

Financial Results Overview for the 4th Quarter Ended March 31, 2010

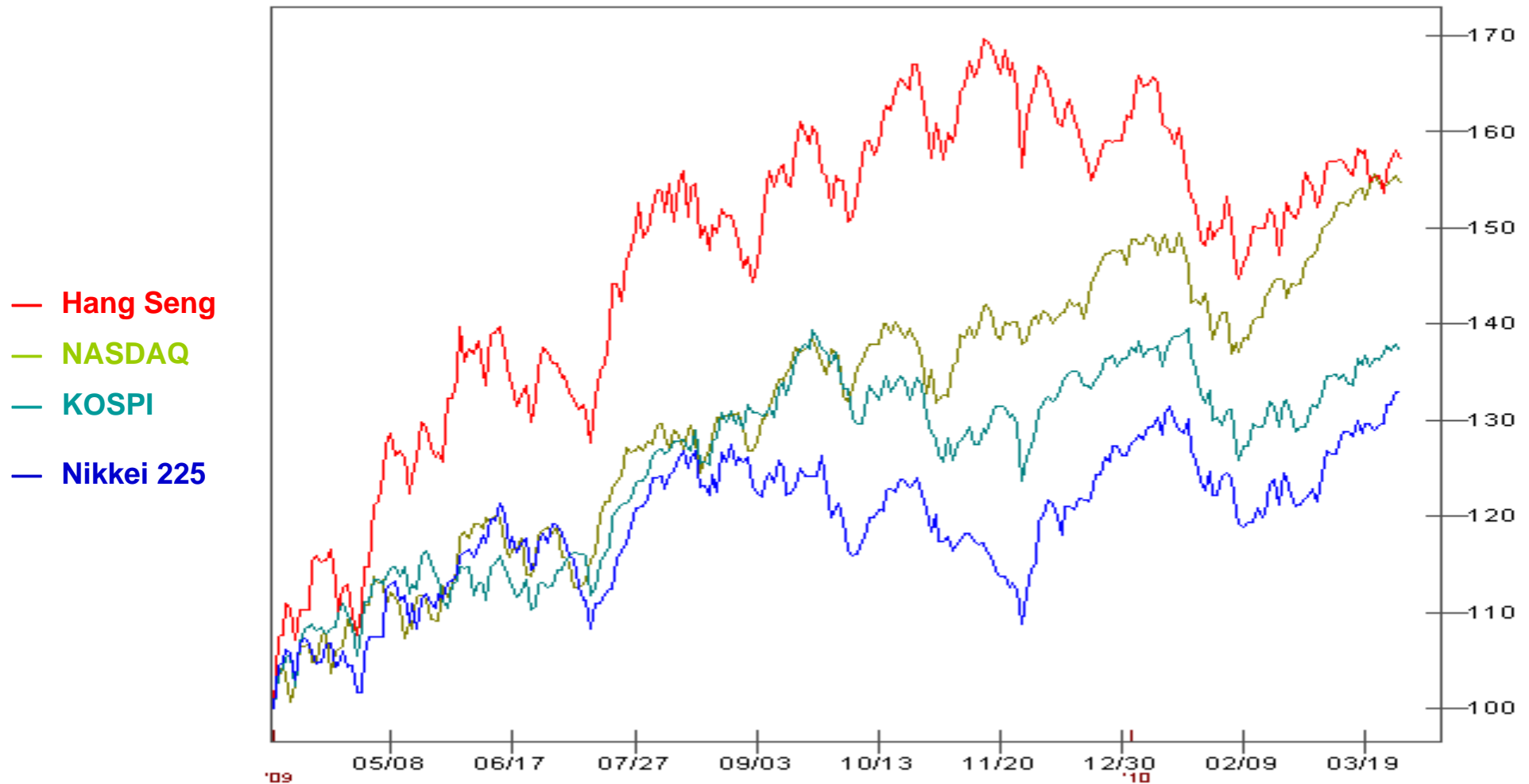
Japan Asia Investment Co., Ltd.
(TSE 8518)

Announcement: May 11, 2010

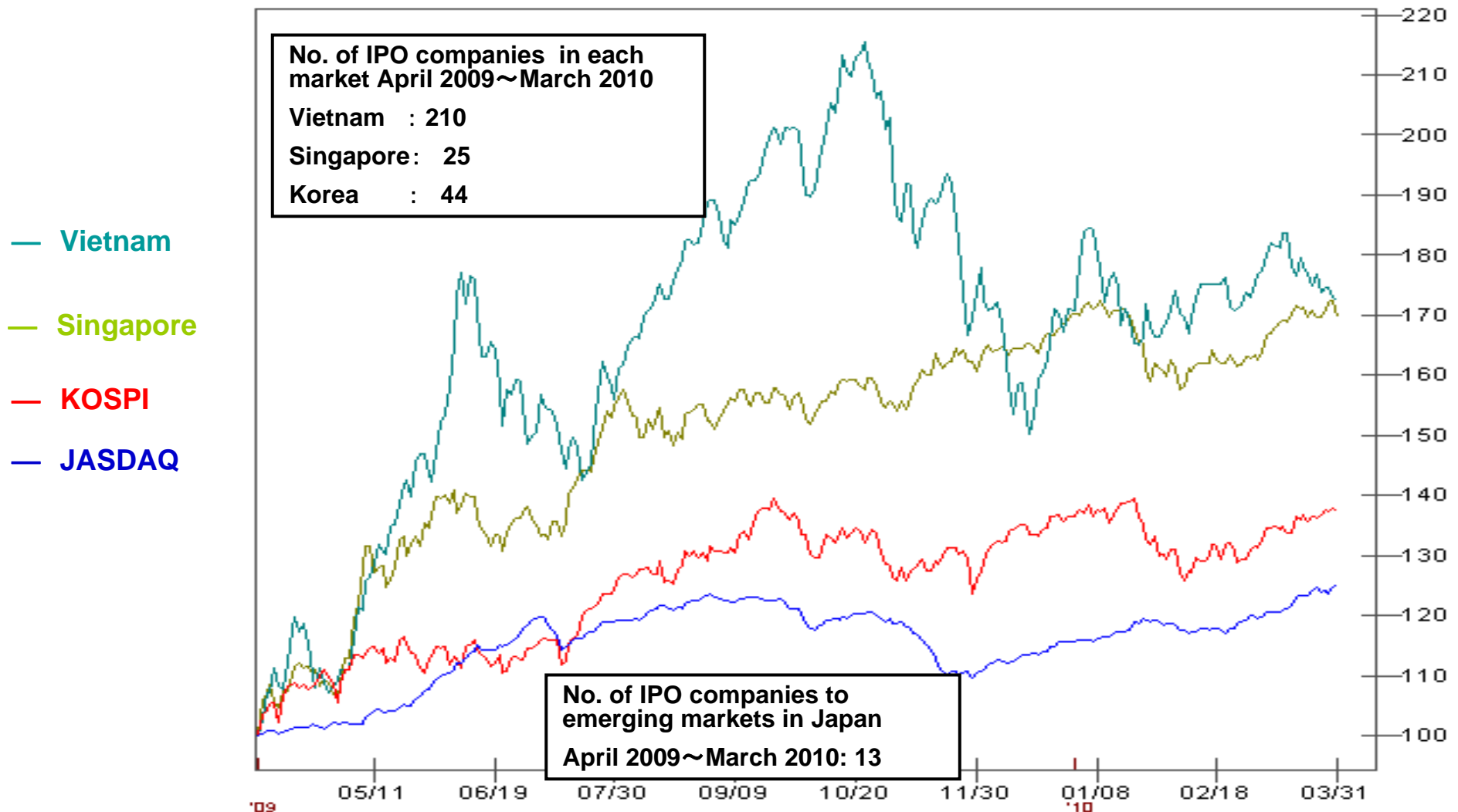
- 1. Management Environment**
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1. Management Environment

