

# Financial Results Overview for Year Ended March 31, 2024

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

Announcement date : May. 15, 2024

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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 fiscal year (year-on-year)
  - Operating revenue decreased to ¥ 964 million (down, 68.0 %).
  - Net loss attributable to owners of parent was ¥ (1,574) million (widened, ¥1,305 million).
  - Operating revenue decreased due to sluggish sales of private equity investments and project-oriented investments. Valuation losses from portfolio companies in Greater China widened the deficit.
  
- ✓ Review of the Medium-Term Management Plan
  - Investment balance of financial investments decreased, but asset replacement was not completed
  - Investment assets in group homes for people with disabilities increased
  - Invested in new projects to diversify investment projects, but the contribution to profits is still small
  - Sold two of strategic investment companies. On the other hand, some strategic investment companies experienced a significant deterioration in their performance.
  - Unable to achieve numerical targets and in the red for 2 consecutive years
  
- ✓ Result Forecast
  - Operating revenue is expected to ¥1,600~2,650 million and net profit attributable to owners of parent is expected to ¥250~950 million.
  - Expecting to make a profit at the lower end through project sales, and aiming to reach the upper end through proceeds from the sale of unlisted stocks

## 2. Results for the current fiscal year

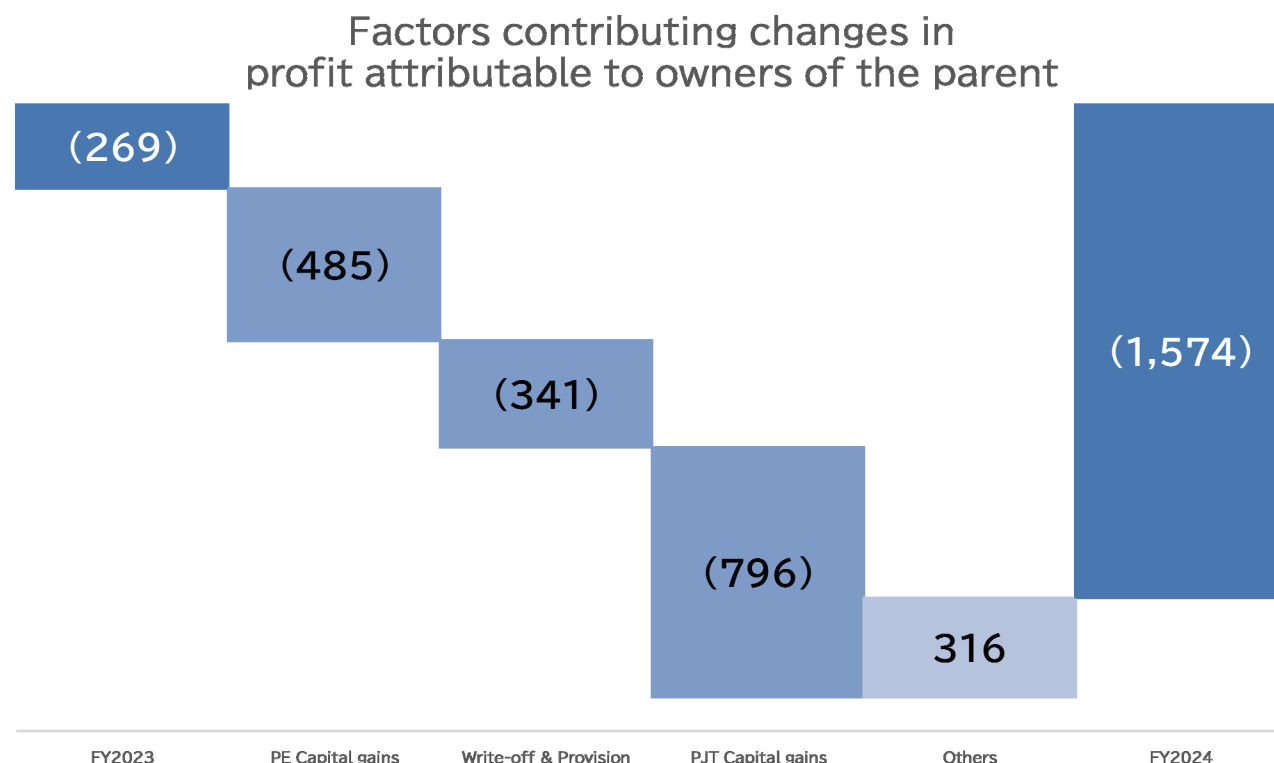


Outline of results

P5

## 2. Results for the current fiscal year - Outline of results - I/S

(million yen)	FY 2023	FY 2024	Change
Operating revenue	3,017	964	(68.0%)
Operating cost	2,056	1,392	(32.3%)
Operating gross profit	961	(427)	-
SG&A expenses	1,147	1,094	(4.6%)
Operating income	(185)	(1,522)	-
Ordinary income	(224)	(1,569)	-
Profit attributable to owners of parent	(269)	(1,574)	-



### ✓ Factors for decreased operating revenue and widened deficit

- Private equity investment

Although sales of listed stocks progressed, there was no sale of unlisted stocks with relatively large investment amounts.

Due to the liquidation of funds in Greater China, valuation losses and provisions are recorded for stocks whose expected recovery amount has decreased.

- Project-oriented investment

Gains from sales decreased; only one mega solar project was sold during the current fiscal year (Number of sales: 5 in the previous fiscal year, 1 in the current fiscal year)


## 2. Results for the current fiscal year - Outline of results - B/S



(million yen)	FY 2023	FY 2024	Change	fluctuation factors (billion yen)
Total assets	13,413	↓ 10,438	(22.2%)	
Cash and deposits	2,464	↓ 1,750	(28.9%)	repayments of loan (0.8), execution of investments & loans (1.8), expenses etc.(0.7), collection +2.6
Project oriented investment securities & loans after deducting allowance for possible investment loss	6,053	5,248	(13.3%)	execution of investments & loans +1.5, distribution & collection (2.1), interests income/loss(0.2)
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	↓ 2,090	(36.7%)	execution of investments +0.3, distribution & collection (0.6), unrealized gain (0.3), write-off & allowance (0.6)
Loans payable	5,142	↓ 4,314	(16.1%)	repayments of loan (0.8)
Total shareholders' equity	7,518	↓ 5,633	(25.1%)	loss (1.5), unrealized gain (0.3)

- ✓ 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 fiscal year - Outline of results - C/F

(JPY million)	FY 2023	FY 2024
Operating cash flow	157	 456
Investing cash flow	0	(2)
Financing cash flow	(806)	(828)
Change in net cash flow	(635)	(365)
Cash & cash equivalents at end of period	1,762	1,396

- ✓ Operating cash flow increased year-on-year. Distribution from investment funds increased and payment for investment funds decreased.

