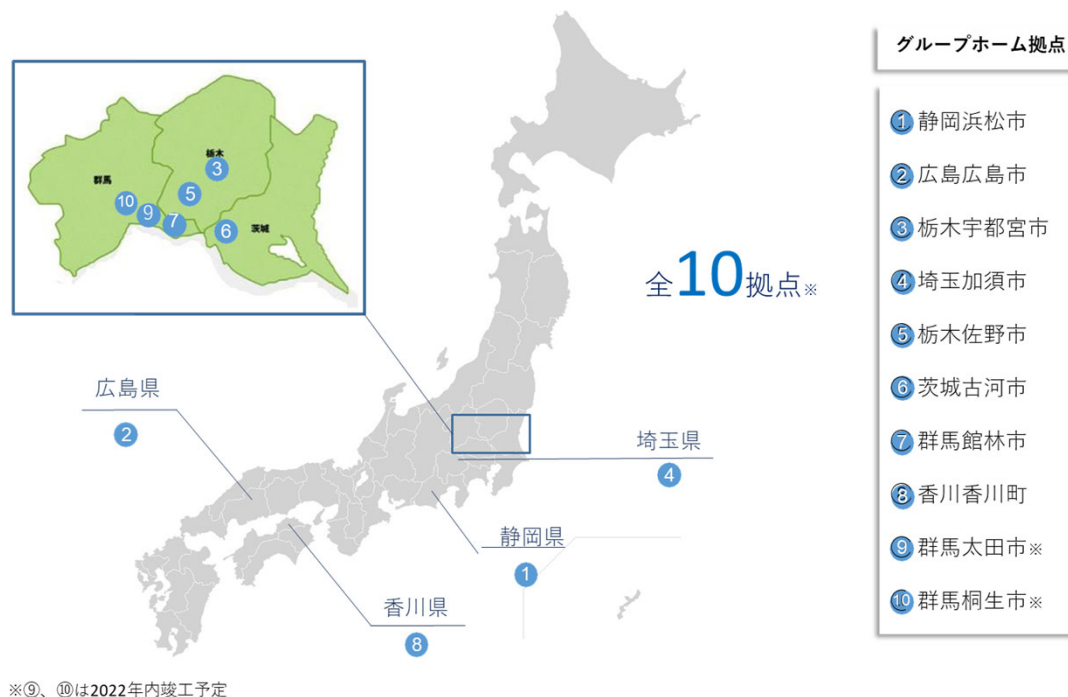
Social Inclu Home Kiriu-Niizato [Gunma]



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



Expanded to 10 group homes
by strengthening cooperation with regional financial institutions



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

3. Business plan progress report – New investment area



Invested in 2 entertainment contents



Partner company;
PIA Global Entertainment Corporation



”NAKED FLOWERS FOR YOU”

Through PIA Co., Ltd., invested in Tokyo’s first permanent hands-on art exhibition with the five senses



”Anime Festival Asia Singapore 2022”

In October, we participated in one of the largest J-POP cultural events in Southeast Asia as an executive committee member, and PGE also participated as an executive committee member.

3. Business plan progress report – New investment area



Invested in a shared atelier project in Fujisawa City, Kanagawa



**Partner company;
ENJOYWORKS**



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

- ✓ Invested 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 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.

