

























### 3. Business Performance and Financial Condition

#### (1) Revenue from Fund Activities

(Millions of yen)

	For six months ended September 30, 2009 (April 1, 2009, to September 30, 2009)	For six months ended September 30, 2010 (April 1, 2010, to September 30, 2010)	For the year ended March 31, 2010 (April 1, 2009, to March 31, 2010)
Total fees from the investment funds	1,096	754	1,755
Management fees	659	597	1,294
Contingency fees	437	157	461

#### (2) Capital Gains

(Millions of yen)

	For six months ended September 30, 2009 (April 1, 2009, to September 30, 2009)	For six months ended September 30, 2010 (April 1, 2010, to September 30, 2010)	For the year ended March 31, 2010 (April 1, 2009, to March 31, 2010)
Proceeds of sales of operational investment securities (A)	2,536	4,163	4,700
Cost of sales of operational investment securities	2,780	3,078	7,279
Cost of securities sold(B)	2,336	2,544	4,450
Investment write-offs(C)	443	534	2,829
Provision for allowance for possible investment losses(D)	3,114	121	5,151
Realized capital gains(A)-(B)	200	1,619	249
Investment income (A)-(B)-(C)-(D)	(3,357)	963	(7,731)

#### (3) Unrealized Gains

(Millions of yen)

	As of September 30, 2009	As of September 30, 2010	As of March 31, 2010
Acquisition cost	1,972	1,803	2,403
Carrying value on consolidated balance sheet	2,146	1,662	2,605
Difference (Unrealized capital gains)	173	(140)	202

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
Consolidated balance sheets		
Assets		
Current assets		
Cash and deposits	13,870	11,940
Short-term investment securities	102	105
Operational investment securities	34,035	40,647
Allowance for possible investment losses	(7,780)	(9,873)
Operating loans	707	758
Other	358	460
Allowance for doubtful accounts	(16)	(13)
Total current assets	41,279	44,026
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	81	101
Accumulated depreciation	(34)	(41)
Buildings and structures, net	46	59
Vehicles, tools, furniture and fixtures	64	90
Accumulated depreciation	(48)	(47)
Vehicles, tools, furniture and fixtures, net	15	43
Land	24	393
Lease assets	3	3
Accumulated depreciation	(1)	(1)
Lease assets, net	2	2
Total property, plant and equipment	89	499
Intangible assets		
Other	14	17
Total intangible assets	14	17
Investments and other assets		
Investment securities	1,599	2,817
Allowance for investment loss	(0)	(4)
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,569	1,771
Deferred tax assets	6	4
Other	147	182
Allowance for doubtful accounts	(823)	(934)
Total investments and other assets	2,499	3,838
Total noncurrent assets	2,603	4,355
Total assets	43,882	48,381

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
<b>Liabilities</b>		
<b>Current liabilities</b>		
Short-term loans payable	4,944	1,123
Accrued expenses	403	462
Income taxes payable	77	279
Accrued consumption taxes	15	23
Deferred tax liabilities	0	0
Provision for bonuses	1	2
Provision for business restructuring	273	298
Other	900	576
<b>Total current liabilities</b>	<b>6,617</b>	<b>2,765</b>
<b>Noncurrent liabilities</b>		
Bonds with subscription rights to shares	1,420	3,176
Long-term loans payable	30,907	36,264
Deferred tax liabilities	1	1
Provision for retirement benefits	212	212
Provision for directors' retirement benefits	67	67
Other	133	281
<b>Total noncurrent liabilities</b>	<b>32,741</b>	<b>40,002</b>
<b>Total liabilities</b>	<b>39,359</b>	<b>42,767</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	27,166	27,166
Retained earnings	(17,918)	(17,660)
Treasury stock	(415)	(415)
<b>Total shareholders' equity</b>	<b>8,832</b>	<b>9,091</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	(3,713)	(2,990)
Deferred gains or losses on hedges	(1)	(9)
Foreign currency translation adjustment	(806)	(712)
<b>Total valuation and translation adjustments</b>	<b>(4,521)</b>	<b>(3,713)</b>
Subscription rights to shares	5	-
Minority interests	207	235
<b>Total net assets</b>	<b>4,523</b>	<b>5,613</b>
<b>Total liabilities and net assets</b>	<b>43,882</b>	<b>48,381</b>

## (2) Consolidated Statements of Income

(Millions of yen)