Stock Market (April 1, 2009~Mar 31, 2010)



Stock Market in Asia (April 1, 2009~Mar 31, 2010)



2. Financial Review

Financial Result

Consolidated Business Results for the Year Ended March 31, 2010



(JPY million)	06/3 PAS	07/3 PAS	08/3 PAS	09/3 PAS	10/3 PAS	Change (%)	09/3 FCAS	10/3 PAS	Change (%)
Operating Revenues	16,675	18,935	20,051	8,494	7,414	△13%	9,454	8,474	△10%
Operating Cost	6,634	6,152	9,172	28,483	13,013	△54%	33,433	16,640	△50%
Gross Profit	10,041	12,783	10,879	△ 19,988	△ 5,599	-	△ 23,978	△ 8,166	-
SG&A Expenses	4,216	5,023	5,328	7,698	3,787	△51%	7,403	3,544	△52%
Operating Profit	5,824	7,760	5,550	△ 27,686	△ 9,386	-	△ 31,382	△ 11,710	-
Recurring Profit	5,709	7,460	4,796	△ 28,950	△ 10,334	-	△ 32,696	△ 12,679	-
Net Income	2,906	3,767	3,049	△ 34,845	△ 10,903	-	△ 34,899	△ 10,889	-

Note: "PAS" Previous Accounting Standards, "FCAS" Fund Consolidation Accounting Standards

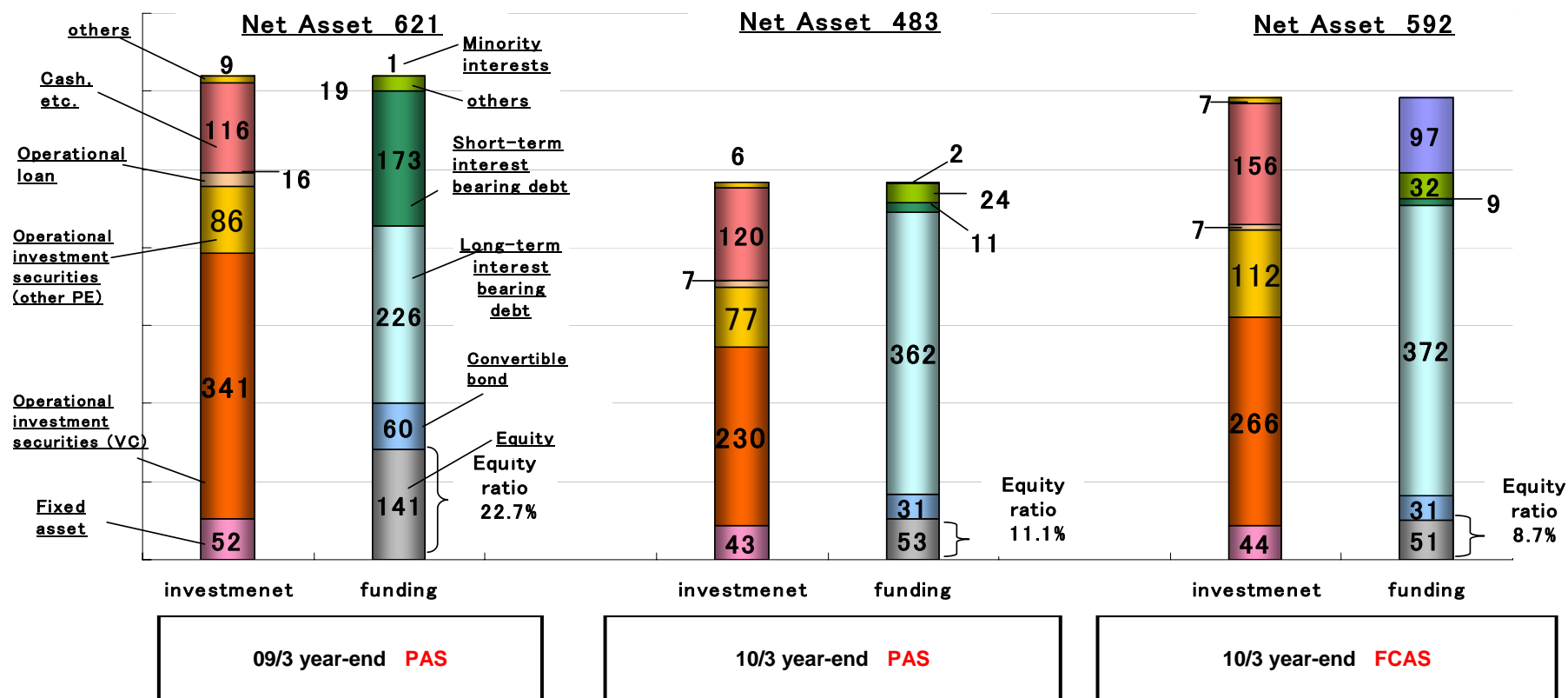
- The more conservative accounting estimation for mainly research and development company increased the write-off and the provision for allowance for possible investment losses.
- Decrease of bad-debt losses and strengthened cost saving measures decreased expenses, such as personnel expenses, office rent fee and other SG&A expenses, more than fifty percent by 09/3.
- Liquidation of noncurrent assets aiming to concentrate resources to priority area resulted in 0.8 billion of loss on valuation of investment securities and 0.1 billion of impairment loss on fixed assets.

Consolidated Balance Sheet



(0.1 JPY billion)

■ Operational investment securities is the figure after the deduction of the allowance for possible investment losses.



- Operational Investment Securities: Due to favorable investment exits and the increase of write-off and allowance for possible investment losses with conservative accounting estimate, the outstanding amount decreased.
- Short term interest bearing debt : Through ADR process rescheduling the interest-bearing debt turned the most of the short-term interest bearing debt amount into long term and resulted in adjustment of the balance of the funding and investment. Repayment exceeded the minimum requirement of JAIC Turnaround Plan and decreased the amount.
- Convertible bond: Due to purchase and cancellation aiming to reducing payment when the convertible bond expire, the amount decreased.
- Equity : The equity ratio went down because of the calculation of the net loss.

Consolidated Cash Flows



FCAS (JPY million)	09/3	10/3
Operating CF	△10,810	4,051
Investing CF	1,650	229
Financing CF	4,778	△ 4,126
Net change of CF	△4,674	171
Cash & Cash equivalents at the year end	8,158	8,330

- Due to acceleration of investments exits resulted in 4 billion of net cash flows generated from operating activities compared to 10.8billion of net cash flows used in last year.
- 4.1 billion of net cash flows used in financing activities for repayments and purchase & cancellation of convertible bond.
- Cash and cash equivalents at year of the end was 8.3 billion.