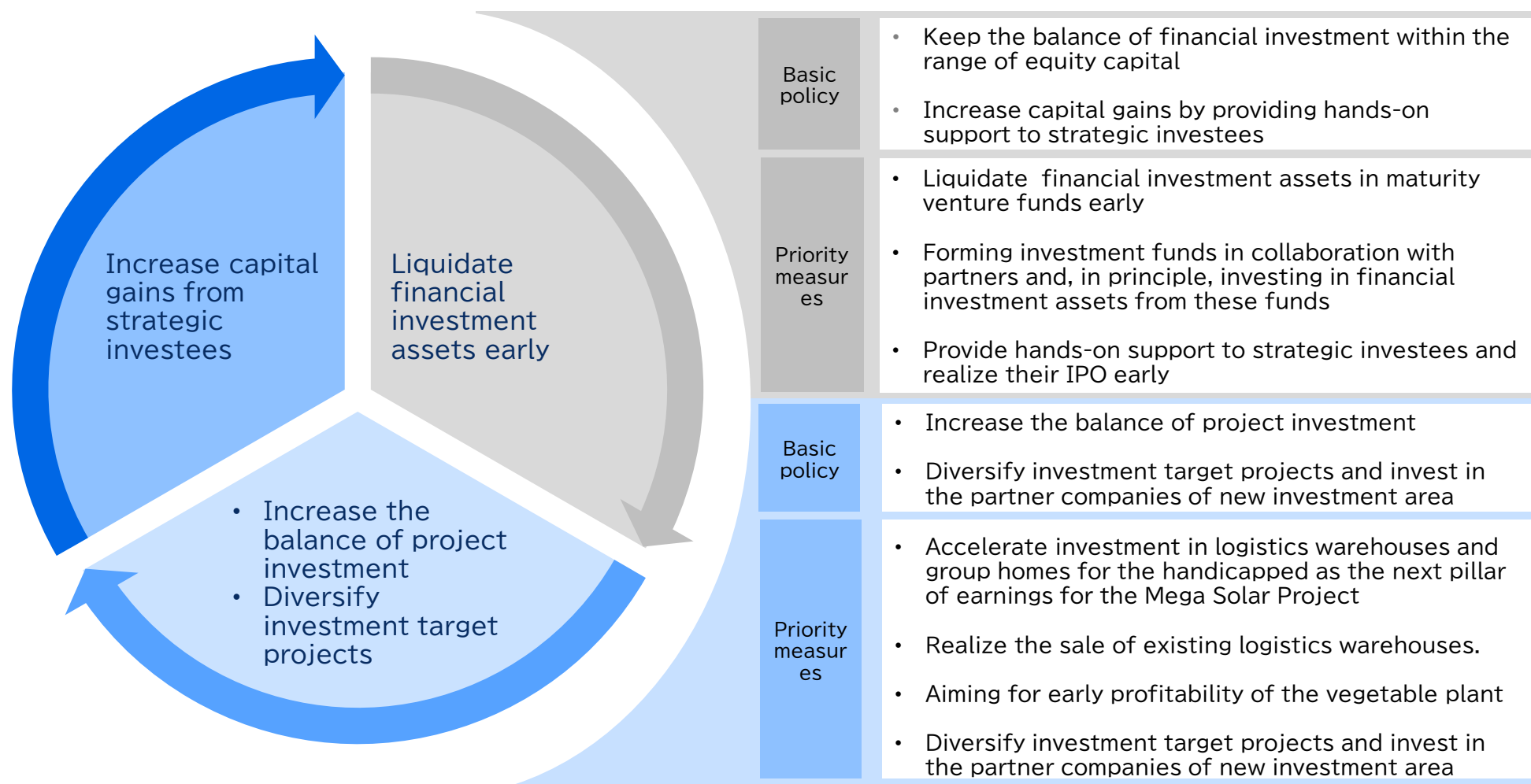
4. Result forecasts

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

Business Policy

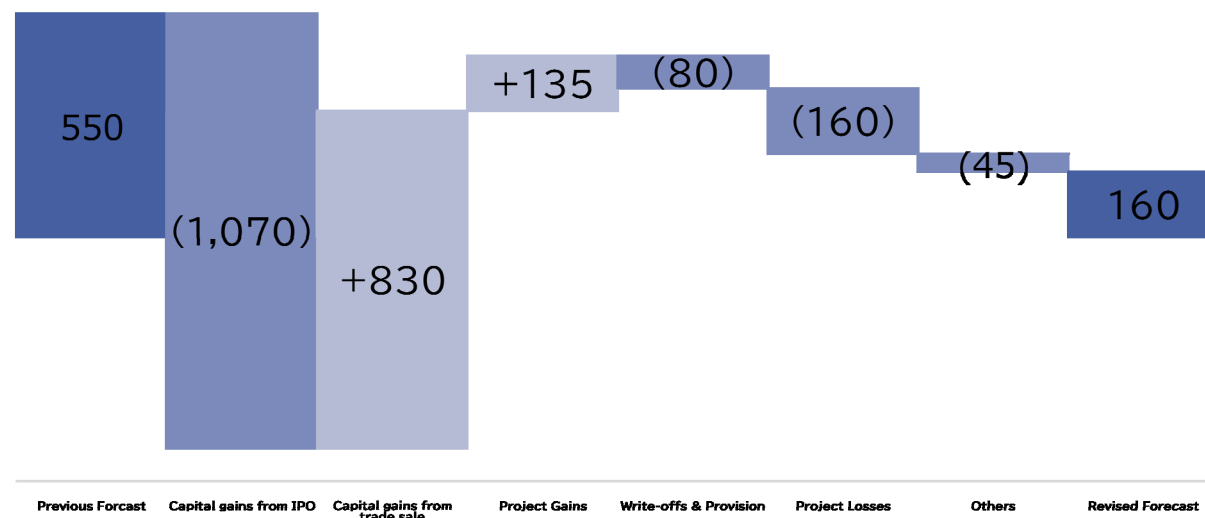
- ✓ Secure profits and funds by selling existing financial investment assets
- ✓ Increase the balance of project investment based on the new investment policy
- ✓ Establish a hands-on investment style through collaboration in project investment and increase capital gains from strategic investees