	For six months ended September 30, 2009 (April 1, 2009, to September 30, 2009)	For six months ended September 30, 2010 (April 1, 2010, to September 30, 2010)
Consolidated statements of income		
Operating revenue	4,337	5,376
Operating cost	6,069	3,299
Operating gross profit (loss)	(1,732)	2,076
Selling, general and administrative expenses	2,149	1,275
Operating income (loss)	(3,882)	800
Non-operating income		
Interest income	10	4
Dividends income	63	37
Equity in earnings of affiliates	—	2
Gain on hedge trading	44	49
Cancelation income	—	80
Miscellaneous income	18	51
Total non-operating income	137	226
Non-operating expenses		
Interest expenses	521	438
Comission fee	46	—
Equity in losses of affiliates	5	—
Foreign exchange losses	82	170
Miscellaneous loss	3	5
Total non-operating expenses	659	615
Ordinary income (loss)	(4,404)	411
Extraordinary income		
Gain on sales of investment securities	—	46
Gain on retirement by purchase of bonds with subscription rights to shares	917	374
Total extraordinary income	917	420
Extraordinary loss		
Loss on sales of investment securities	—	325
Loss on valuation of investment securities	40	666
Impairment loss	—	61
Business restructuring expenses	231	—
Total extraordinary losses	271	1,053
Loss before income tax and minority interests	(3,758)	(220)
Income taxes-current	224	27
Refund of income taxes	(25)	—
Refund of income taxes for prior periods	(51)	—
Income taxes-deferred	(1)	(1)
Total income taxes	146	26
Loss before minority interests	—	(246)
Minority interests in income	91	11
Net loss	(3,996)	(258)

## Breakdown of Operating Revenues and Operating Gross Profit (Loss)

(Millions of yen)

Account	For six months ended September 30, 2009 (April 1, 2009, to September 30, 2009)			
	Operating revenues	Percentage of total	Operating cost	Operating gross profit(loss)
		%		
Fundmanagement operation	1,096	25.3	-	1,096
Investment operation	3,042	70.2	5,966	(2,924)
Others	198	4.5	102	95
Total	4,337	100.0	6,069	(1,732)

(Millions of yen)

Account	For six months ended September 30, 2010 (April 1, 2010, to September 30, 2010)			
	Operating revenues	Percentage of total	Operating cost	Operating gross profit
		%		
Fundmanagement operation	754	14.0	-	754
Investment operation	4,466	83.1	3,246	1,219
Others	155	2.9	52	102
Total	5,376	100.0	3,299	2,076

(Millions of yen)

Account	For the year ended March 31, 2010(April 1, 2009, to March 31, 2010)			
	Operating revenues	Percentage of total	Operating cost	Operating gross profit(loss)
		%		
Fundmanagement operation	1,755	23.7	-	1,755
Investment operation	5,373	72.5	12,829	(7,456)
Others	285	3.8	183	101
Total	7,414	100.0	13,013	(5,599)

(4) Notice Concerning Notes on Matters Regarding the Assumption of Going Concern  
No applicable items

(5) Notice Concerning Notes on Significant Changes in Shareholder's Equity  
No applicable items

(6)Others  
(Securities)

Fiscal year ended March 31, 2010 (As of March 31, 2010)

1. Held-to-maturity securities for which market quotations are available  
No applicable items

2. Other securities for which market quotations are available

(Millions of yen)

Type	Acquisition cost	Carrying value on consolidated balance sheet	Difference
(1) Shares	3,705	3,191	(513)
(2) Bonds	986	943	(43)
(3) Others	402	321	(80)
Total	5,094	4,456	(637)

3. Principal securities which market quotations are not available

(Millions of yen)

	Carrying value on consolidated balance sheet
Other securities	
Unlisted shares	35,266
Unlisted bonds	338
Others	3,076
Total	38,681

Second quarter of the year ending March 31 2011 (As of September 30, 2010)

1. Held-to-maturity securities for which market quotations are available  
No applicable items

2. Other securities for which market quotations are available

(Millions of yen)

Type	Acquisition cost	Carrying value on consolidated balance sheet	Difference
(1) Shares	1,745	1,561	(183)
(2) Bonds	835	770	(65)
(3) Others	480	385	(94)
Total	3,061	2,717	(343)

3. Principal securities which market quotations are not available

(Millions of yen)

	Carrying value on consolidated balance sheet
Other securities	
Unlisted shares	29,857
Unlisted bonds	144
Others	2,585
Total	32,587

## 5. Business Position

### ① Investment activities (JAIC+Funds)

#### i) New investment

	For six months ended September 30, 2009 (April 1, 2009, to September 30, 2009)		For six months ended September 30, 2010 (April 1, 2010, to September 30, 2010)		For the year ended March 31, 2010 (April 1, 2009, to March 31, 2010)	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
JAIC	1	0	-	-	4	53
Funds	27	1,262	26	1,067	64	3,948
Total	28	1,262	26	1,067	68	4,002