- Decreasing of Management fees
 - Management fees decreased ¥265 million compare to the previous consolidated fiscal year as NAV of funds decreased because of the write-off and the provision for allowance for possible investment losses.
- Increasing of Contingency fees
 - Contingency fees increased ¥193 million compare to the previous consolidated fiscal year as some funds distributed cash at a higher rate than the hurdle rate.

(Millions of yen) (PAS)	For the year ended March 31, 2009 (April 1, 2008, to March 31, 2009)	For the year ended March 31, 2010 (April 1, 2009, to March 31, 2010)
Total fees from the investment funds	1,827	1,755
Management fees	1,559	1,294
Contingency fees	268	461

- Funds newly established or whose assets were increased
 - 5 funds of ¥9,683 million are established and 1 fund of ¥200 million increased its assets during April 2009 to March 2010.

Note: The total amount of fund is listed as the amount of commitment base.

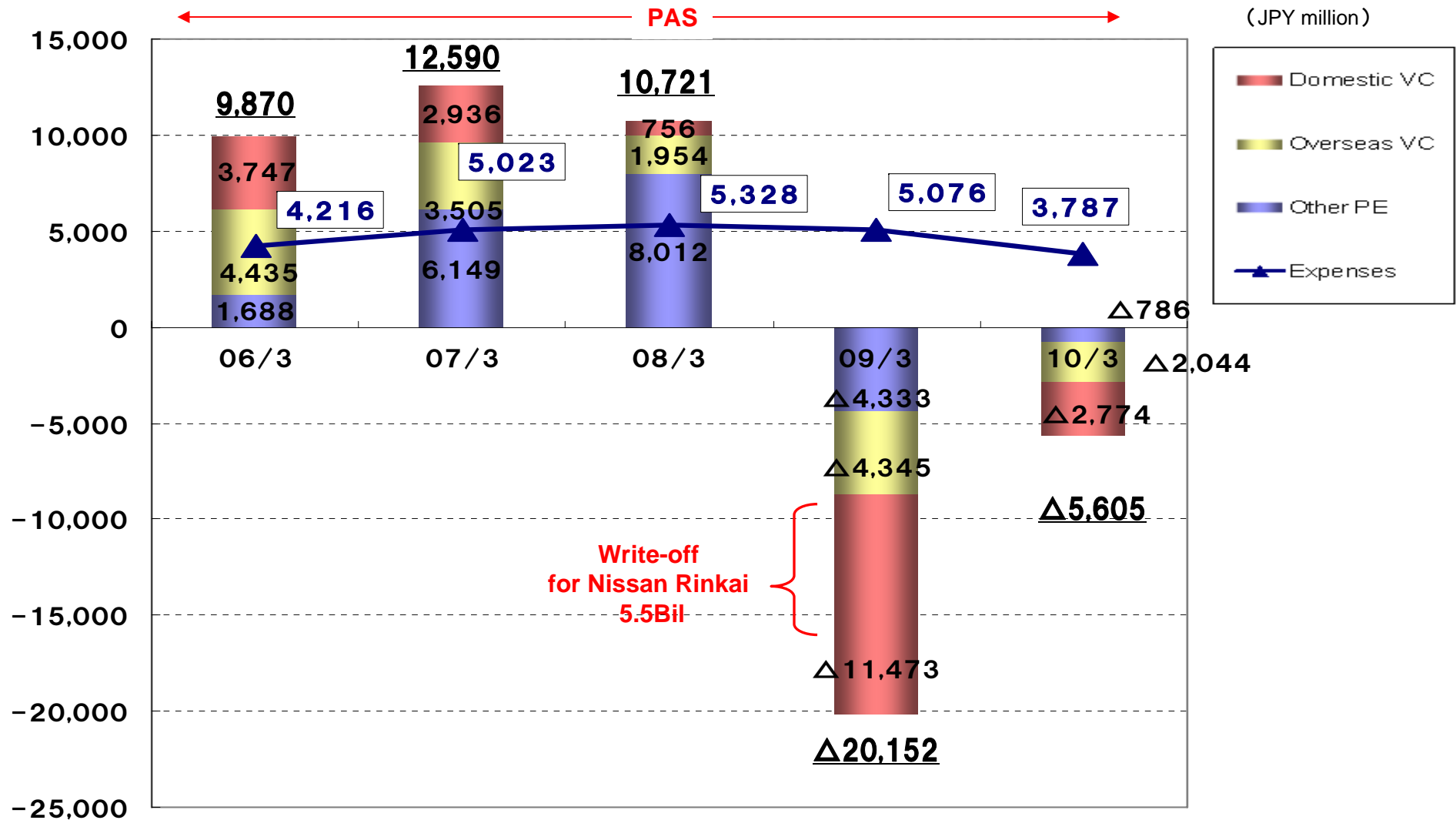
- 5 companies and 4 company are listed in Overseas and Domestic emerging Market respectively during April 2009 – March 2010.

(From April 1, 2009 to March 31, 2010)

Company Name	Date of IPO	Market	Business	Head quarters
Kolon Life Science Inc.	7-Apr-09	KOSDAQ	Development of cell remedies	Korea
Joymax Co., Ltd.	3-June-09	KOSDAQ	Development and management of online role-playing games	Korea
CanBas Co.,Ltd.	17-Sep-09	TSE Mothers	Development of anticancer drugs	Japan
Ziwo Holdings Ltd.	8-Oct-09	Singapore SGX	Development, manufacturing and sales of chemical fiber and rubber	China
D.Western Therapeutics Institute, Inc.	23-Oct-09	JASDAQ NEO	Discovery and Development of new drugs	Japan
Fortinet, Inc.	18-Nov-09	NASDAQ	Network security appliances provider	U.S.A.
Anicom Holdings, Inc.	3-Mar-10	TSE Mothers	The core group company operates an animal health insurance business	Japan
CellSeed Inc.	16-Mar-10	JASDAQ NEO	Development and sale of Cell-sheet regenerative medicine	Japan

Note: In addition to the above, 1 overseas company was listed by the equity swap with listed company.