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

(million yen)	Result forecast FY2022 (Disclosed on '22 May)	Result forecast FY2022 (Revised on '22 Nov.)	Change (%)
Operating revenue	3,000	3,150	5.0%
Operating cost	1,050	1,690	61.0%
Operating gross profit	1,950	1,460	(25.1%)
SG&A expenses	1,200	1,140	(5.0%)
Operating income	750	320	(57.3%)
Ordinary income	650	280	(56.9%)
Profit attributable to owners of parent	550	160	(70.9%)

Differences between forecasts at beginning of FY and revised forecast of profit attributable to owners of parent



- ✓ Sales of listed shares will sharply fall short of expectations.
 - Expected sales of shares from IPO have been postponed to the next fiscal year due to lock-up regulation.
 - Expected sales of existing listed shares will fall short of target because the share prices have been lower than expected.
- ✓ Sales of unlisted shares are expected to exceed the previous forecast. At the beginning of the fiscal year, we expected to sell the shares of an investee company from the next fiscal year onwards through an IPO. However, we will sell all these shares in the current fiscal year through M&A.
- ✓ Sales of project-oriented investment is also going smoothly. We have already completed the sale procedures of projects such as nursing care facility, logistic warehouse and another facility, and are waiting for the confirmation of profits.
- ✓ Net profit attributable to owners of the parent dropping from the previous forecast due to delay of sales of listed shares with a high margin. Additionally, provisions and losses from the vegetable plant will increase.

4. Result forecasts for FY Mar. 2023 - Cautionary statements

- ✓ The private equity investment business conducted by the Group will be significantly affected by changing factors such as stock markets, given the characteristics of the business. In addition, it has been difficult to forecast results reasonably in the rapidly changing environment.
- ✓ For the convenience of investors and shareholders, however, we disclose “result forecast consolidated under the Previous Accounting Standard” even though it doesn’t have enough rationality.
- ✓ The “result forecast consolidated under the Previous Accounting Standard” and any other forward-looking statements in this document are based upon the information currently available to JAIC and certain assumptions. The achievement is not promised. Various factors could cause actual results to differ materially from these result forecasts.

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5. Appendix - Renewable energy projects (as of September 2022)

Mega solar projects

Started electricity sales	9 projects (11 power plants)	22.2 MW
Under construction or under planning	4 projects	8.5 MW
Total	13 projects (15 power plants)	30.7 MW
attributable to JAIC		13.1 MW

Transfers to buyers other than the funds operated by the JAIC Group	33 projects	189.0 MW
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*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,
1project 0.03MW

Iwate, Solar,
1 project 2.4MW

Fukushima, Solar,
1 project 2.7MW

Tochigi, Solar,
3 projects 6.0MW

Tokyo, Bio gas,
1 project 1.1MW

Kanagawa, Solar,
1 project 2.5MW

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

5. Appendix - List of project oriented investments (as of September 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	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	Under construction	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	Tochigi	2.0	Under planning	36
	12	Tochigi	2.0	Under construction	32
	13	Tochigi	2.0	Under planning	32
Total 30.7MW [attributable to JAIC 13.1MW]					

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

5. Appendix - List of project oriented investments (as of September 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 started in Aug. 2022
Logistics warehouse	1	Atsugi City, Kanagawa	Total floor area 10,890 m ² (scheduled), 2 stories above ground	Under construction (Built up in Oct. 2022)
	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

