

Financial Results Overview for 1st Quarter Ended June 30, 2023

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

Announcement date : Aug. 14, 2023

1	Summary	P3
2	Results for the current quarter (year-on-year)	P4
3	Progress of the Medium-Term Management Plan (Numerical Plan)	P9
4	Progress of the Medium-Term Management Plan (Action Plan)	P12
5	Appendix	P19

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 ¥ 339 million (up, 54.5 %)
 - Quarterly net loss attributable to owners of parent was ¥ (95) million (up, ¥166 million).
 - Sales of listed stocks and unlisted stocks progressed in Japan. Strong sales of stocks and capital gains compensated for losses due to provisions.
 - Sales of vegetable plant project increased and reduced the deficit.

- ✓ Progress of the Medium-Term Management Plan (Numerical Plan)
 - No revision on the result forecast
 - Most of the profits are expected to be generated in the 2nd half. A cumulative deficit is expected until the third quarter.
 - Part of the planned sale of stocks in the 1st half progressed ahead of schedule.

- ✓ Progress of the Medium-Term Management Plan (Action Plan)
 - JAPAN SYSTEMBANK CORPORATION achieved IPO on the NSE Main Market.
 - The second fund, which supporting business succession needs, increased commitment amount to ¥ 4.2 billion
 - 2 group homes for disabled people were built up in Kawagoe City, Saitama Prefecture and Iwaki City, Fukushima Prefecture.
 - The 1st perpetual memorial tree burial project, "Shiba Atago Forest TM", started at Koenji Temple in Minato-ku, Tokyo.

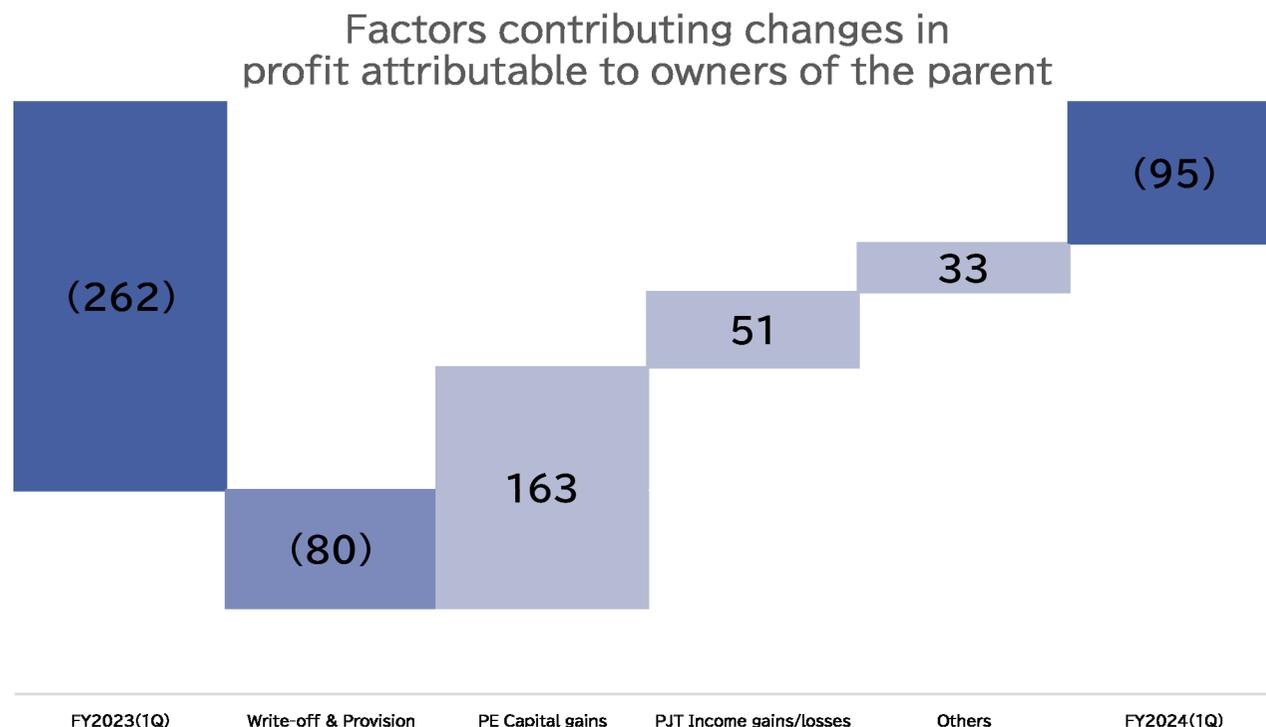
2. Results for the current quarter



Outline of results	P5
Break down of operating revenue & operating cost	P8

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

(million yen)	FY 2023 (1Q)	FY 2024 (1Q)	Change
Operating revenue	219	↗ 339	54.5%
Operating cost	185	↘ 149	(19.5%)
Operating gross profit	34	190	451.7%
SG&A expenses	262	278	6.2%
Operating income	(227)	(87)	-
Ordinary income	(248)	(94)	-
Profit attributable to owners of parent	(262)	↗ (95)	-



- ✓ Factors for increased operating revenue
 - Proceeds of sales of securities increased.
 - Sales of high-margin listed stocks and unlisted stocks progressed in Japan.
- ✓ Factors for reduced deficit
 - Operating cost reduced.
 - Strong capital gains from securities compensated losses from provisions.
 - Sales of vegetable plant project increased and reduced the fund interest losses.