#### ii) Balance of investment

	As of September 30, 2009		As of September 30, 2010		As of March 31, 2010	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
JAIC	468	29,465	382	19,712	438	24,180
Funds	580	40,062	508	35,151	545	38,896
Total	745	69,527	646	54,864	711	63,076

Note:

1. The "Funds" investments include investments from funds for which the Company and the JAIC Group are responsible for provision of essential information. The number of companies and amounts are 6 companies, 124 millions of yen in new investments and 67 companies, 5,794 millions of yen in balance of investments as of September 2009, 3 companies and 27 millions of yen in new investments and 63 companies and 5,171 millions of yen in balance of investments as of September 2010 and 9 companies, 215 millions of yen in new investments and 65 companies, 6,245 millions of yen in balance of investments as of March 2010.

2. The JAIC portion in funds is not included in the "JAIC" investments.

3. 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.

4. In cases of parallel investments in the same company in both JAIC and Funds portions, the company is counted in each, and owing to this duplication these numbers do not match the total number of companies.

5. On the PE secondary investments, the number of companies represents the number of funds those invested from mother funds.

iii) Breakdown of investments(JAIC+Funds)

New investment

	For six months ended September 30, 2009 (April 1, 2009, to September 30, 2009)		For six months ended September 30, 2010 (April 1, 2010, to September 30, 2010)		For the year ended March 31,2010 (April 1, 2009, to March 31, 2010)	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
Investment type						
VC investment	20	750	23	1,001	54	2,285
Other PE investment	8	511	3	66	14	1,716
Country						
Japan	19	962	16	498	43	2,951
China, Hong Kong, Taiwan	2	192	3	278	6	410
Korea	-	-	1	83	2	195
U.S.A.	4	88	3	27	10	240
Southeast Asia	Singapore	-	-	-	-	-
	Malaysia	-	-	-	-	-
	Thailand	-	-	-	-	-
	Indonesia	-	-	-	-	-
	Vietnam	-	-	1	112	-
Subtotal	-	-	1	112	-	-
Others	3	19	2	66	7	204
Industry						
QOL(Quality of Life)	6	149	9	91	17	551
IT/Internet	6	269	5	429	20	855
Material/Chemical	1	50	2	129	3	348
Machinery/Automobile	2	29	1	100	3	42
Consumer related	1	15	3	162	1	15
Construction/Real estate	-	-	-	-	3	53
Retail/Restaurant	1	0	-	-	1	0
Service	1	60	2	12	3	209
Finance	-	-	-	-	-	-
Others	10	689	4	141	17	1,926
Total	28	1,262	26	1,067	68	4,002

Balance of investment

	As of September 30, 2009		As of September 30, 2010		As of March 31, 2010	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
Investment type						
VC investment	687	56,628	598	44,888	653	50,419
Other PE investment	58	12,899	48	9,975	58	12,656
Country						
Japan	523	37,323	432	29,527	491	35,209
China, Hong Kong, Taiwan	64	8,891	63	8,454	62	8,762
Korea	30	4,090	28	2,685	31	3,894
U.S.A.	77	9,776	72	6,079	75	6,720
Southeast Asia						
Singapore	8	1,854	8	1,701	8	1,701
Malaysia	6	734	5	714	6	715
Thailand	10	1,324	8	1,289	9	1,305
Indonesia	4	1,201	3	686	3	911
Vietnam	9	1,295	10	881	9	1,069
Others	1	140	3	188	1	140
Subtotal	38	6,550	37	5,461	36	5,844
Others	13	2,895	14	2,655	16	2,644
Industry						
QOL(Quality of Life)	155	16,913	134	14,450	147	15,054
IT/Internet	274	21,087	243	16,204	259	18,793
Material/Chemical	31	3,261	26	2,814	29	3,349
Machinery/Automobile	45	5,911	38	4,826	43	5,840
Consumer related	27	1,710	26	1,557	24	1,410
Construction/Real estate	27	1,457	18	1,251	24	1,362
Retail/Restaurant	34	3,087	25	1,730	32	2,749
Service	87	5,956	75	4,520	83	5,654
Finance	23	3,183	18	1,847	23	2,777
Others	42	6,958	43	5,660	47	6,084
Total	745	69,527	646	54,864	711	63,076

Note:

1. Other private equity investments are included above breakdown from September 2010. In this connection, above figures of September 2009 and March 2010 are different from figures disclosed before.
2. The JAIC portion in funds, and 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.
3. QOL (Quality of Life); Biotechnology, Medical Service, Welfare Service, Medical Device, Drug Medicine, etc.
4. "Other PE investment" includes buyout investments such as MBOs, turnaround investments, and PE secondary investments.
5. "Others" include the PE secondary investments. On the PE secondary investments, the number of companies represents the number of funds those invested from mother funds.