5. Appendix - List of project oriented investments (as of September 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
Group home for the handicapped	1	Hamamatsu City, Shizuoka	20 rooms for residents, 2 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		Built up in Feb. 2022
	5	Sano City, Tochigi		Started operation in Sep. 2022
	6	Koga City, Ibaragi		Started operation in Oct. 2022
	7	Tatebayashi City, Gunma		Built up in Mar. 2022
	8	Takamatsu City, Kagawa		Built up in May 2022
	9	Oota City, Gunma		Built up in June 2022
	10	Kiriu City, Gunma		Built up in Sep. 2022
	11	Kawagoe City, Saitama		Under construction
	12	Iwaki City, Fukushima		Under construction
	13	Higashikagawa City, Kagawa		Under construction

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



Type of project	No.	Location	Details of project	Current status
Others	1	Aichi	Commercial building, site area 1,752 m ² , 1 basement floor, 6 floors above ground	Opened *investment in building which has already started operation
	2	-	Entertainment contents, “Naked Flowers For You”	Held on the 8th floor of Yurakucho Marui since March 2022
	3	Kanagawa	A shared atelier project to renovate an abandoned factory	Under planning
	4	-	Electric assisted bicycle subscription service	Executed investment in Aug. 2022
	5	Non-disclosed	Non-disclosed	Non-disclosed
	6	Non-disclosed	Non-disclosed	Non-disclosed

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



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.

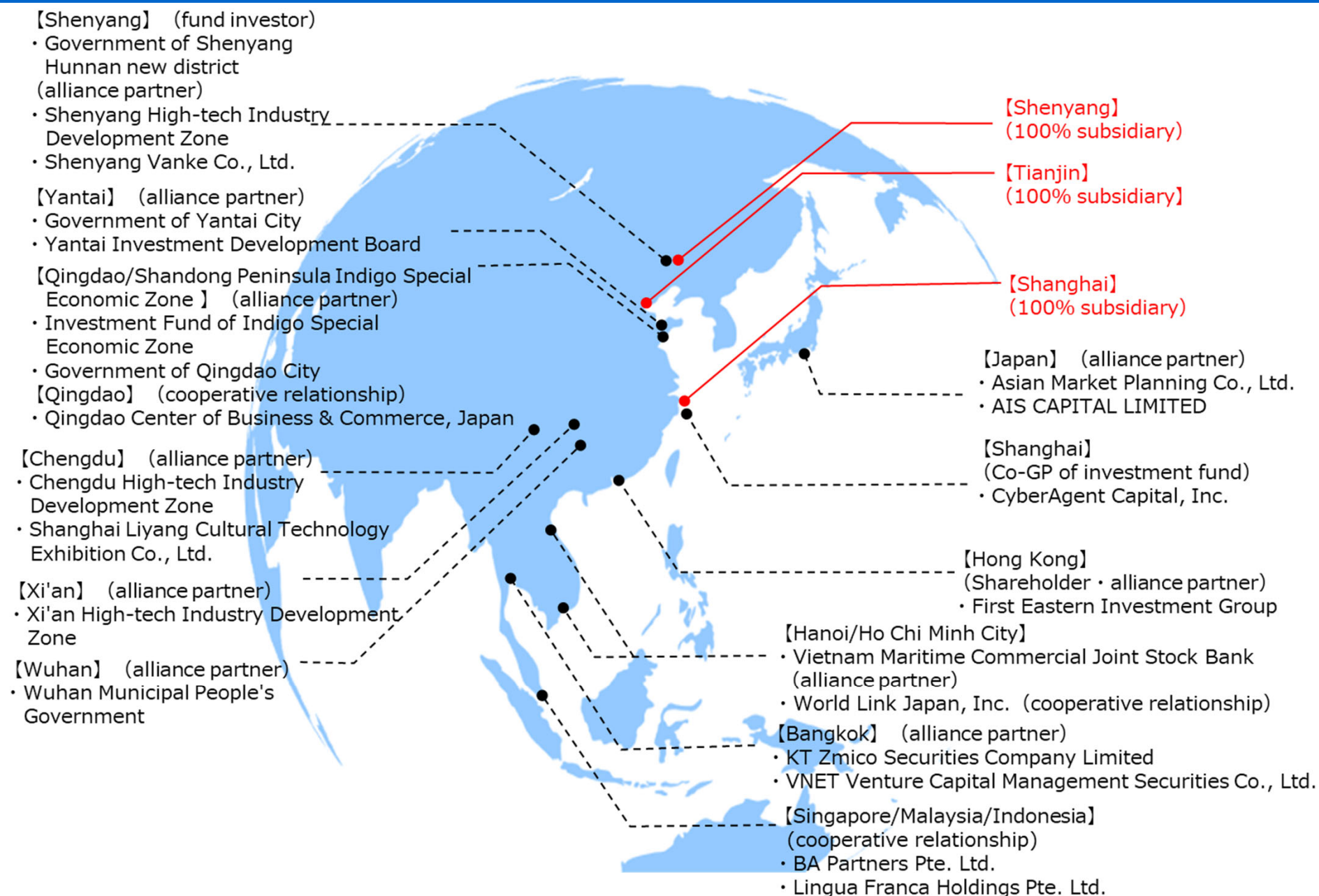
Partner company in perpetual memorial tree burial project



cycloop Co., Ltd.