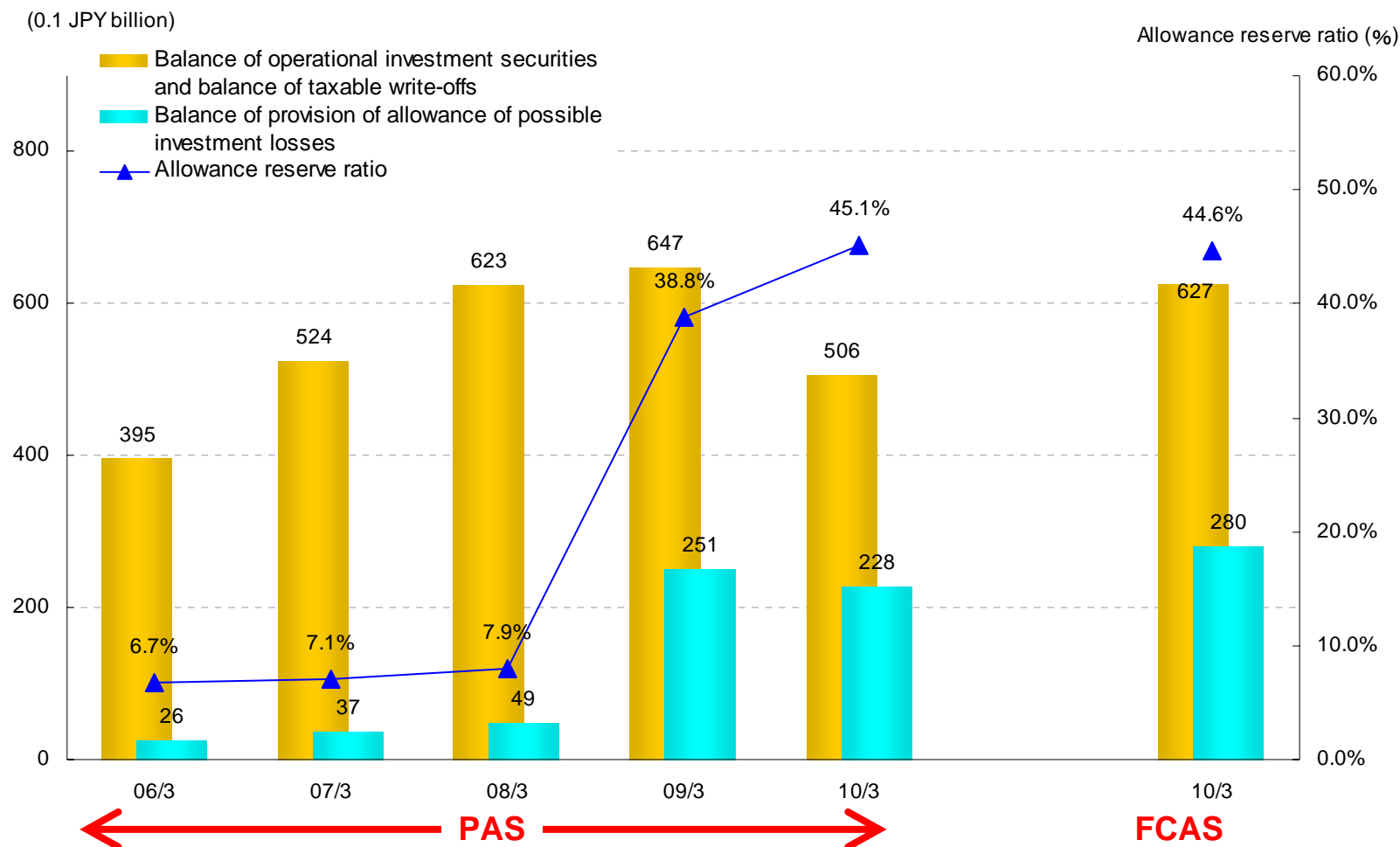
Breakdown of Gross Profit By Investment Segment



- Gross profit consists of fees from fund management operation, investment operation (capital gains, income gains, losses), consulting.
- Expenses of 09/3 excludes provision for allowance for doubtful accounts and bad debt losses.

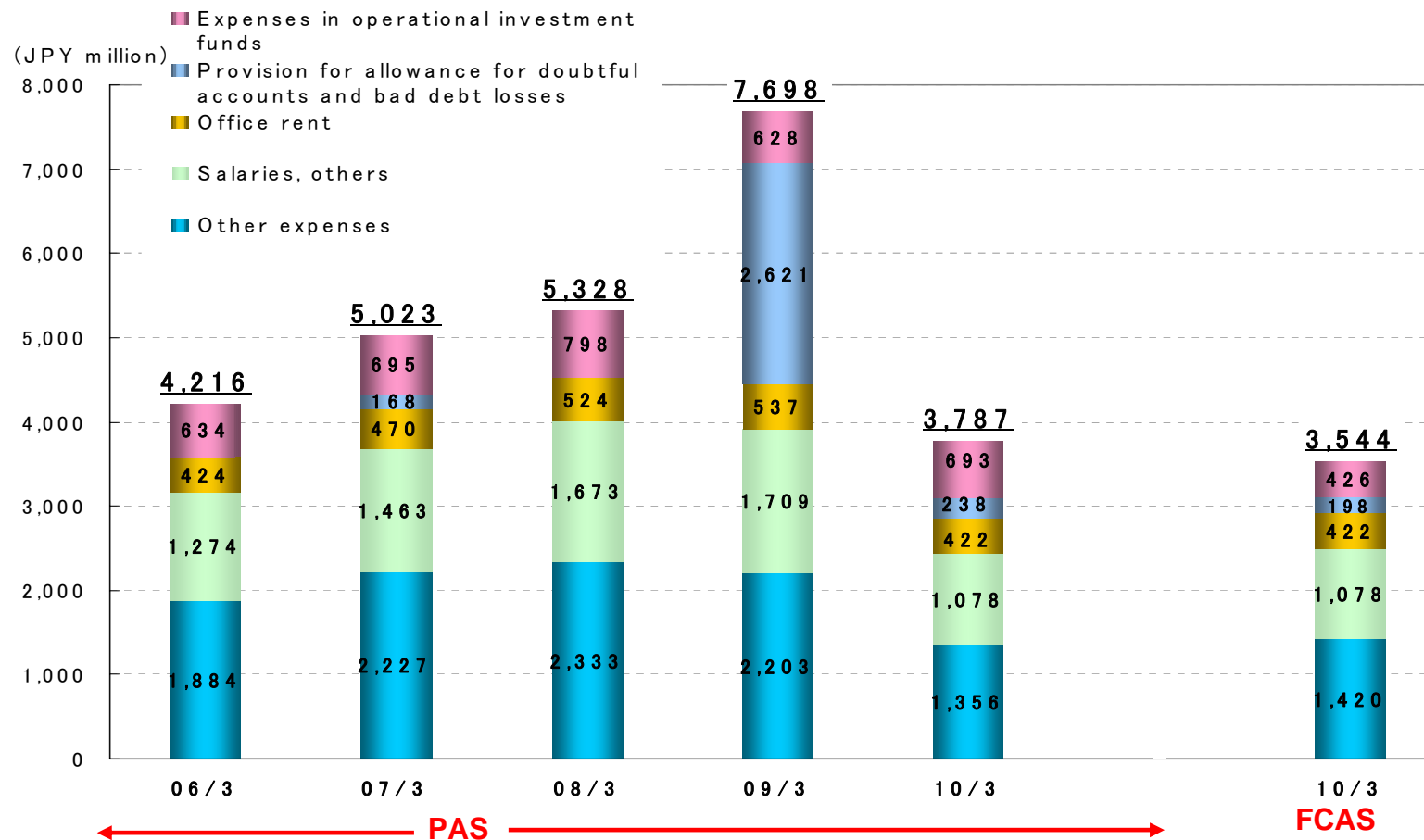
Investment Operation

– Allowance For Possible Investment Losses



- From the financial year 08/3, the part of operational investment securities with allowance for possible investment losses was considered difficult to be collected and was written off .
- From the financial year 08/3, the allowance ratios are calculated including the taxable write-offs.
- From the financial year 05/3, balance of operating investment securities are calculated including balance of operating investment funds.
The effects are 12billion 06/3, 5.7billion 07/3, 4.3billion 08/3, 3.6billion 09/3, 2.7billion 10/3 of PAS and FCAS.

Selling, General and Administrative Expenses



		06/3	07/3	08/3	09/3	10/3
SG&A expenses ratio to Gross profit		42%	39%	49%	-	-
NO. of employee	Consol	209	241	265	236	153
	Non-consol	123	149	159	135	95

■ Expenses in operational investment funds includes the expenses of corporate type funds in FCAS.