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

(million yen)	FY 2023	FY 2024(1Q)	Change	fluctuation factors (billion yen)
Total assets	13,413	↓ 12,771	(4.8%)	
Cash and deposits	2,464	2,378	(3.5%)	repayments of loan (0.3), execution of investments & loans (0.4), expenses etc.(0.3), collection +1.0
Project oriented investment securities & loans after deducting allowance for possible investment loss	6,053	↓ 5,815	(3.9%)	execution of investments & loans +0.3, distribution & collection (0.5)
Strategic investment securities in partner companies after deducting allowance for possible investment loss	782	↑ 812	3.9%	execution of investments +0.03
Financial investment securities after deducting allowance for possible investment loss	3,301	↓ 2,940	(10.9%)	execution of investments +0.1, distribution & collection (0.2), unrealized gain (0.1), allowance (0.1)
Loans payable	5,142	↓ 4,825	(6.2%)	repayments of loan (0.3)
Total shareholders' equity	7,518	↓ 7,277	(3.2%)	loss (0.1), unrealized gain (0.1)

- ✓ Total assets decreased due to investment collection.
- ✓ The balance of project-oriented investment and financial investment decreased. Amounts of investment collection exceeded amounts of investment execution.
- ✓ The balance of loans payable decreased. After securing investment funds for future growth, JAIC will repay loans payable.
- ✓ Total shareholders' equity decreased due to loss and decrease of unrealized gains.

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

(JPY million)	FY 2023(1Q)	FY 2024(1Q)
Operating cash flow	(265)	 349
Investing cash flow	(0)	1
Financing cash flow	(309)	(316)
Change in net cash flow	(561)	36
Cash & cash equivalents at end of period	1,836	1,799

- ✓ Operating cash flow; net cash turned profitable due to strong investment collection
- ✓ Financing cash flow; net cash used in repayments of long-term borrowings

2. Results for the current quarter - Break down of operating revenue & operating cost



(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2023 (1Q)	FY 2024 (1Q)	FY 2023 (1Q)	FY 2024 (1Q)	FY 2023 (1Q)	FY 2024 (1Q)
Operating revenue	219	339	207	↗ 318	12	21
Fund management fees etc.	35	45	34	43	1	1
Proceeds of sales of securities	171	266	171	↗ 266	-	0
Fund interests income etc.	1	13	0	3	1	9
Other operating revenue	11	14	1	4	9	9
Operating cost	185	149	124	130	60	18
Cost of securities sold	113	47	113	↘ 46	-	0
Investment write-offs and Provision for allowance for possible investment losses	1	80	1	↗ 80	-	-
Fund interests losses etc.	66	17	8	2	58	↘ 15
Other operating costs	3	3	0	0	2	2
Operating gross profit	34	190	82	↗ 187	(48)	↗ 2

- ✓ Private equity investment – Revenue increased, and operating gross profit increased
 - Of operating revenue, proceeds of sales of securities increased. Sales of listed stocks and unlisted stocks increased in Japan.
 - Of operating cost, cost of securities sold decreased due to high profit margin of stocks sold.
 - Of operating cost, provisions were posted for portfolio companies with lower expected recoveries.
- ✓ Project oriented investment – Revenue increased, and operating gross profit turned profitable
 - Of operating cost, fund interests losses etc. decreased because sales of vegetable plant project increased along with increase in production volume.

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



Progress for the current quarter

P10

Cautionary statements

P11

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



(million yen)	Actual FY 2024 (1Q)	Result forecast FY2024 1st Half (disclosed in May 2023)	Progression ratio	Result forecast FY2024 (disclosed in May 2023)	Progression ratio
Operating revenue	339	525	64.7%	2,300	14.8%
Operating cost	149	325	45.9%	1,000	14.9%
Operating gross profit	190	200	95.3%	1,300	14.7%
SG&A expenses	278	570	48.9%	1,100	25.3%
Operating income	(87)	(370)	-	200	-
Ordinary income	(94)	(410)	-	120	-
Profit attributable to owners of parent	(95)	(410)	-	120	-

- ✓ Part of the planned sale of stocks in the 1st half progressed ahead of schedule.
- ✓ Most of the profits are expected to be generated in the 2nd half.
- ✓ A cumulative deficit is expected until the third quarter.
- ✓ In the 2nd half, we expect capital gains from unlisted stocks which relatively large investment amount and capital gains from project-oriented investments.