Partner company in electric assisted bicycle subscription service

5. Appendix - Asia network



5. Appendix - Funds & investment activities

(JPY million)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2022 (2Q)	FY 2023 (2Q)
New & increased funds	1,000	2,000	1,359	151	1,001	1,001	1,801
AUM of funds - total *1	19,150	16,494	17,390	16,450	16,463	15,884	16,787
AUM of funds - JAIC *1	5,867	5,344	5,163	5,434	4,953	4,716	3,849
Execution of investnmts (Total)*2	3,887	3,749	3,374	1,767	3,420	2,214	1,324
Balance of investments (Total)*2	13,981	13,951	15,101	12,855	13,784	14,741	13,618
Execution of investnmts (project oriented investment)*2	2,681	3,612	2,150	1,445	1,938	932	600
Balance of investments (project oriented investment)*2	3,582	5,514	6,696	6,088	6,344	6,986	6,191
Execution of investnmts (private equity)*2	1,205	136	1,224	322	1,482	1,282	724
Balance of investments (private Equity)*2	10,398	8,437	8,405	6,767	7,440	7,754	7,427

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)



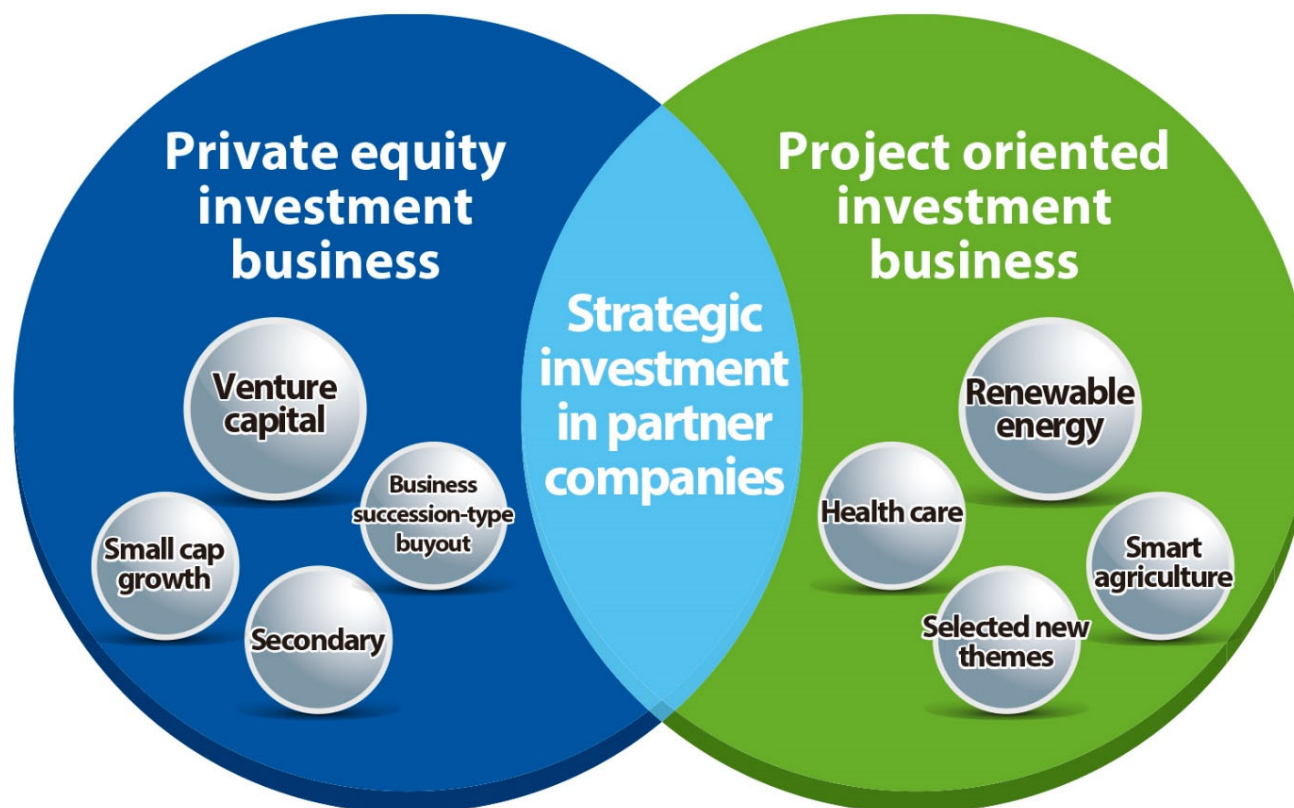
(JPY million)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2022 (2Q)	FY 2023 (2Q)
Business results							
Operating revenues	5,403	2,475	2,760	3,089	2,409	381	669
Operating gross profit	2,328	1,286	1,359	1,301	1,276	53	(46)
SG&A expenses	1,311	1,109	1,094	1,086	1,189	550	552
Operating income	1,017	177	265	214	86	(496)	(598)
Ordinary income	954	83	140	173	61	(538)	(640)
Net income	874	578	302	144	49	(643)	(655)
Financial position							
Cash and deposits	7,308	5,564	3,920	3,699	2,740	2,015	2,394
Operational investment securities and operating loans of project oriented investment	3,582	5,514	5,437	5,583	6,781	6,475	5,868
Operational investment securities of strategic investment in partner companies	373	373	1,005	1,155	1,783	1,483	1,665
Operational investment securities of financial investment after deducting allowance for possible investment loss	5,657	4,765	4,282	3,111	3,029	2,974	2,957
Loans payable, bonds & bonds with subscription rights to shares	11,954	9,784	8,166	6,950	5,943	6,253	5,448
Total shareholders' equity	6,545	6,840	7,223	7,338	7,779	6,640	7,019
Total assets	19,220	17,305	15,800	14,657	14,972	13,740	13,576