### 3. Review of the Medium-Term Management Plan



Review for 3 fiscal years from FY 2022 to FY 2024 P9



### 3. Review of the Medium-Term Management Plan - 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/Diversify investment target projects

- Establish a hands-on investment style through collaboration in project investment and increase capital gains from strategic investees

#### Initiatives/Results/Current status

- Liquidated financial investment assets as early as possible and reduced the investment balance, however, asset replacement was not completed due to delays in IPOs and trade sales.
- The amount collected was lower than expected, and both profits and funds were insufficient.
- Business performance of some large-scale investees has worsened, resulting in provisions. Valuation losses and provisions are still factors causing downturn in our business performance.
- In Greater China, posting all losses on fund investment assets ahead of schedule due to the liquidation of investment funds.

- Investment in distribution centers took longer than expected to develop new projects, so the increase in investment balance was also lower than expected.
- Investment assets in group homes for people with disabilities increased due to significant progress in new transactions with regional financial institutions.
- Invested in new projects to diversify our investment targets, but the contribution to profits is still small and investments remain sporadic.

- Two of our strategic investment companies achieved IPO and M&A.
- Some strategic investment companies experienced a significant deterioration in their performance.
- Some sales of shares in strategic investment companies did not proceed as planned.

# 3. Review of the Medium-Term Management Plan - Action Plan

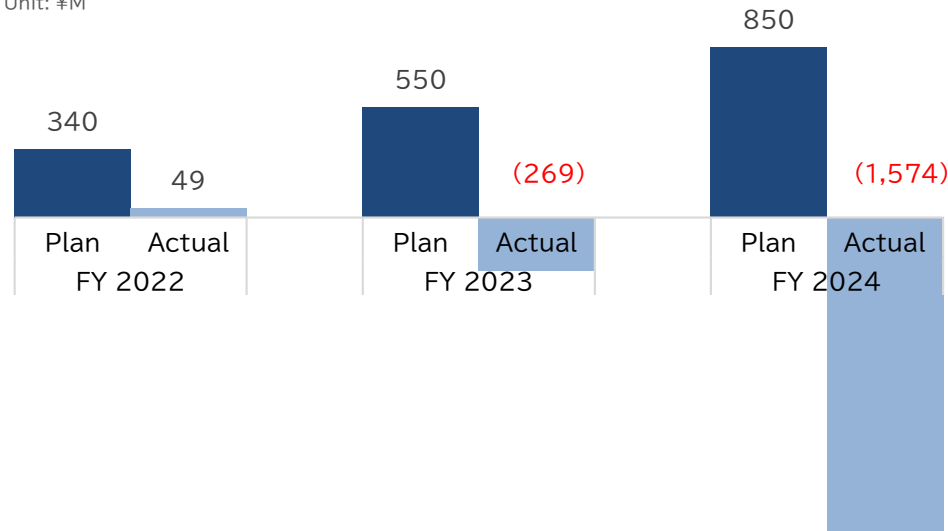


Action Plan		Initiatives/Results/Current status
Private equity investment	<ul style="list-style-type: none"> <li>Originate 3 new investment funds</li> </ul>	<ul style="list-style-type: none"> <li>AJ Capital, one of affiliated companies, has originated 2 investment funds.</li> <li>The second fund for business succession support has expanded its size to 5.1 billion yen and completed its origination.</li> </ul>
Renewable energy	<ul style="list-style-type: none"> <li>Increase investments in rooftop solar power generation project in Vietnam and biogas project in Japan.</li> <li>Sell mega solar projects in Japan after the completion to post gain on sale.</li> </ul>	<ul style="list-style-type: none"> <li>Rooftop solar power generation project in Vietnam has not been realized due to travel restrictions with COVID19.</li> <li>Invested in solar power generation systems with storage batteries on the rooftops of domestic logistics facilities.</li> <li>Domestic biogas power generation is taking time to become profitable, so additional investment has not been realized.</li> <li>Invested in NON-FIT type biomass power generation in Mie Prefecture</li> <li>5 domestic mega solar plants have been completed and 4 have been sold.</li> </ul>
Distribution center (logistics warehouse)	<ul style="list-style-type: none"> <li>Increase investments as a priority area.</li> <li>Invest in early stages of projects and achieve high returns by attracting later stage investors looking for middle-risk</li> </ul>	<ul style="list-style-type: none"> <li>Invested in 4 new projects and sold 3 projects.</li> <li>It took longer than expected to develop new projects, and the increase in investment balance was also lower than expected.</li> </ul>
Smart agriculture (vegetable factory)	<ul style="list-style-type: none"> <li>Support to develop customer base such as major convenience store and expand business size by constructing additional plant up to No.4</li> </ul>	<ul style="list-style-type: none"> <li>Expanding sales channels mainly to major restaurant companies.</li> <li>Expanding the business scale by expanding the Sasayama factory and acquiring the Yabu factory through a strategic investment company</li> <li>Sales at the Sasayama factory have increased, and will reach a monthly profit in the near future</li> </ul>
Healthcare (group home for disabled people)	<ul style="list-style-type: none"> <li>Invest in 50 projects by originating funds from major banks and leasing companies</li> </ul>	<ul style="list-style-type: none"> <li>Investment asset balance increased due to significant progress in new transactions with regional financial institutions</li> <li>Invested in 24 buildings including investments from funds (28 buildings in total)</li> <li>Realizing a scheme to acquire multiple buildings at once through collaboration with construction companies</li> </ul>
Healthcare (facility for the elderly)	<ul style="list-style-type: none"> <li>Continue to invest in carefully selected projects</li> </ul>	<ul style="list-style-type: none"> <li>No new investment was executed, but 1 existing investment project was sold and high profitability was achieved</li> </ul>