Extraordinary profit

- ¥1.2 billion of gain on retirement by purchase of bonds with subscription rights to shares
- Balance of the bonds decreased from ¥6 billion to ¥3.1 billion during the year.

Extraordinary loss

- Liquidation of noncurrent assets aiming to concentrate resources to priority area resulted in ¥0.8 billion of loss on valuation of investment securities and ¥0.1 billion of impairment loss on fixed assets.
- Further business restructuring accompanied 0.6 billion of business restructuring expenses.

The short-term measures that were set out in a series of management streamlining measures has generally completed .

Management streamlining measures which included cuts in directors' remuneration and the number of employees, the closure of branches and the relocation of head office, and the reorganization and the streamlining of unprofitable subsidiaries, considerably decreased SG&A expenses.

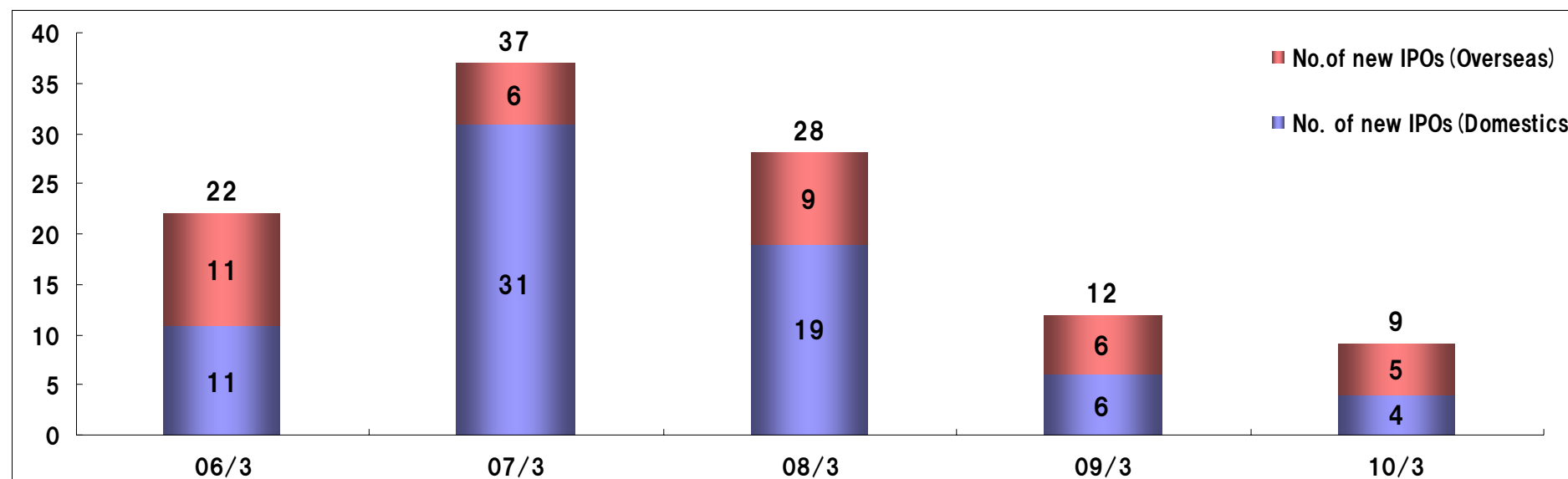
3.Reference

Operational Condition by Business Segments

JAIC-Backed IPOs



(Principal + Funds)



Investment multiple by Initial price (First price multiple)

(Investment multiple)

	06/3	07/3	08/3	09/3	10/3
Domestics	8.8	8.1	2.6	3.5	1.3
Overseas	2.2	3.2	6.2	0.9	1.6
Average	4.3	5.5	3.8	1.9	1.5

Note: IPOs include backdoor listings (6 in 2006/3, 3 in 2007/3, 2 in 2008/3, 3 in 2009/3, 1 in 2010/3).

Investment multiple is calculated on initial price basis.

Note: The above numbers include companies whose listed shares the Group acquired as a result of equity swaps between its invested companies and previously listed companies.

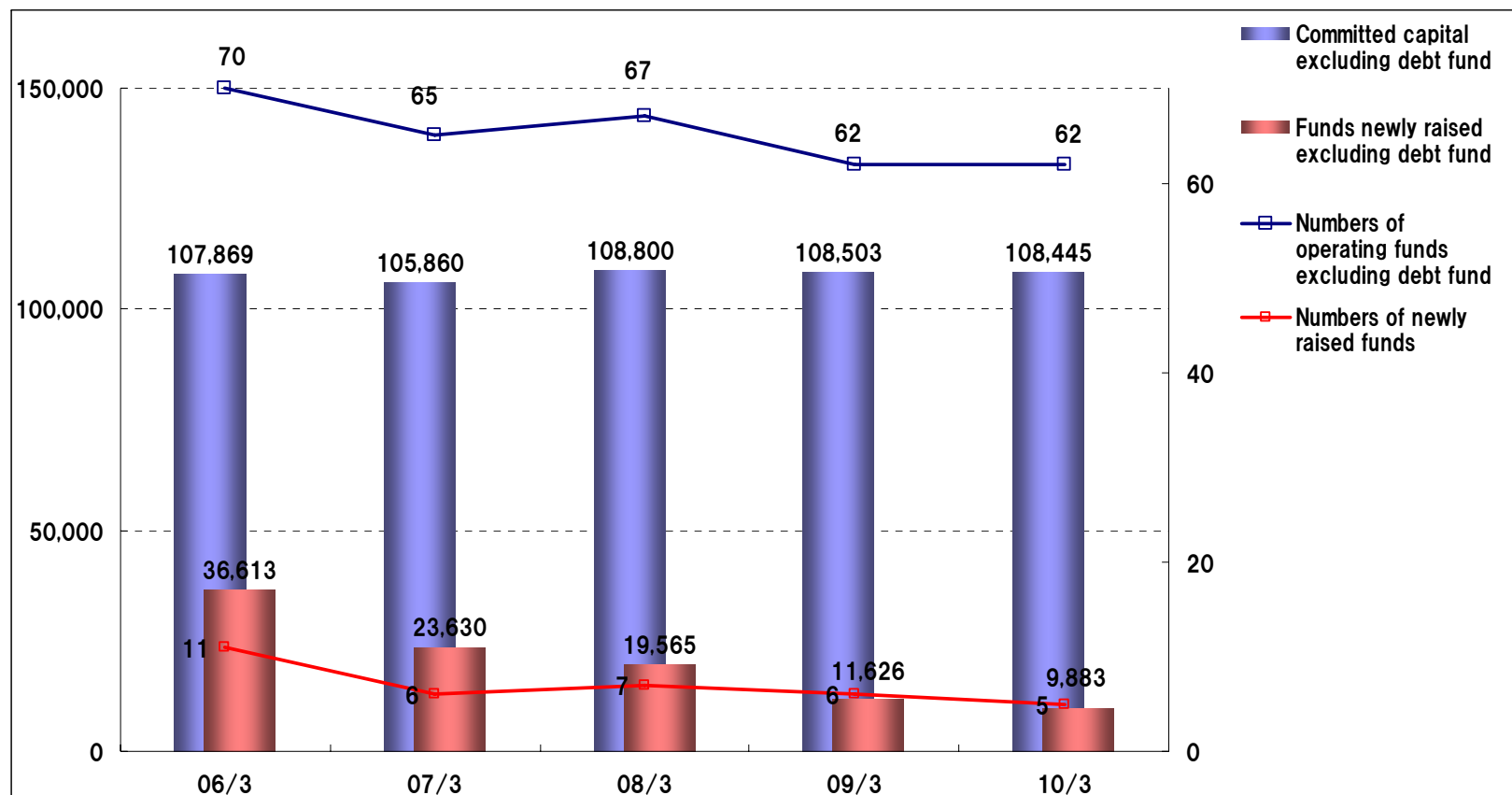
Note: First price multiple = Gross market capitalization at first price/Total our acquisition cost. However, the calculation of the first price multiple does not include the number of companies whose listed shares the Group acquired as a result of equity swaps.