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



(JPY:million)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY2022 (2Q)	FY2023 (2Q)	Change(%)
1. Fund management operation								
Fund management fees and others	277	241	199	169	154	81	69	(14.7%)
Success Fees	86	-	-	-	-	-	-	-
Operating revenue	364	241	199	169	154	81	69	(14.7%)
Operating cost	-	-	-	-	-	-	-	-
Operating gross profit	364	241	199	169	154	81	69	(14.7%)
2. Investment operation								
Proceeds of sales of securities	3,219	1,746	2,349	2,221	1,573	176	441	150.4%
Fund interests income etc.	1,677	429	172	648	631	95	136	42.2%
Operating revenue	4,897	2,176	2,521	2,870	2,204	272	578	112.3%
Cost of securities sold	2,469	554	965	1,249	810	131	320	144.1%
Investment write-offs and Provision for allowance for possible investment losses	562	579	245	194	145	124	275	121.2%
Fund interests losses etc.	36	49	184	336	167	66	113	70.3%
Operating cost	3,069	1,182	1,395	1,780	1,123	322	709	120.0%
Operating gross profit	1,827	993	1,125	1,090	1,081	(50)	(131)	-
3. Others								
Operating revenue	142	57	40	49	50	27	22	(18.2%)
Operating cost	5	6	5	7	10	4	6	35.9%
Operating gross profit	136	51	34	41	40	22	16	(29.1%)
Total								
Operating revenues	5,403	2,475	2,760	3,089	2,409	381	669	75.8%
Operating cost	3,074	1,188	1,401	1,788	1,133	327	715	118.8%
Operating gross profit	2,328	1,286	1,359	1,301	1,276	53	(46)	-

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.