# 3. Review of the Medium-Term Management Plan - Numerical Plan

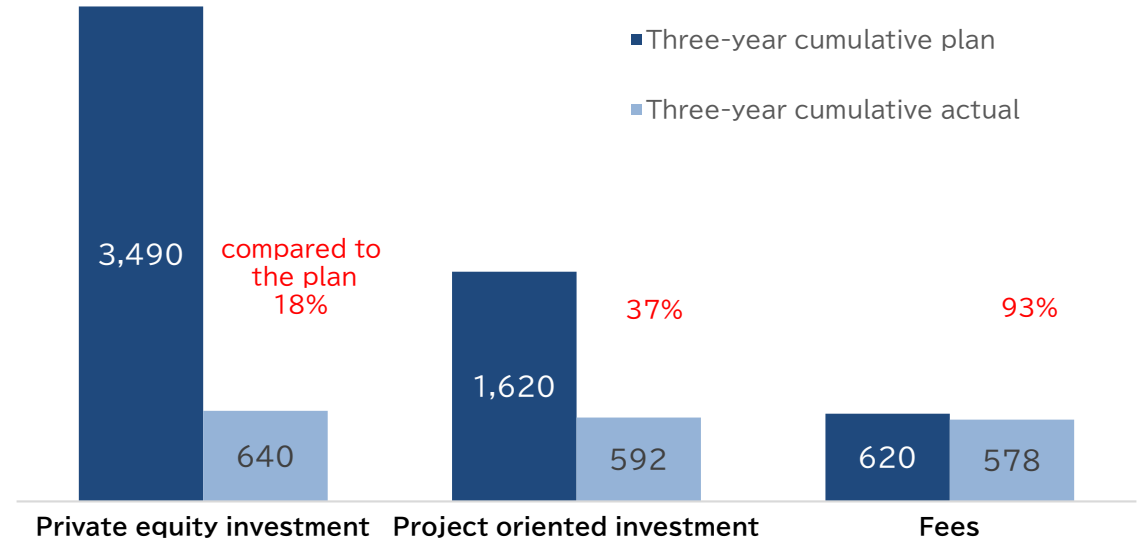
Profit attributable to owners of parent

Unit: ¥M



Breakdown of cumulative gross operating profit over three years

Unit: ¥M



- ✓ Actual profit attributable to owners of parent fell short of plan in all three years.
- ✓ The downside is occurring at the gross operating income.
  - Private equity investment; due to the short of capital gains and the excess of provisions and valuation losses, cumulative gross operating profit for the three years was 18% of the plan
  - Project oriented investment; capital gains for FY 2024 was lower than planned and some projects are under-monetized. Cumulative gross operating profit for the three years was 37% of the plan.
  - Fund management fees and consulting fees generally achieved the plan. Cumulative gross operating profit for the three years was 93% of the plan.

## 4. Result forecast



Details of result forecast

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Cautionary statements

P14

## 4. Result forecast - Details of result forecast

(million yen)	Actual FY 2024	Result forecast FY2025	Change
Operating revenue	964	1,600~2,650	65.9%~174.7%
Operating income	(1,522)	150~ 850	-
Ordinary income	(1,569)	300~1,000	-
Profit attributable to owners of parent	(1,574)	250~ 950	-

- ✓ The difference between the upper and lower limits is the sales of shares.
- ✓ The upper limit is expected when we succeed to sell unlisted shares with relatively large investment amount, and the lower limit is expected when we can not sell the shares.
- ✓ Even if we can not sell the shares, we will aim to make a profit by selling project-oriented investments those we have been negotiating since the previous fiscal year.

## 4. Result forecast - Cautionary statements

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

## 5. Appendix

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## 5. Appendix - Break down of operating revenue & operating cost

(JPY million)	Total		Private equity investment		Project oriented investment	
	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024
Operating revenue	3,017	964	2,076	↓ 624	941	↓ 340
Fund management fees etc.	134	149	126	142	7	7
Proceeds of sales of securities	2,057	654	1,907	↓ 391	149	263
Fund interests income etc.	781	74	35	51	746	↓ 23
Other operating reveue	44	85	5	39	38	46
Operating cost	2,056	1,392	1,503	848	552	543
Cost of securities sold	1,311	451	1,221	189	90	262
Investment write-offs and Provision for allowance for possible investment losses	304	645	229	↑ 645	75	-
Fund interests losses etc.	426	279	49	10	377	↓ 269
Other operating costs	12	16	3	3	9	12
Operating gross profit	961	(427)	572	↓ (224)	389	↓ (203)

- ✓ 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. We posted provisions and write-offs for portfolio companies in Greater China through liquidation process of investment funds.
- ✓ Project oriented investment – Revenue decreased, and operating gross profit went into the red
  - Of operating revenue, fund interests income etc. decreased since no project was sold.
  - Of operating cost, fund interests losses etc. decreased. Operating costs and losses from projects have decreased since vegetable factory has improved its profitability.



## 5. Appendix - Cases of business progress



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

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

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

# 5. Appendix - Cases of business progress



## Completed 5 group homes for people with disabilities

Social Increw Home Asakura Minagi  
(Asakura City, Fukuoka Prefecture)



Social Inclusion Home Kumamoto Hanazono  
(Hanazono, Nishi-ku, Kumamoto City, Kumamoto Prefecture)



Social Increw Home Saga Morotomi  
(Morotomi Town, Saga City, Saga Prefecture)



Social Increw Home Kukikurihashi Higashi  
(Kurihashi Higashi, Kuki City, Saitama Prefecture)



Social Increw Home Higashikagawa Ochiai  
(Ochiai, Higashikagawa City, Kagawa Prefecture)



Partner company:  
social inclu CO., LTD.