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

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

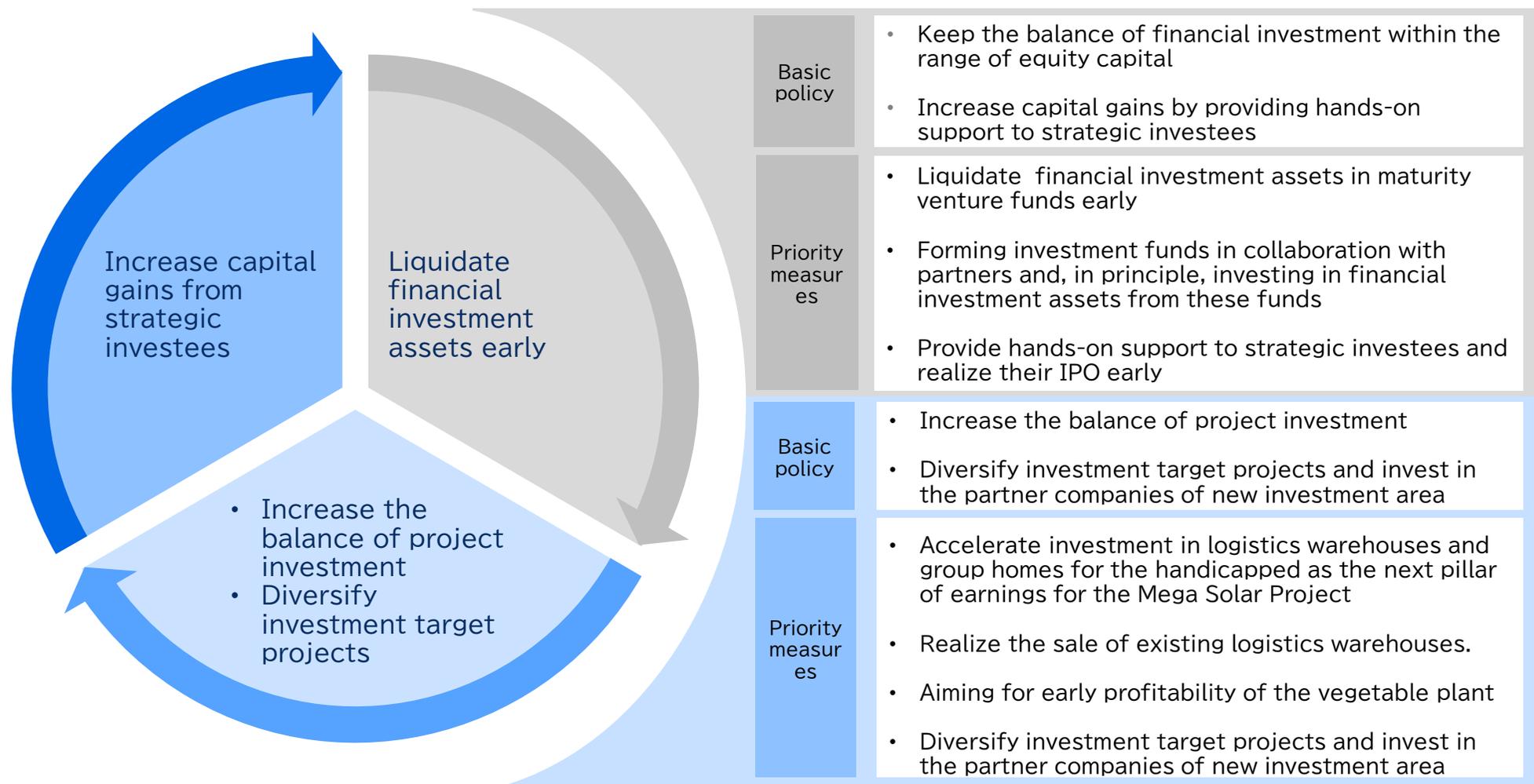


Business policy P13

Progress in the current quarter P14

4. Progress of the Medium-Term Management Plan (Action Plan) - Business policy

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
-----------------	--



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



	Action plan for 3 years	Progress in FY 2024 1Q (3 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” increased the commitment amount by ¥500 million.
Healthcare (group home for disabled people)	Invest in 50 projects by originating funds from major banks and leasing companies	Built up 2 group homes and established a total of 12 group homes
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	The 1st perpetual memorial tree burial project, “Shiba Atago Forest TM”, started at Koenji Temple in Minato-ku, Tokyo.

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



JAPAN SYSTEMBANK CORPORATION
achieved IPO on the NSE Main Market

 日本システムバンク

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

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



Succession Investment Limited Partnership, II increased its commitment amount to ¥4.2 billion

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	4,201 million yen [as of June 2023]
Limited Partners	Aozora Bank, Awa Bank, Ehime Bank, Kagoshima Bank, Gifu Shoko Credit Union, Keiyo Bank, Shonai Bank, Towa Bank, Tottori Bank, Japan Asia Investment, 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 increased the commitment amount by 0.9 billion yen in Dec. 2022, by 1.0 billion yen in Feb. 2023 and 0.5 billion yen in June 2023 from regional financial institutions.
- ✓ Size of the fund is expected to be about ¥ 5.0 billion at final close.
- ✓ 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.