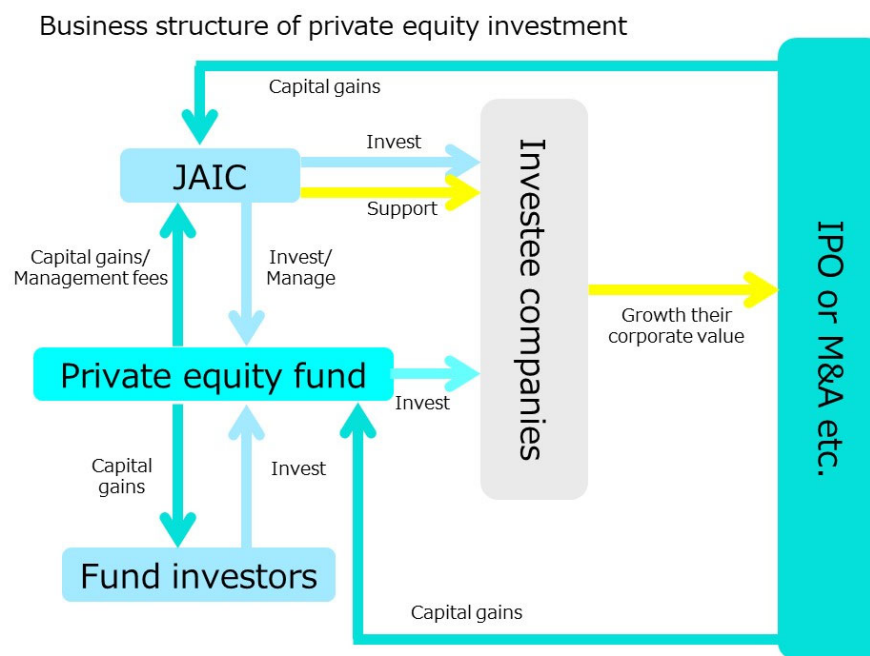
JAIC provides “hands-on” support to partner companies to improve its business promotion and financing activities, etc.

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.

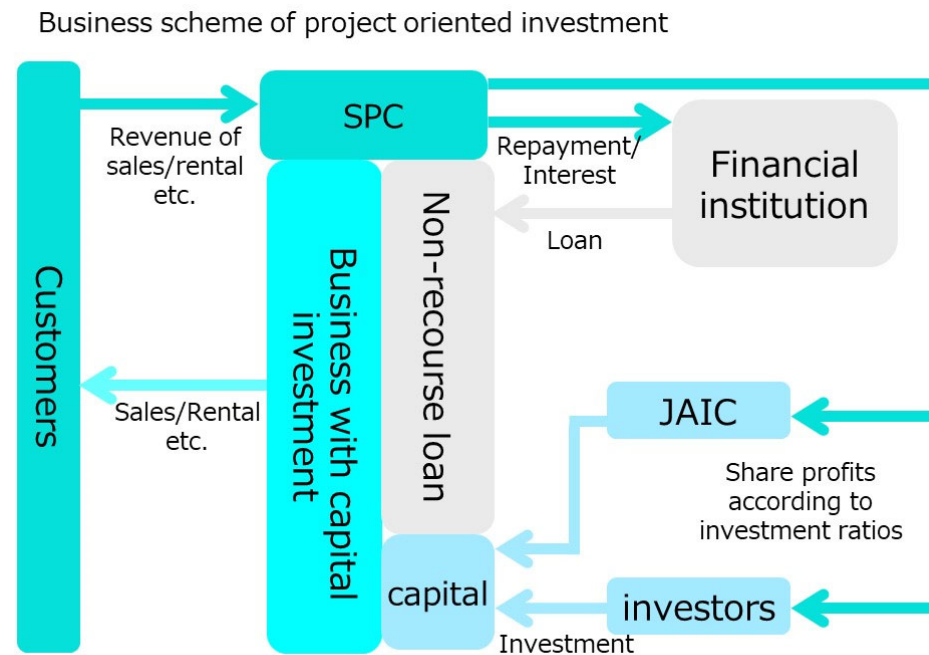
In addition to above, JAIC is determined to invest to new areas such as smart-agri business represented by vegetable plant and logistic industry such as distribution center where JAIC’s accumulated expertise can be leveraged.

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.

The JAIC logo is centered on a blue puzzle piece. The puzzle piece is part of a larger graphic of four interlocking puzzle pieces in green, blue, orange, and purple, arranged in a 2x2 square. The JAIC logo itself is a blue puzzle piece with the letters "JAIC" in white.