# 5. Appendix - Cases of business progress



3 mega solar projects with 6.2 MW in total have procured 2,027 million yen in project finance from Ashikaga Bank and have started electricity sales in Tochigi Prefecture



Kanuma City Kamiishikawa Solar Power Plant    Otawara City Kamehisa Solar Power Plant    Karasuyama Nakayama Solar Power Plant

Name	Kanuma City Kamiishikawa Solar Power Plant	Otawara City Kamehisa Solar Power Plant	Karasuyama Nakayama Solar Power Plant
Location	Kanuma City	Otawara City	Nasu-Karasuyama City
Maximum output <sup>※1</sup>	Around 2.0 MW	Around 2.1 MW	Around 2.1 MW
Expected annual power generation [Equivalent to annual power consumption of average households <sup>※2</sup> ]	Around 2,500 MWh [approx. 530 households]	Around 2,500 MWh [approx. 530 households]	Around 2,630 MWh [approx. 560 households]
FIT(excl. tax)	¥32/kWh	¥32/kWh	¥36/kWh
Started electricity sales	December 2023	May 2024	March 2024

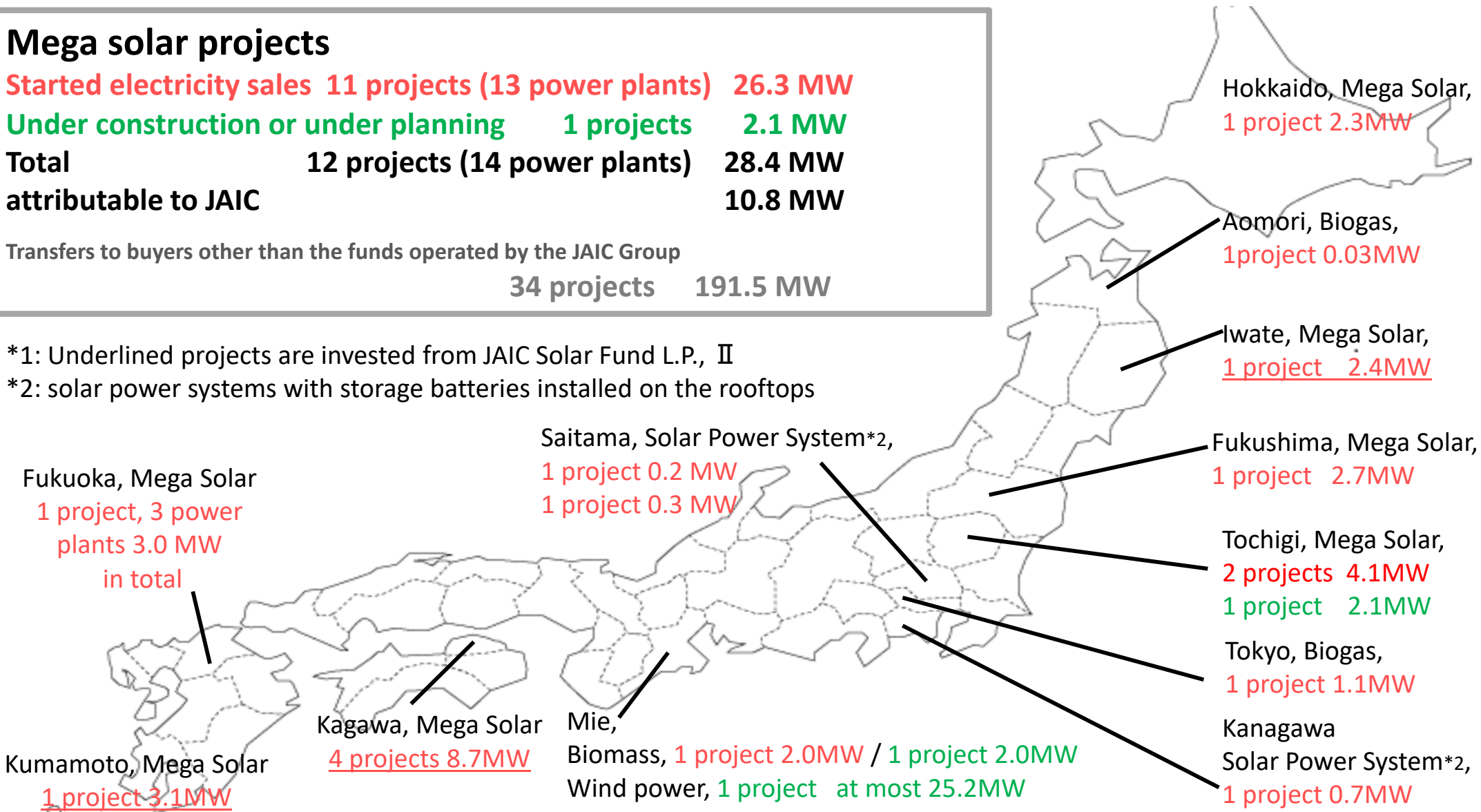
※1:Solar panel installation capacity base    ※2:Converted at 4,716 kWh per annum based on the Photovoltaic Power Generation Association "Disclosure Guidelines (FY 2023)"

# 5. Appendix - Renewable energy projects (as of March 2024)



Mega solar projects		
Started electricity sales	11 projects (13 power plants)	26.3 MW
Under construction or under planning	1 projects	2.1 MW
<b>Total</b>	<b>12 projects (14 power plants)</b>	<b>28.4 MW</b>
<b>attributable to JAIC</b>		<b>10.8 MW</b>
Transfers to buyers other than the funds operated by the JAIC Group		
	34 projects	191.5 MW

\*1: Underlined projects are invested from JAIC Solar Fund L.P., II  
 \*2: solar power systems with storage batteries installed on the rooftops