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



Built up 2 group homes for the disabled people and established a total of 12 group homes



Social Inclu Home Kawagoe Imafuku
(Kawagoe City, Saitama Prefecture)
April 2023 : built up
August 2023 : Scheduled to start the operation



Social Inclu Home Iwaki Kashima
(Iwaki City, Fukushima Prefecture)
April 2023 : built up
August 2023 : Scheduled to start the operation



Partner:
Social Inclu Inc.

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



The 1st perpetual memorial tree burial project, "Shiba Atago Forest TM", started at Koenji Temple in Minato-ku, Tokyo.



Partner:
366 Co., Ltd.



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

5. Appendix

Renewable energy projects	P20
List of project oriented investments	P21
Strategic investment	P25
Asia network	P26
Funds & investment activities	P27
Business results & financial position	P28
Break down of operating revenue & operating cost	P29
Business field	P30
Profit structure	P31
Core competence	P33
Efforts for SDGs	P34
Company data	P35

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

Mega solar projects

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

Under construction or under planning **3 projects** **6.0 MW**

Total **13 projects (15 power plants)** **30.7 MW**

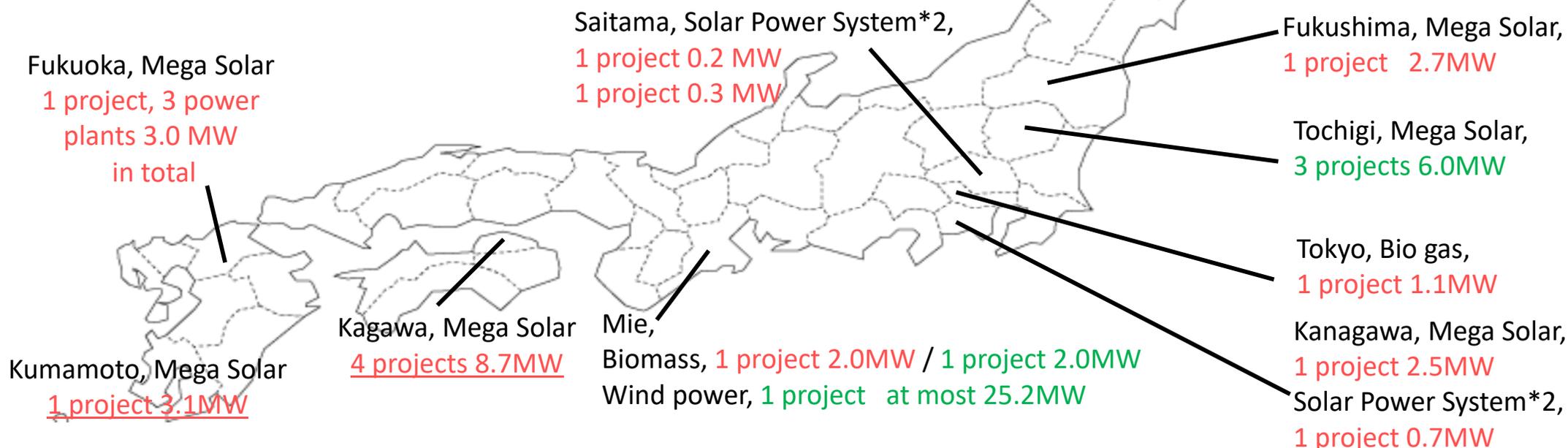
attributable to JAIC **13.1 MW**

Transfers to buyers other than the funds operated by the JAIC Group

33 projects **189.0 MW**

*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 - List of project-oriented investments (as of June 2023)



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	Started electricity sales in March 2023	32
	10	Ukiha-shi, Shirakabe Solar Power Plant Ukiha-shi, Mizunosato Solar Power Plant Ukiha-shi, Minou Alps Solar Power Plant	3.0 in total	Started electricity sales in Mar.-May 2020	36
	11	Tochigi	2.0	Under planning	36
	12	Tochigi	2.0	Under planning	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 June 2023)



Type of project	No.	Location	Generation Capacity [MW]	Current status	FIT [tax excluded, ¥]
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	–
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

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



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	Started operation in Apr. 2023
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		Built up in Apr. 2023
	12	Konosu City, Saitama		Under construction
	13	Iwaki City, Fukushima		Built up in Apr. 2023
	14	Higashikagawa City, Kagawa		Under construction
	15	Takamatsu City, Kagawa		Under construction
	16	Kumamoto City, Kumamoto		Under construction

5. Appendix - List of project-oriented investments (as of June 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	Preparing for operation (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

Type of project	No.	Location	Details of project	Current status
Ohters	1	Kanagawa	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, "Shiba Atago Forest TM"	Started operation in May. 2023
	6	Korea	Exhibition of Japanese animation, "Attack on Titan FINAL in SEOUL"	Held on from July 15th 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.