Fund Management



(Committed capital / JPY million)

(No. of funds)



Note: Japanese yen equivalent of committed capital is calculated by the exchange rate at the end of each fiscal period.

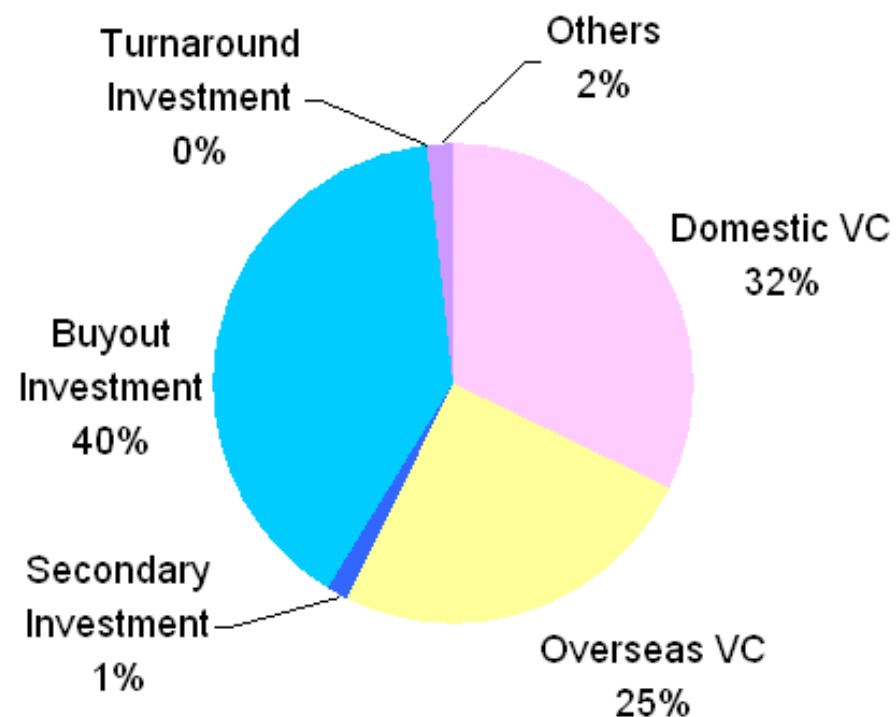
Note: The open-end debt funds are described separately, as their character differs from that of long-term closed-end private equity funds.

Investment Activities



Total new investment (from April 2009 to March 2010)

Based on the amount of investment
(Total 4,002 millions of yen)



(Principal + Funds)

Note : Investments in funds managed by third parties other than the Company in which the JAIC Group is not involved in the management, are not included.

Investment Activities



VC—New investment by country, and industry sector

(Principal +Funds, Japan+Overseas)

(No. of Companies, JPY million)

	09/3		10/3		
	No. of Com.	Million	No. of Com.	Million	
Japan	60	4,302	34	1,289	
U.S.A.	17	902	10	240	
North East Asia	Taiwan	2	126	1	55
	Hong Kong	1	55	-	-
	Korea	7	1,831	2	195
	China	12	1,902	5	354
South East Asia	Singapore	2	385	-	-
	Malaysia	2	77	-	-
	Thailand	1	115	-	-
	Indonesia	2	438	-	-
	Vietnam	2	291	-	-
Others	-	-	2	150	
Total	108	10,429	54	2,285	

	09/3			10/3		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
QOL(Quality of life) Related	28	2,376	84	16	551	34
IT•Internet Related	41	4,183	102	18	813	45
Material•Chemical	4	371	92	3	348	116
Machinery•Automobile	7	993	141	3	42	14
Consumer Related	3	339	113	-	-	-
Construction•Real Estate	3	360	120	2	42	21
Retail•Restaurant	2	77	38	-	-	-
Service	12	1,155	96	1	15	15
Financial Related	2	218	109	-	-	-
Others	6	353	58	11	472	43
Total	108	10,429	96	54	2,285	42

Note: India is included in Others (Countries).

Note: QOL(Quality of Life) ; Biotechnology, Medical Service, Welfare Service, Medical Device, Drug Medicine, etc.

Note: IT•Internet; IT service, Software, Computer Hardware, etc.

Investment Activities

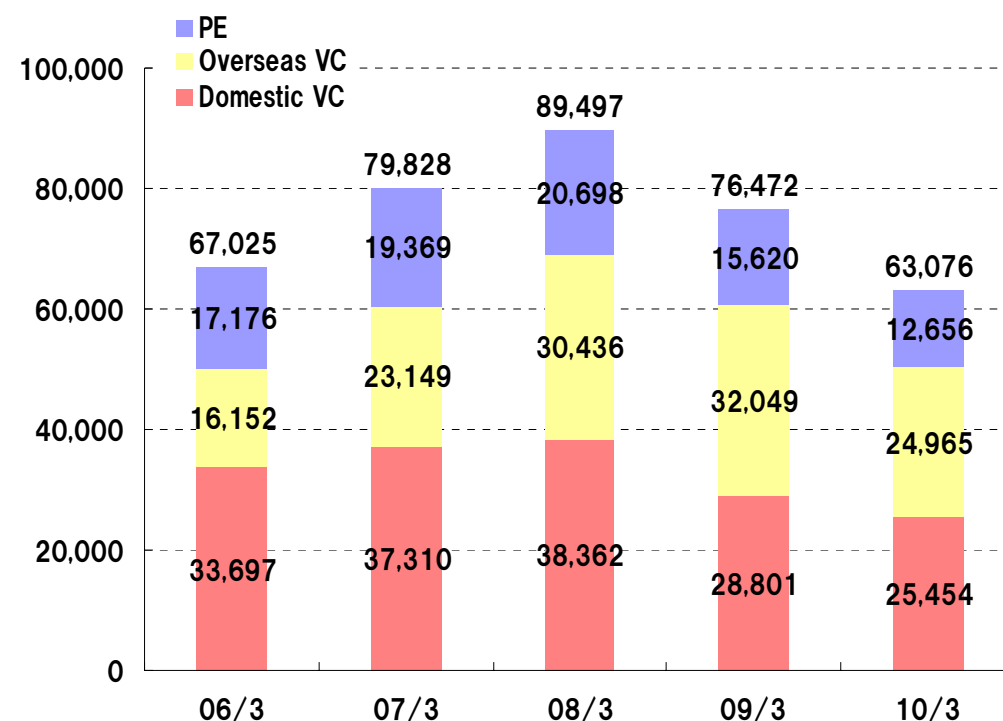


Total Investment portfolio

(No. of Companies, JPY million)

	09/3			10/3		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
Domestic VC	507	28,801	56	448	25,454	57
Overseas VC	224	32,049	143	205	24,965	121
PE	67	15,620	233	58	12,656	218
Total	798	76,472	95	711	63,076	89

(JPY million)



(Principal + Funds)

PE : Buyout investments, Turnaround investments, Secondary investments

Note : Investments in funds managed by third parties other than the Company in which the JAIC Group is not involved in the management, are not included.