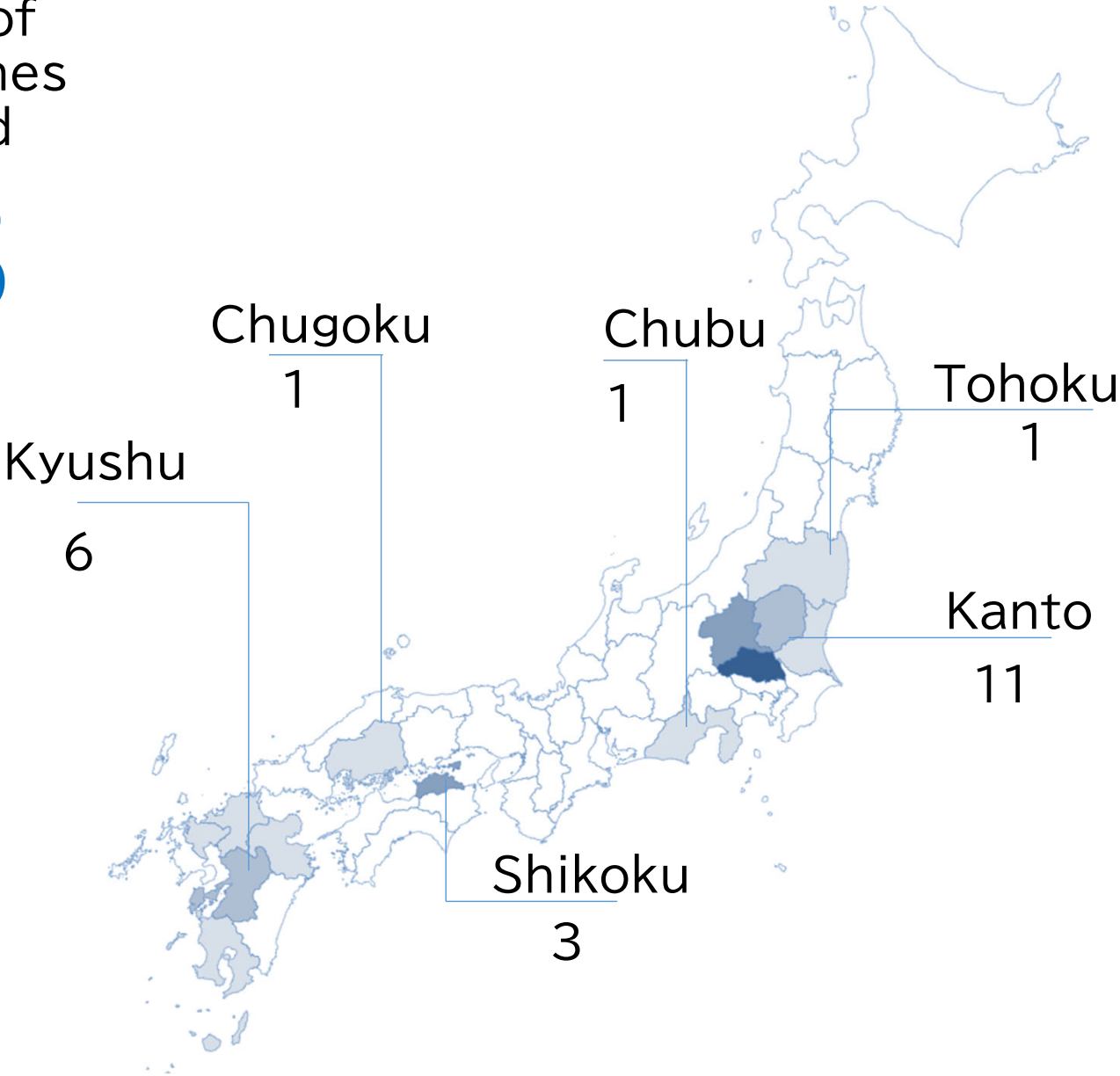
\* Since our investment ratio differs in each project, the amount of JAIC's investment or revenues from mega solar projects that are attributable to JAIC are not necessarily linked to the MW figure of the project.

# 5. Appendix – Health care projects, group home for disabled people (as of Mach 2024)



Number of group homes invested

# 23



## 5. Appendix - List of project-oriented investments (as of March 2024)



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	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
	10	Karasuyama Nakayama Solar Power Plant	2.1	Started electricity sales in Mar. 2024	36
	11	Kanuma City Kamiishikawa Solar Power Plant	2.0	Started electricity sales in Dec. 2023	32
	12	Otawara City Kamehisa Solar Power Plant	2.1	Under construction [Started electricity sales in May 2024]	32
Total 28.4MW [attributable to JAIC 10.8MW]					

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 March 2024)



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 construction	–
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 March 2024)



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		Started operation in Mar. 2024
	17	Kuki City, Saitama		Preparing for operation
	18	Yatsushiro City, Kumamoto		Started operation in Dec. 2023
	19	Kumagaya City, Saitama		Under construction
	20	Kirishima City, Kagoshima		Under construction



## 5. Appendix - List of project-oriented investments (as of March 2024)



Type of project	No.	Location	Project scale	Current status
Group home for disabled people	21	Saga City, Saga	20-21 rooms for residents, 2-3 rooms for short stay	Preparing for operation
	22	Asakura City, Fukuoka		Preparing for operation
	23	Oita City, Oita		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 March 2024)



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	Akiruno City, Tokyo	Total floor area 25,804 m <sup>2</sup> (scheduled), 4 stories above ground	Completed in Dec. 2023
	2	Kasukabe City, Saitama	Total floor area 18,158 m <sup>2</sup> (scheduled), 4 stories above ground	Under construction
	3	Non-disclosed	Non-disclosed	Under planning
	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