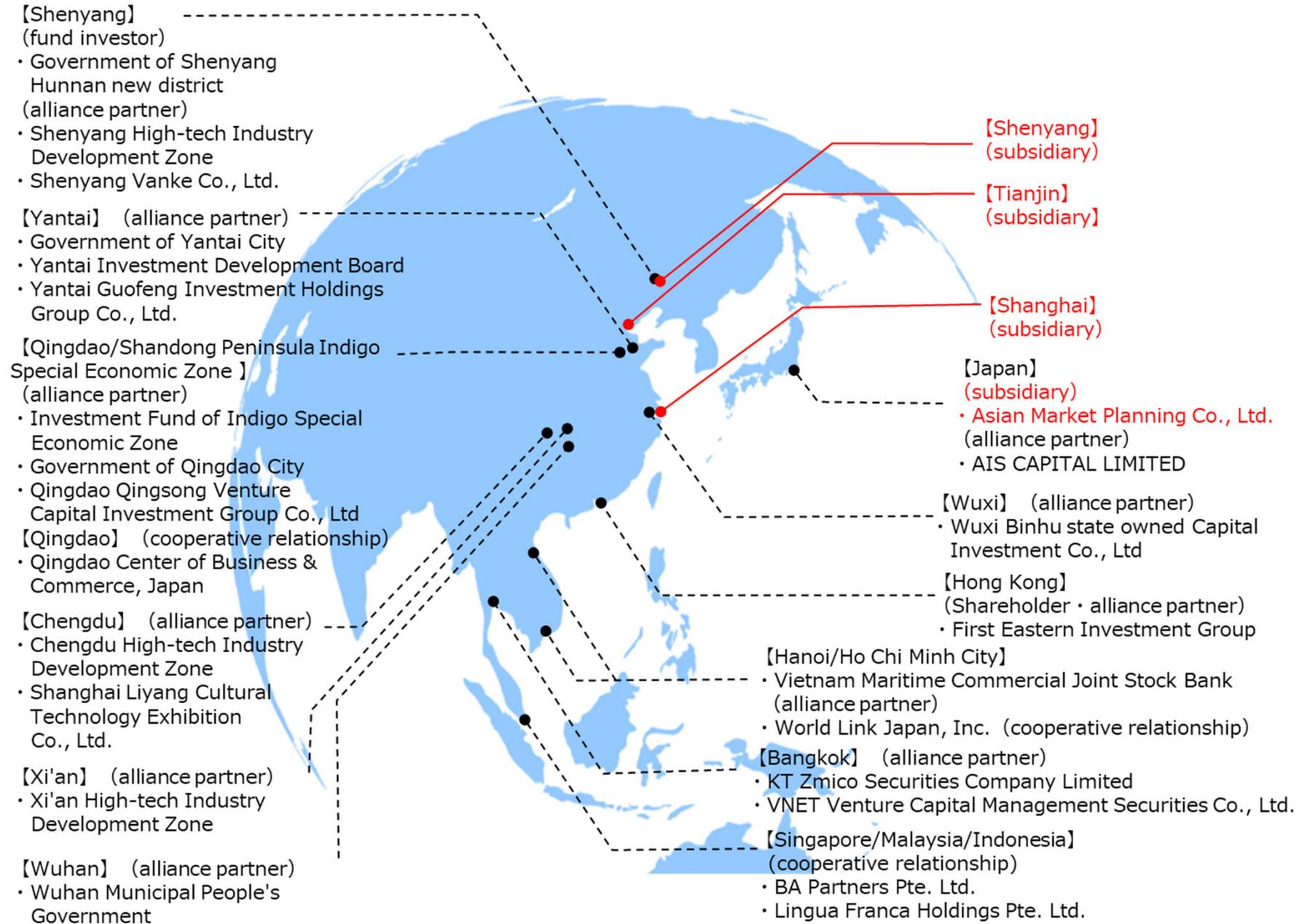
Partner company in perpetual memorial tree burial project



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 (1Q)	FY 2024 (1Q)
New & increased funds	2,000	1,359	151	1,001	3,701	-	500
AUM of funds - total *1	16,494	17,390	16,450	16,463	15,850	16,952	16,397
AUM of funds - JAIC *1	5,344	5,163	5,434	4,953	3,389	5,113	3,404
Execution of investnems (Total)*2	3,749	3,374	1,767	3,420	3,561	93	493
Balance of investments (Total)*2	13,951	15,101	12,855	13,784	14,133	13,128	13,252
Execution of investnems (project oriented investment)*2	3,612	2,150	1,445	1,938	2,152	81	319
Balance of investments (project oriented investment)*2	5,514	6,696	6,088	6,344	7,123	5,879	6,854
Execution of investnems (private equity)*2	136	1,224	322	1,482	1,408	11	173
Balance of investments (private Equity)*2	8,437	8,405	6,767	7,440	7,010	7,248	6,398

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)