Wide range of network with venture companies

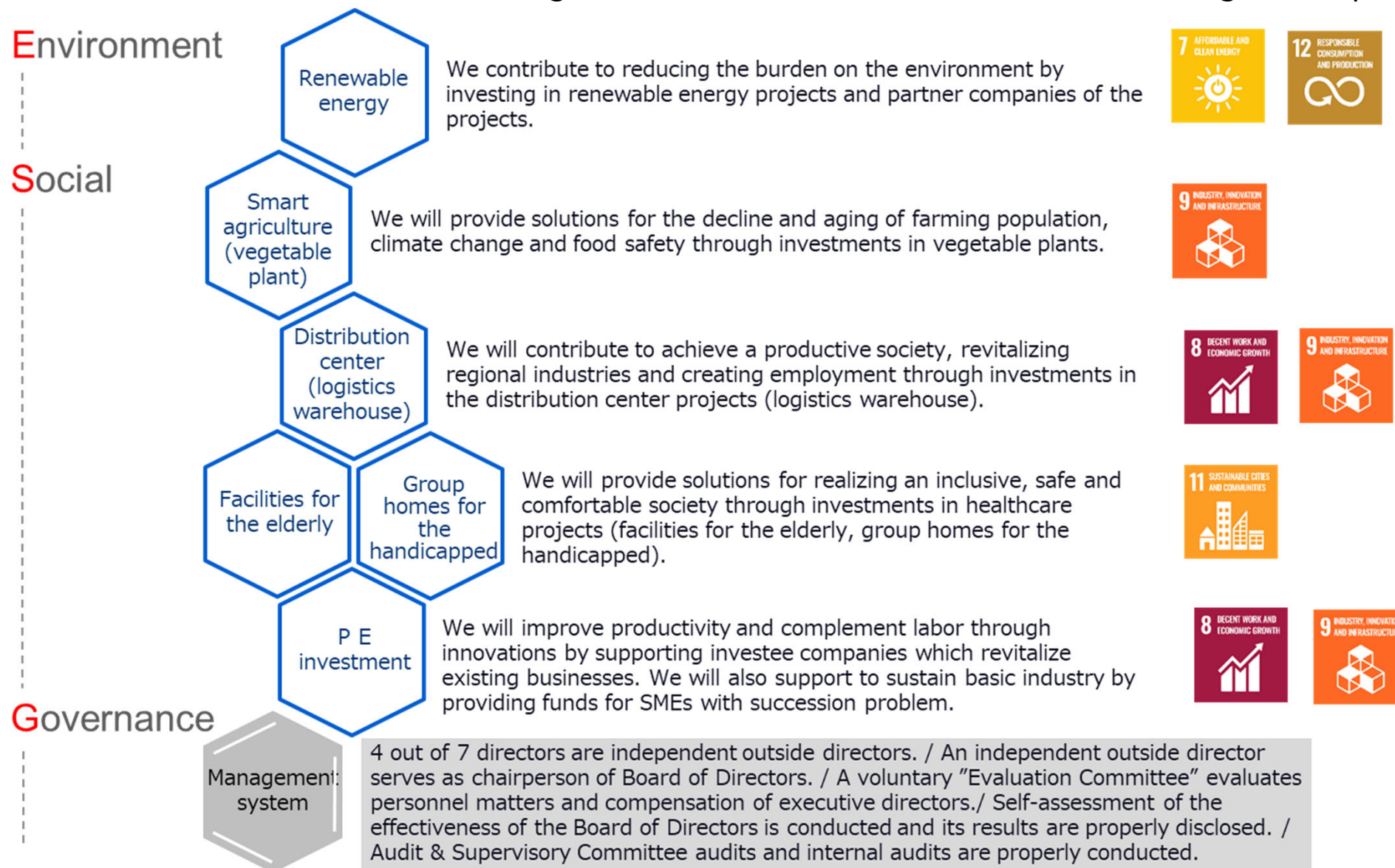
JAIC has track record of leading more than 300 invested venture companies to “Going Public”. Through the long time investment activities, JAIC enjoys close relationship with wide range of venture companies. Based on this intangible asset, JAIC is utilizing the network to create value for invested companies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

Expertise to structure sophisticated finance scheme

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

5. Appendix – 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, 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	<p>Chairman of the Board :Yoshiaki Kawamata [Outside/Independent]</p> <p>President & CEO :Tetsuro Shimomura</p> <p>Managing Executive Officer :Masafumi Hatta</p> <p>Chairman of Audit & Supervisory Committee</p> <p>:Kazunori Omori</p> <p>Member of Audit & Supervisory Committee</p> <p>:Hitoshi Yasukawa [Outside/Independent]</p> <p>:Tadashi Nunami [Outside/Independent]</p> <p>:Harumi Katagiri [Outside/Independent]</p>

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

Contact to:

Kenji Kishimoto, Executive Officer

Miyuki Maruyama, Administration Group

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