## 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.

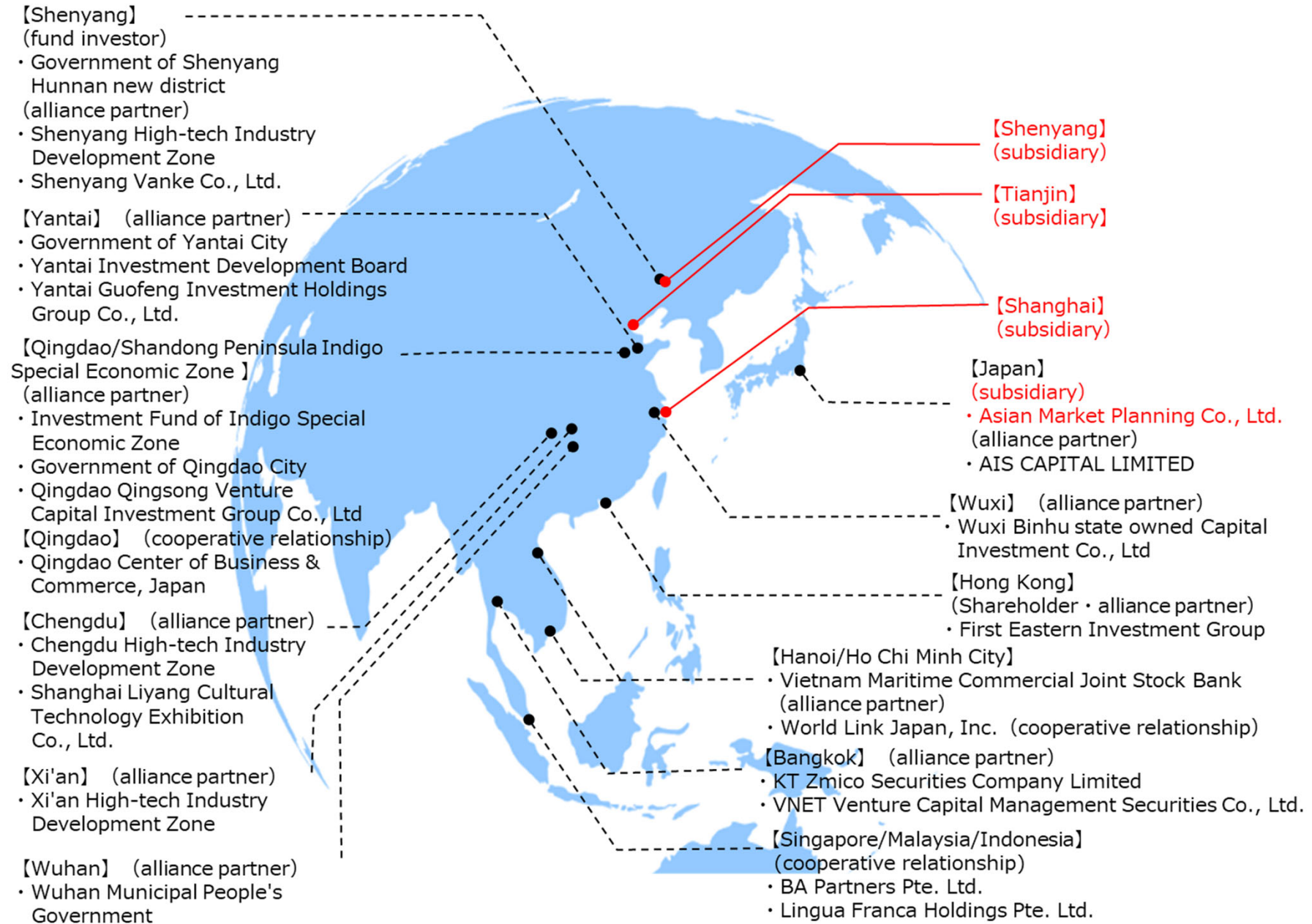
Partner company in perpetual memorial tree burial project



#### 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 2024
New & increased funds	2,000	1,359	151	1,001	3,701	1,400
AUM of funds - total *1	16,494	17,390	16,450	16,463	15,850	15,497
AUM of funds - JAIC *1	5,344	5,163	5,434	4,953	3,389	2,428
Execution of investnems (Total)*2	3,749	3,374	1,767	3,420	3,561	2,721
Balance of investments (Total)*2	13,951	15,101	12,855	13,784	14,133	12,152
Execution of investnems (project oriented investment)*2	3,612	2,150	1,445	1,938	2,152	1,322
Balance of investments (project oriented investment)*2	5,514	6,696	6,088	6,344	7,123	5,982
Execution of investnems (private equity)*2	136	1,224	322	1,482	1,408	1,398
Balance of investments (private Equity)*2	8,437	8,405	6,767	7,440	7,010	6,169

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)