## ② JAIC-Backed IPOs (JAIC+Funds)

### i) Number of IPOs

	For six months ended September 30, 2009 (April 1, 2009, to September 30, 2009)	For six months ended September 30, 2010 (April 1, 2010, to September 30, 2010)	For the year ended March 31, 2010 (April 1, 2009, to March 31, 2010)
Japan	1 company	1 company	4 companies
Overseas	2 companies	2 companies	5 companies
Total	3 companies	3 companies	9 companies

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: 1 overseas company for the year ended March 31, 2010.

### ii) First price multiple

	For six months ended September 30, 2009 (April 1, 2009, to September 30, 2009)	For six months ended September 30, 2010 (April 1, 2010, to September 30, 2010)	For the year ended March 31, 2010 (April 1, 2009, to March 31, 2010)
Japan	3.7 times	2.1 times	1.3 times
Overseas	1.4 times	0.4 times	1.6 times

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.

### iii) JAIC-Backed IPOs

Current consolidated six months ended September 30, 2010 (From April 1, 2010 to September 30, 2010)

Company Name	Date of IPO	Market	Business	Head quarters
Dong A Plastic Group Joint Stock Company	8-Apr-10	Ho Chi Minh	Trading and producing PVC plastic products in the field of construction and interior-exterior decoration	Vietnam
Alphanam M&E Joint Stock Company	2-Jun-10	Hanoi	Design, manufacturing, and sales of equipment related to electric power and electricity	Vietnam
PAPYLESS Co., Ltd.	23-Jun-10	JASDAQ	Distributor of electronic books	Japan

Previous consolidated fiscal period (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 a listed company during April 1, 2009-March 31, 2010.

### ③ Management of Investment Funds

i) Funds for which the Company and the JAIC Group are responsible for management and provision of essential information

	As of September 30, 2009	As of September 30, 2010	As of March 31, 2010
Total commitment amount in investment funds(¥ millions)	109,073	105,160	114,375
No. of funds	61	61	63

Note:

1. The funds with provision of the essential information for the management by the JAIC Group amount to 21,345 millions of yen of 11 funds as of September 30, 2009 which include 7,757 millions of yen of an open-end debt fund, 15, 313millions of yen of 11 funds as of September 30, 2010 which include 2,731 millions of yen of the debt fund, and 19,839 millions of yen of 11 funds which include 5,929 millions of yen of the debt fund as of March 31, 2010.
2. Funds being wound up after their maturity are not included in the data above.

ii) Funds newly established or whose assets were increased

For six months ended September 30, 2009 (April 1, 2009, to September 30, 2009)			
Newly established		Assets increased	
Total commitment amount in investment funds(¥ millions)	2,400	Increase in fund value(¥ millions)	200
No. of funds	1	No. of funds	1

For six months ended September 30, 2010 (April 1, 2010, to September 30, 2010)			
Newly established		Assets increased	
Total commitment amount in investment funds(¥ millions)	-	Increase in fund value(¥ millions)	-
No. of funds	-	No. of funds	-

For the year ended March 31,2010 (April 1, 2009, to March 31, 2010)			
Newly established		Assets increased	
Total commitment amount in investment funds(¥ millions)	9,683	Increase in fund value(¥ millions)	200
No. of funds	5	No. of funds	1

iii) Funds newly established from October 1, 2010 to November 4,2010

Fund name	Establishment date	Total commitment amount
CA-JAIC China Internet Fund II, L.P.	October 26, 2010	15 million USD

iv) Funds to reach maturity within three years of the end of September 30, 2010

	For the year ended March 31, 2011 (April 1, 2010, to March 31, 2011)	For the year ended March 31, 2012 (April 1, 2011, to March 31, 2012)	For the year ended March 31, 2013 (April 1, 2012, to March 31, 2013)
Total commitment amount in investment funds(¥ millions)	8,822	19,721	16,003
No. of funds	6	9	10

Notes to tables i) to iv) above:

1: The amounts stated for funds denominated in foreign currencies are calculated on the basis of the exchange rate prevailing on the final day of the fiscal year-end. Therefore, changes in assets under management include the amount affected by exchange rates.

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