Investment Activities



VC – Investment portfolio by country

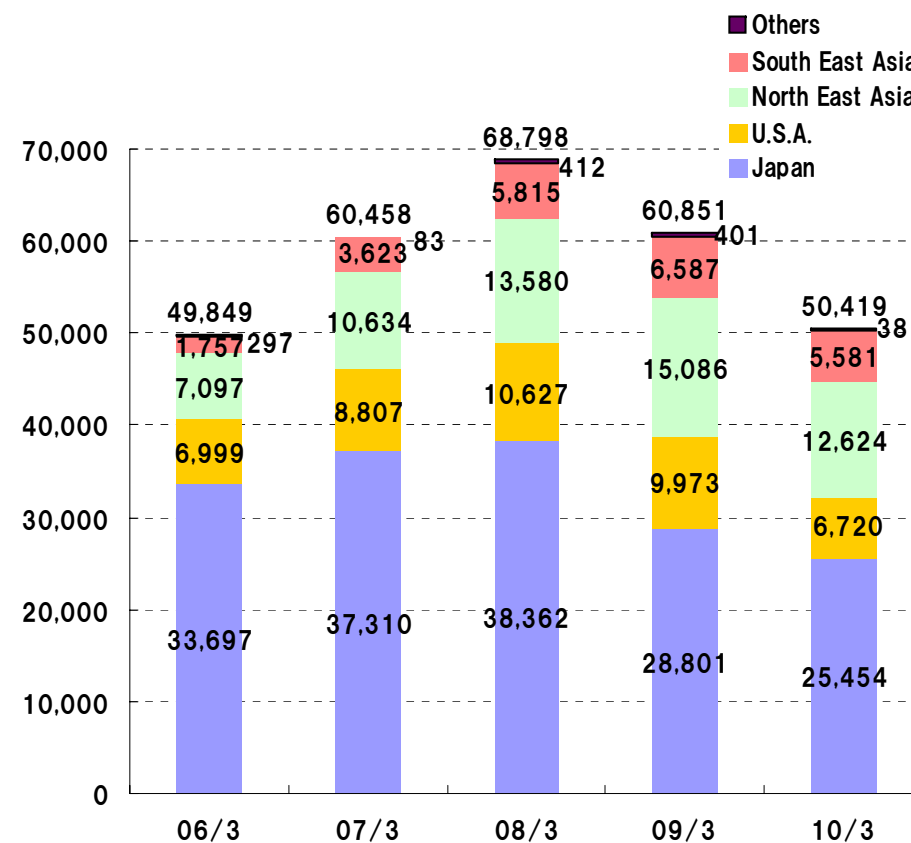
(No. of Companies, JPY million)

		09/3		10/3	
		No. of Com.	Million	No. of Com.	Million
Japan		507	28,801	448	25,454
U.S.A.		83	9,973	75	6,720
North East Asia	Taiwan	28	2,458	23	2,113
	Hong Kong	5	712	4	482
	Korea	31	5,438	30	3,861
	China	35	6,476	35	6,166
South East Asia	Singapore	8	1,825	7	1,607
	Malaysia	6	734	6	715
	Thailand	11	1,234	8	1,136
	Indonesia	3	911	3	911
	Vietnam	9	1,741	9	1,069
	Philippine	1	140	1	140
Others		4	401	4	38
Total		731	60,851	653	50,419

(Principal +Funds)

•Others(Sweden, England)

(JPY million)



Investment Activities



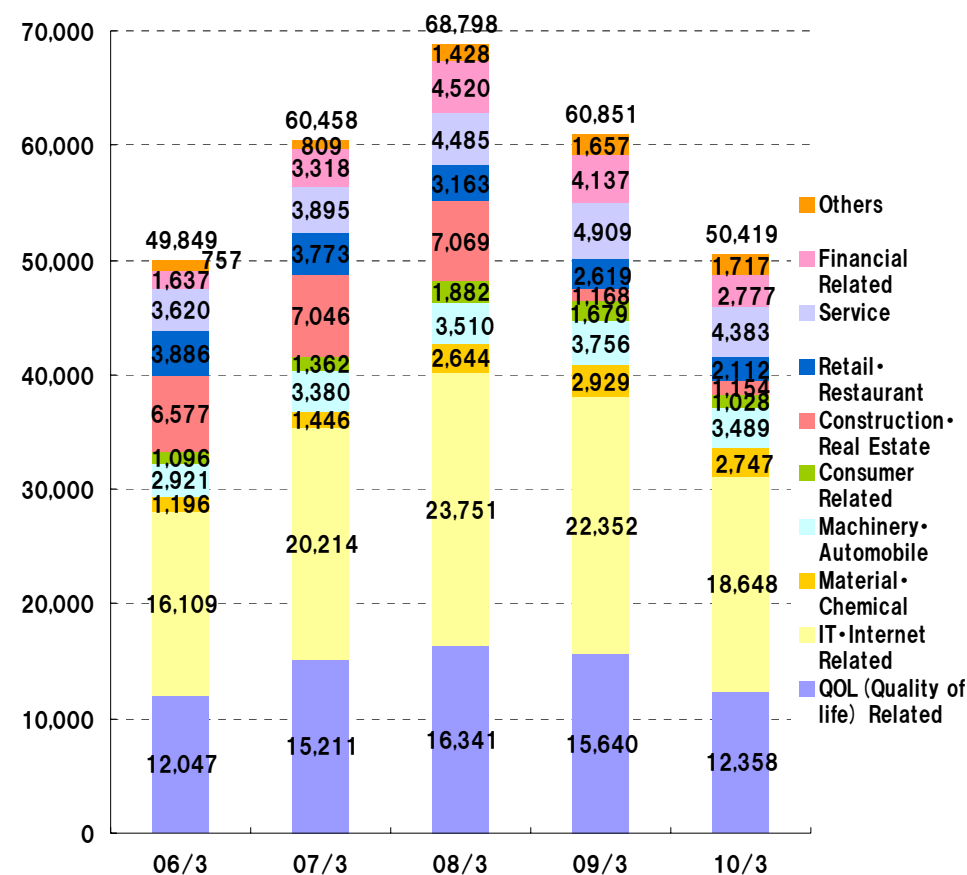
VC – Investment portfolio by industry sector

(Principal + Funds, Japan + Overseas)

(No. of Companies, JPY million)

	09/3			10/3		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
QOL(Quality of life) Related	161	15,640	97	142	12,358	87
IT•Internet Related	285	22,352	78	250	18,648	75
Material•Chemical	29	2,929	101	27	2,747	102
Machinery•Automobile	43	3,756	87	38	3,489	92
Consumer Related	22	1,679	76	17	1,028	60
Construction•Real Estate	26	1,168	44	21	1,154	55
Retail•Restaurant	34	2,619	77	28	2,112	75
Service	87	4,909	56	77	4,383	57
Financial Related	25	4,137	165	23	2,777	121
Others	19	1,657	87	30	1,717	57
Total	731	60,851	83	653	50,419	77

(JPY million)



Note: QOL (Quality of Life) ; Biotechnology, Medical Service, Welfare Service, Medical Device, Drug Medicine, etc.