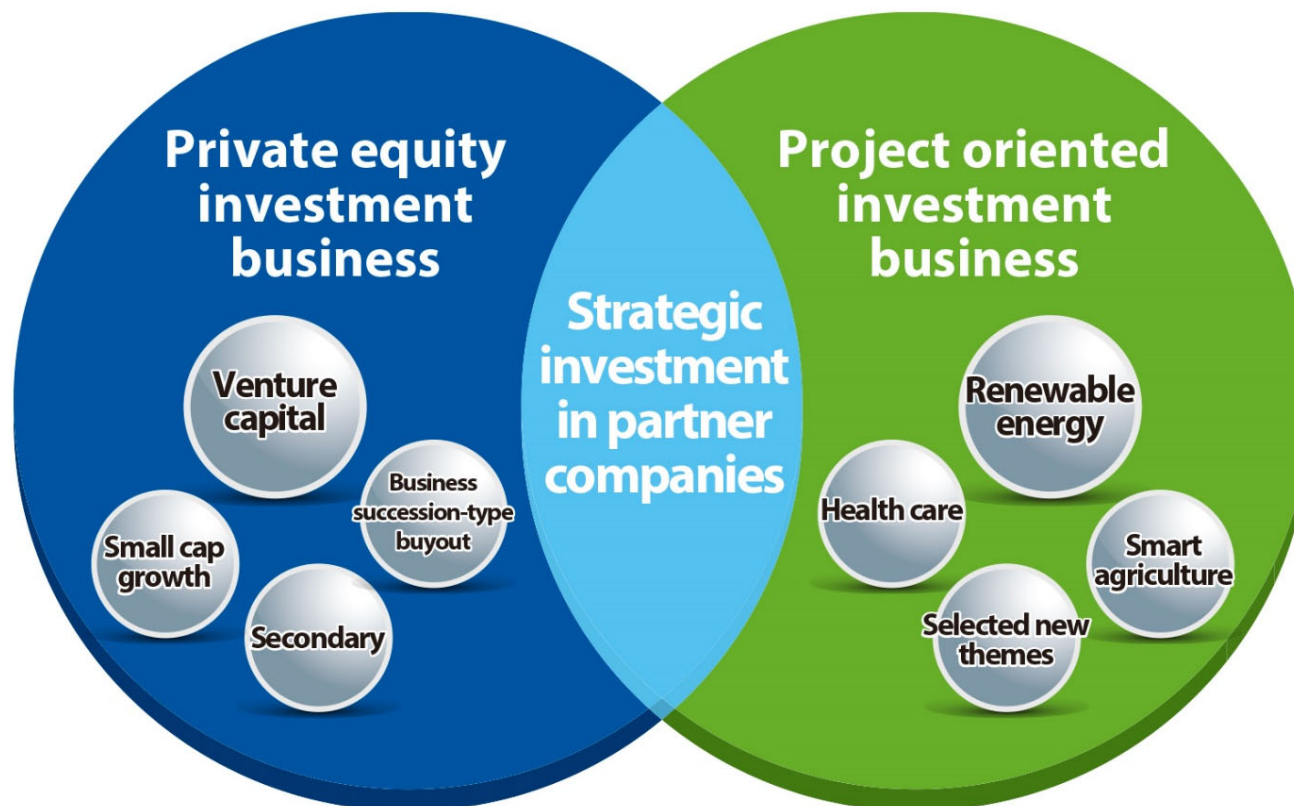


(JPY million)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Business results						
Operating revenues	2,475	2,760	3,089	2,409	3,017	964
Operating gross profit	1,286	1,359	1,301	1,276	961	(427)
SG&A expenses	1,109	1,094	1,086	1,189	1,147	1,094
Operating income	177	265	214	86	(185)	(1,522)
Ordinary income	83	140	173	61	(224)	(1,569)
Net income	578	302	144	49	(269)	(1,574)
Financial position						
Cash and deposits	5,564	3,920	3,699	2,740	2,464	1,750
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	5,248
Operational investment securities of strategic investment in partner companies after deducting allowance for possible investment loss	373	1,005	1,155	1,783	782	913
Operational investment securities of financial investment after deducting allowance for possible investment loss	4,765	4,282	3,111	3,029	3,301	2,090
Loans payable, bonds & bonds with subscription rights to shares	9,784	8,166	6,950	5,943	5,142	4,314
Total shareholders' equity	6,840	7,223	7,338	7,779	7,518	5,633
Total assets	17,305	15,800	14,657	14,972	13,413	10,438

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



(JPY:million)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Change(%)
<b>1. Fund management operation</b>							
Operating revenue	241	199	169	154	134	149	11.6%
Operating cost	-	-	-	-	-	-	-
Operating gross profit	241	199	169	154	134	149	11.6%
<b>2. Investment operation</b>							
Proceeds of sales of securities	1,746	2,349	2,221	1,573	2,057	654	(68.2%)
Fund interests income etc.	429	172	648	631	781	74	(90.5%)
Operating revenue	2,176	2,521	2,870	2,204	2,839	729	(74.3%)
Cost of securities sold	554	965	1,249	810	1,311	451	(65.6%)
Investment write-offs and Provision for allowance for possible investment losses	579	245	194	145	304	645	112.0%
Fund interests losses etc.	49	184	336	167	426	279	(34.5%)
Operating cost	1,182	1,395	1,780	1,123	2,043	1,376	(32.6%)
Operating gross profit	993	1,125	1,090	1,081	796	(647)	-
<b>3. Others</b>							
Operating revenue	57	40	49	50	44	85	94.3%
Operating cost	6	5	7	10	12	16	24.7%
Operating gross profit	51	34	41	40	31	69	123.4%
<b>Total</b>							
Operating revenues	2,475	2,760	3,089	2,409	3,017	964	(68.0%)
Operating cost	1,188	1,401	1,788	1,133	2,056	1,392	(32.3%)
Operating gross profit	1,286	1,359	1,301	1,276	961	(427)	-



### 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.

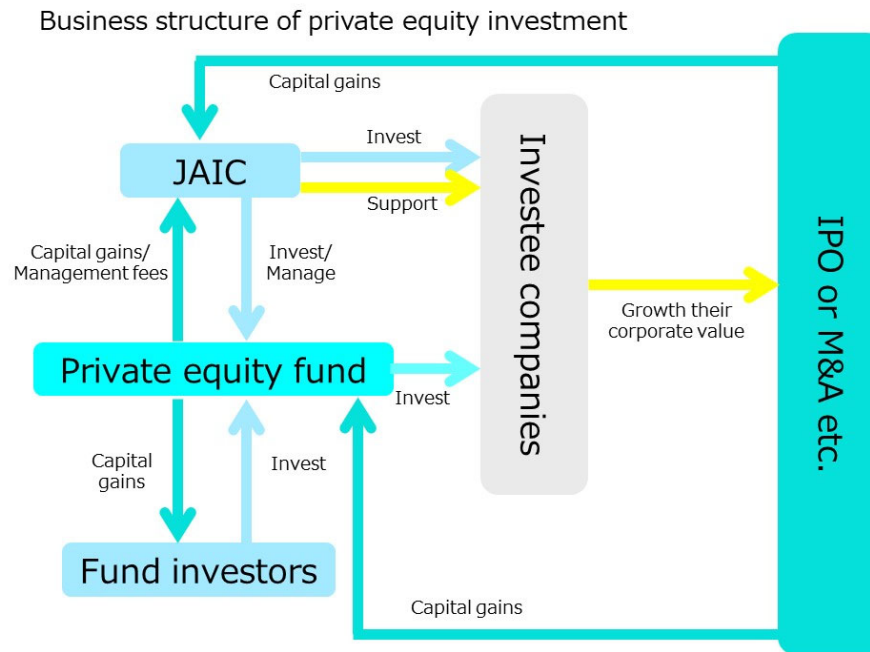
### Project oriented investment

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.