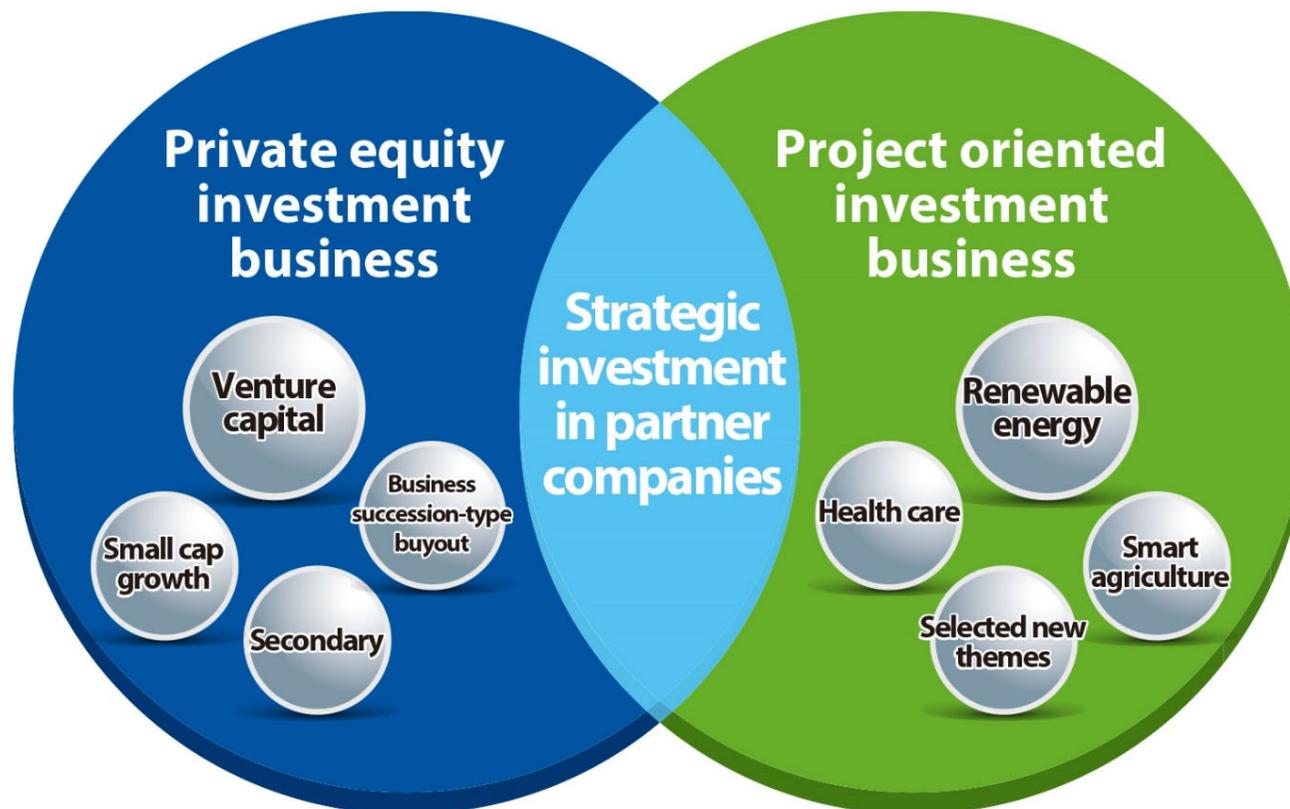


(JPY million)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023 (1Q)	FY 2024 (1Q)
Business results							
Operating revenues	2,475	2,760	3,089	2,409	3,017	219	339
Operating gross profit	1,286	1,359	1,301	1,276	961	34	190
SG&A expenses	1,109	1,094	1,086	1,189	1,147	262	278
Operating income	177	265	214	86	(185)	(227)	(87)
Ordinary income	83	140	173	61	(224)	(248)	(94)
Net income	578	302	144	49	(269)	(262)	(95)
Financial position							
Cash and deposits	5,564	3,920	3,699	2,740	2,464	2,217	2,378
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	6,801	5,815
Operational investment securities of strategic investment in partner companies after deducting allowance for possible investment loss	373	1,005	1,155	1,783	782	1,622	812
Operational investment securities of financial investment after deducting allowance for possible investment loss	4,765	4,282	3,111	3,029	3,301	3,016	2,940
Loans payable, bonds & bonds with subscription rights to shares	9,784	8,166	6,950	5,943	5,142	5,633	4,825
Total shareholders' equity	6,840	7,223	7,338	7,779	7,518	7,515	7,277
Total assets	17,305	15,800	14,657	14,972	13,413	14,294	12,771