Note: IT•Internet; IT service, Software, Computer Hardware, etc.

Investment Activities

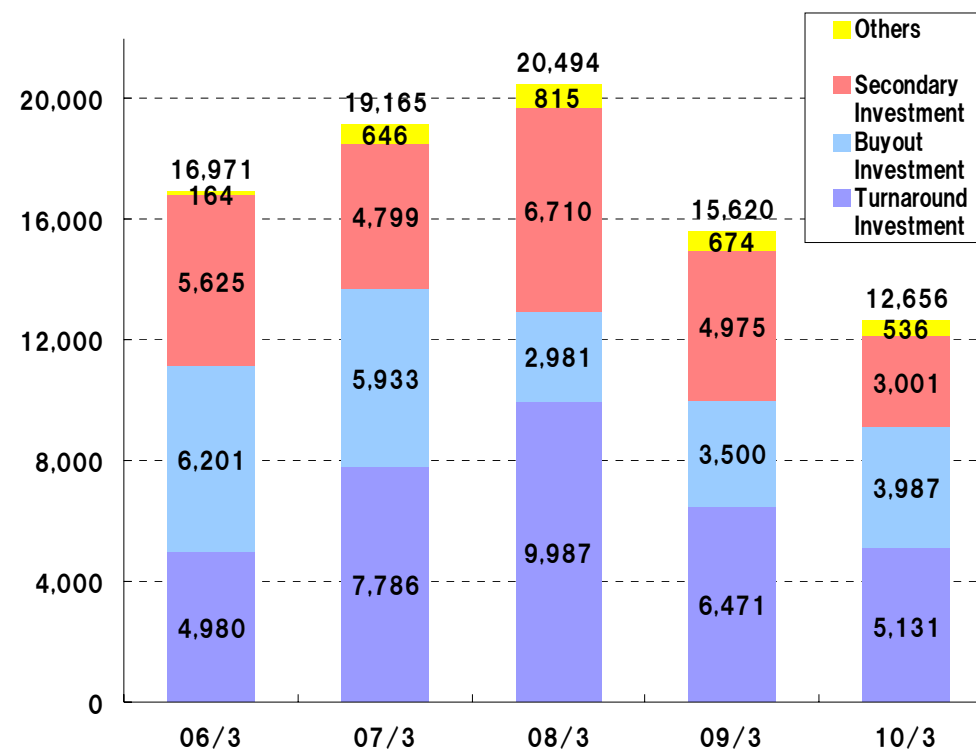


Other PE investment – Investment portfolio

(No. of Companies, JPY million)

	09/3			10/3		
	No. of Com.	Million	Average per deal	No. of Com.	Million	Average per deal
Turnaround Investment	24	6,471	269	15	5,131	342
Buyout Investment	13	3,500	269	12	3,987	332
Secondary Investment	15	4,975	331	15	3,001	200
Others	15	674	48	16	536	34
Total	67	15,620	233	58	12,656	218

(JPY million)



(Principal +Funds, Japan+Overseas)

(Reference) Operational Condition by Business Segments (Investment/Financial Segment)



(JPY: million)

	06/3 PAS	07/3 PAS	08/3 PAS	09/3 PAS	10/3 PAS	Change (%)	09/3 FCAS	10/3 FCAS	Change (%)
Investment segment									
1. Fundmanagement operation									
<i>Fund management fees</i>	1,525	1,541	1,343	1,395	1,165	△16%	537	414	△23%
<i>Fund administration fees</i>	119	127	134	126	106	△16%	87	41	△52%
<i>Investment advisory fees</i>	46	0	23	36	22	△41%	36	0	△100%
<i>Success Fees</i>	1,163	1,895	1,006	268	461	72%	94	449	376%
Operating Revenue	2,854	3,564	2,508	1,827	1,755	△4%	756	905	20%
<i>Cost of fund management operation</i>	-	-	2	-	-	-	-	-	-
Operating Cost	-	-	2	-	-	-	-	-	-
Gross profit	2,854	3,564	2,506	1,827	1,755	△4%	756	905	20%
2. Investment operations									
<i>Sales of operational investment securities</i>	10,894	10,331	14,547	5,203	4,700	△10%	7,202	6,511	△10%
<i>Operational interest and dividend income</i>	1,055	3,778	1,988	814	673	△17%	861	761	△12%
Operating Revenue	11,949	14,109	16,535	6,018	5,373	△11%	8,063	7,273	△10%
<i>Cost of operational investment securities</i>	4,259	3,218	5,960	5,022	4,450	△11%	6,782	6,432	△5%
<i>Loss on devaluation</i>	357	141	1,665	15,069	2,829	△81%	16,178	3,390	△79%
<i>Provision for allowance for possible investment losses</i>	486	1,624	467	7,615	5,151	△32%	9,712	6,193	△36%
<i>Profit and losses from LP funds and Others</i>	128	350	540	509	398	△22%	493	440	△11%
Operating Cost	5,232	5,335	8,632	28,217	12,829	△55%	33,166	16,456	△50%
Gross profit	6,716	8,774	7,902	△ 22,199	△ 7,456	-	△ 25,102	△ 9,182	-
3. Consulting, Others									
Operating Revenue	331	271	327	237	97	△59%	236	106	△55%
Operating Cost	32	20	14	18	1	△95%	18	1	△95%
Gross profit	298	251	313	219	96	△56%	218	105	△52%
4. Total Investment segment									
Total Operating Revenue	15,135	17,946	19,371	8,083	7,225	△11%	9,057	8,285	△9%
Total Operating Cost	5,265	5,355	8,649	28,235	12,830	△55%	33,185	16,457	△50%
Total Gross profit	9,869	12,590	10,721	△ 20,152	△ 5,605	-	△ 24,128	△ 8,172	-
5. Total Financing profit									
Total Operating Revenue	1,540	989	680	411	188	△54%	397	188	△53%
Total Operating Cost	1,368	796	523	247	182	△26%	247	182	△26%
Total Gross profit	171	193	157	163	5	△96%	149	5	△96%
Investment and Financial									
Consolidated Operating Profit	16,675	18,935	20,051	8,494	7,414	△13%	9,454	8,474	△10%
Consolidated Operating Cost	6,634	6,152	9,172	28,483	13,013	△54%	33,433	16,640	△50%
Consolidated Gross profit	10,041	12,783	10,879	△ 19,988	△ 5,599	-	△ 23,978	△ 8,166	-

■ These amounts are before elimination as of '08/3. The amounts of influence are 06/3: JPY 3M, 07/3: -M

JAIC

Japan Asia Investment Co., Ltd.

Seiko-Takebashi-Kyodo Bldg., 3-11 Kandnishiki-cho, Chiyoda-ku, Tokyo 101-8570

TEL +81-3-3259-8518 Fax +81-3-3259-8511

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

Contact to:

Tetsuro Shimomura, Director

Business Administration Group

Chiaki Yamamoto, Department Manager

Business Administration Department

Miyuki Maruyama, General Manager

Business Administration Department

TEL: +81-3-3259-8518 / IR e-mail : ir@jaic-vc.co.jp