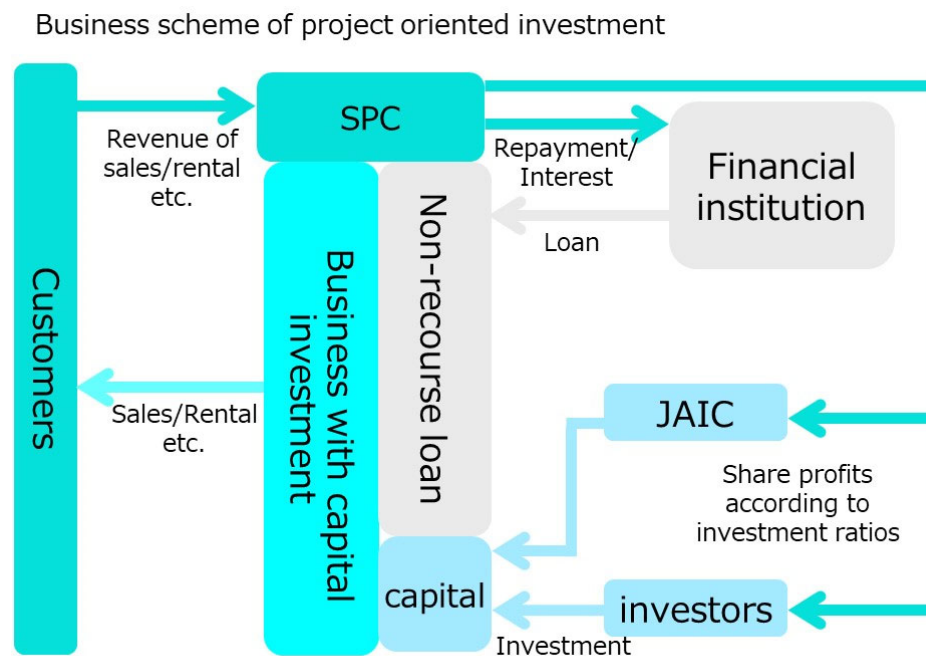


## 5. Appendix - Profit structure – Private equity investment



- 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

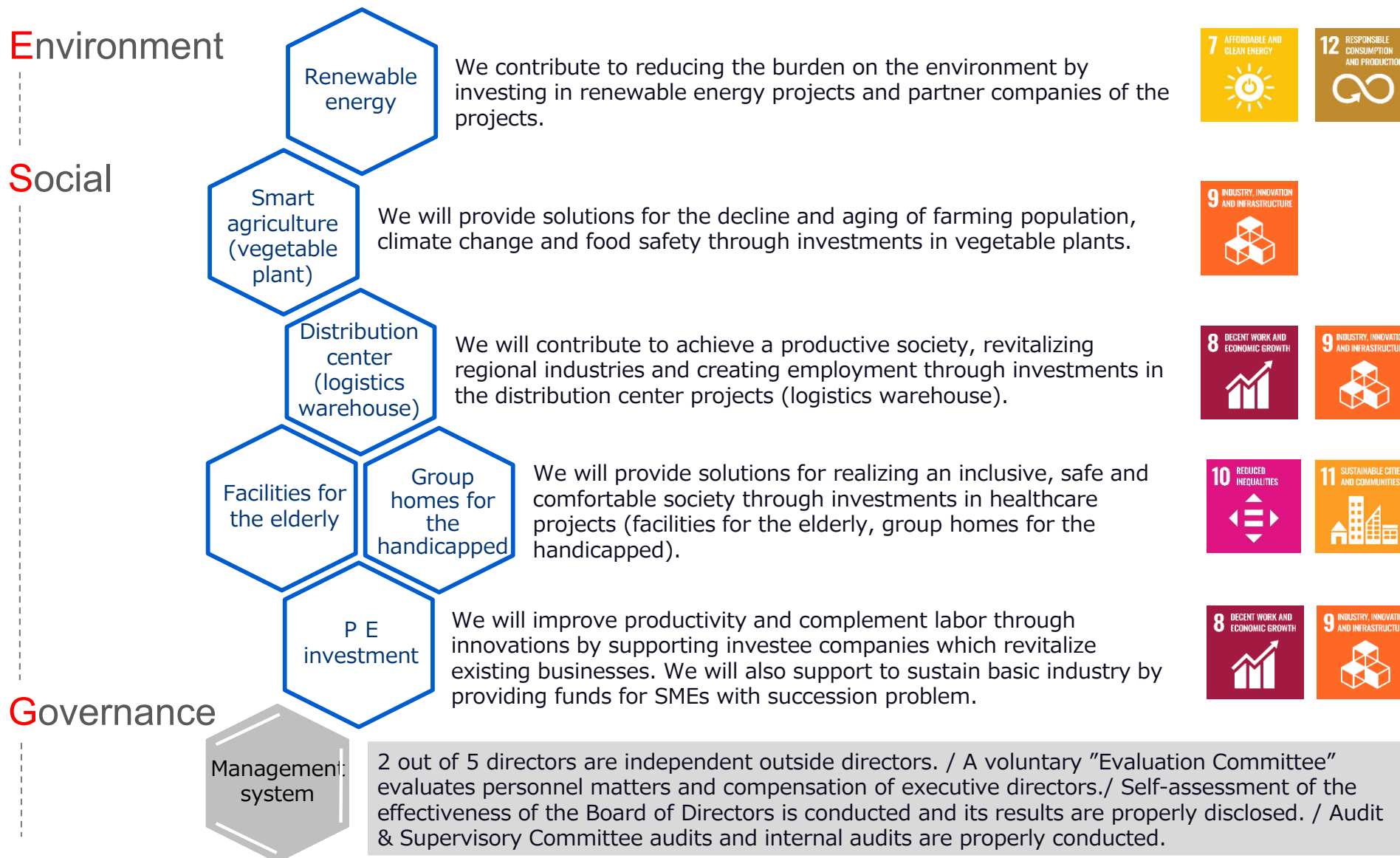
JAIC's accumulated invested volume inside and outside of Japan is Japanese Yen 330 billion. For the project oriented investment, in addition to providing direct equity investment, JAIC has been arranging various financing scheme utilizing project-finance approach and leverage financing together with 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 March 31, 2024)



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	38 (Consolidated) / 19 (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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