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



(JPY:million)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY2023 (1Q)	FY2024 (1Q)	Change(%)
1. Fund management operation								
Operating revenue	241	199	169	154	134	35	45	27.4%
Operating cost	-	-	-	-	-	-	-	-
Operating gross profit	241	199	169	154	134	35	45	27.4%
2. Investment operation								
Proceeds of sales of securities	1,746	2,349	2,221	1,573	2,057	171	266	55.9%
Fund interests income etc.	429	172	648	631	781	1	13	719.6%
Operating revenue	2,176	2,521	2,870	2,204	2,839	172	280	62.0%
Cost of securities sold	554	965	1,249	810	1,311	113	47	(58.6%)
Investment write-offs and Provision for allowance for possible investment losses	579	245	194	145	304	1	80	5472.9%
Fund interests losses etc.	49	184	336	167	426	66	17	(73.4%)
Operating cost	1,182	1,395	1,780	1,123	2,043	182	145	(19.9%)
Operating gross profit	993	1,125	1,090	1,081	796	(9)	134	-
3. Others								
Operating revenue	57	40	49	50	44	11	14	25.5%
Operating cost	6	5	7	10	12	3	3	4.9%
Operating gross profit	51	34	41	40	31	8	10	33.6%
Total								
Operating revenues	2,475	2,760	3,089	2,409	3,017	219	339	54.5%
Operating cost	1,188	1,401	1,788	1,133	2,056	185	149	(19.5%)
Operating gross profit	1,286	1,359	1,301	1,276	961	34	190	451.7%



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.

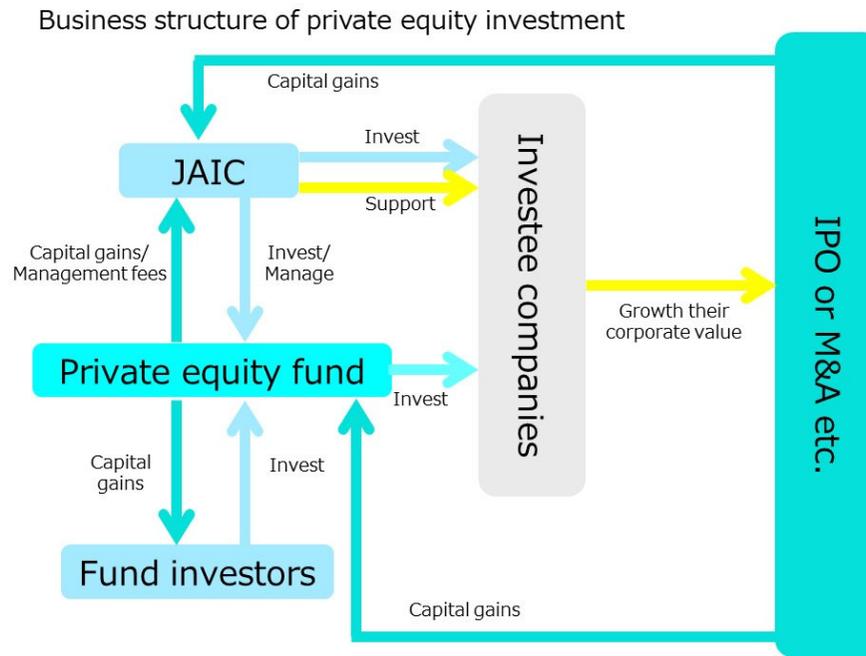
JAIC provides “hands-on” support to partner companies to improve its business promotion and financing activities, etc.

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.

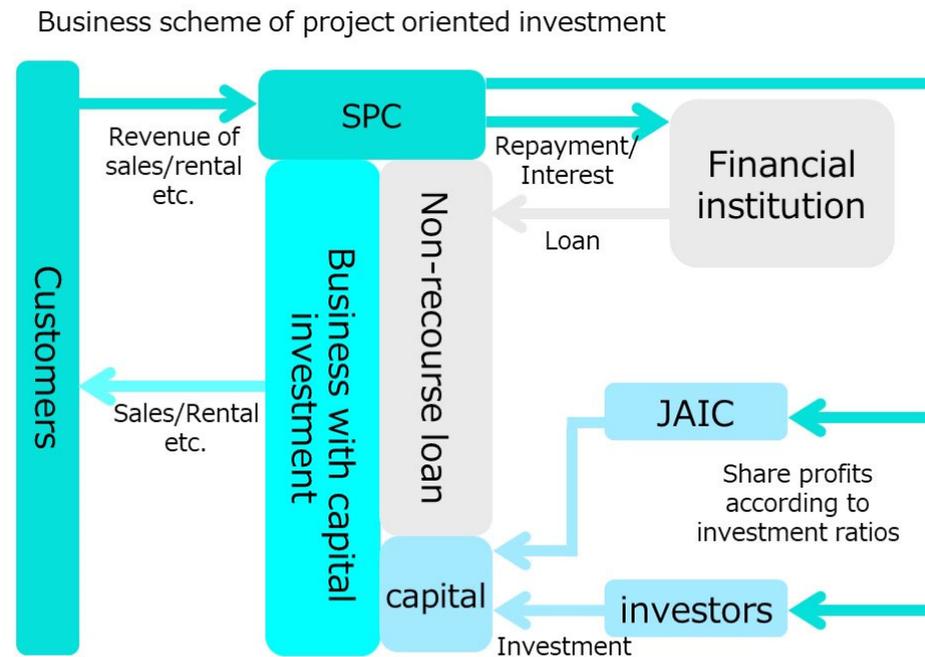
In addition to above, JAIC is determined to invest to new areas such as smart-agri business represented by vegetable plant and logistic industry such as distribution center where JAIC’s accumulated expertise can be leveraged.

5. Appendix - 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

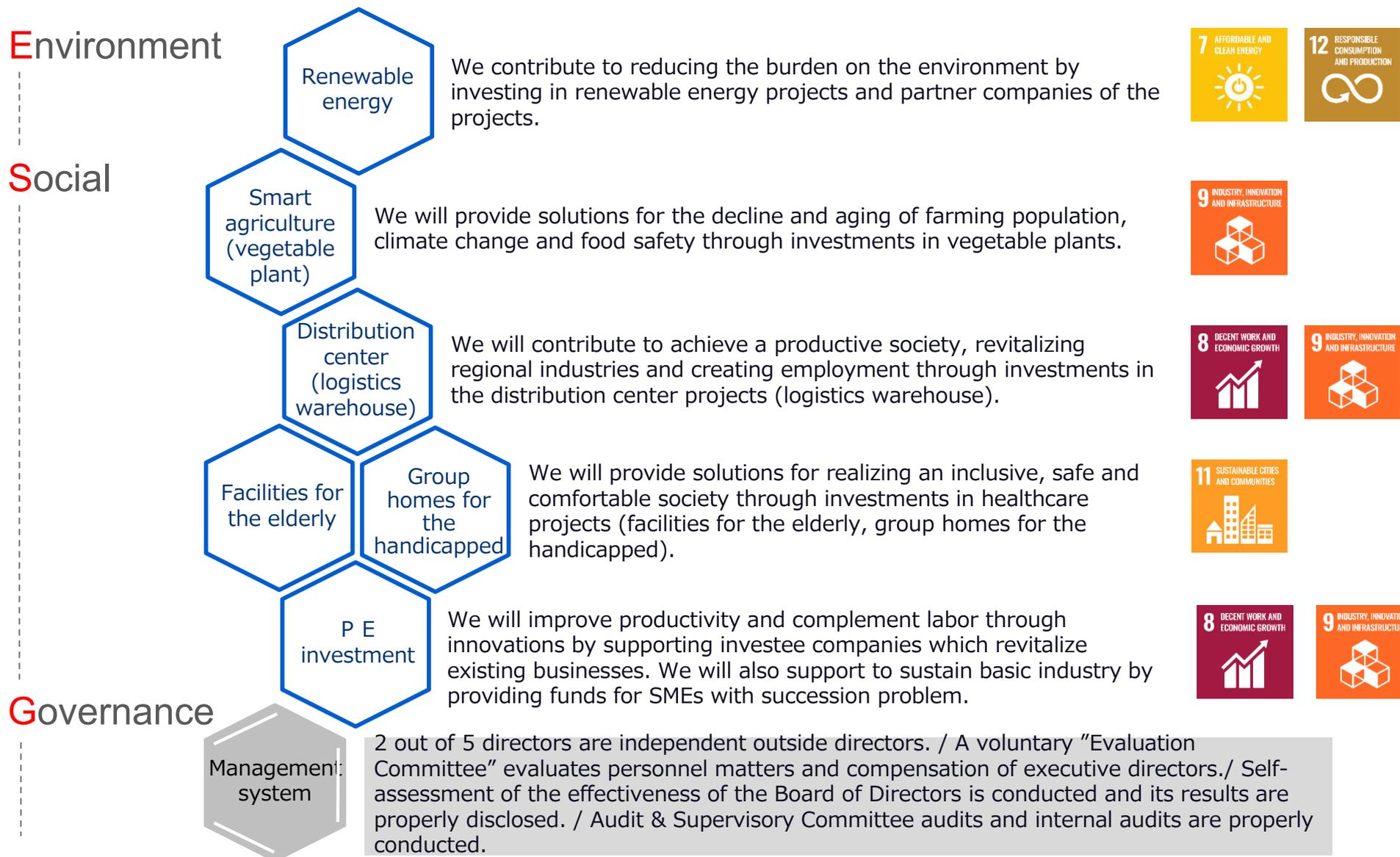
JAIC's accumulated invested volume inside and outside of Japan is Japanese Yen 330 billion. For the project oriented investment, in addition to providing direct equity investment, JAIC has been arranging various financing scheme utilizing project-finance approach and leverage financing together with 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 June 30, 2023)



Company name	Japan Asia Investment Co., Ltd. Abbreviation; JAIC	
Head office	2F Medical Friend Building, 3-2-4 Kudn-kita, Chiyoda-ku, Tokyo 102-0073, Japan	
Established	July 10, 1981	
Paid-in capital	5,426 million yen	
Listed market	Tokyo Stock Exchange, Standard Market (Securities code 8518)	
Employees	42 (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]		

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



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

Contact to:

Kenji Kishimoto, Executive Officer

Miyuki Maruyama, Administration Group

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