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Consolidated Financial Results
for the First Quarter Ended June 30, 2016
[Japanese Standards]
(Summary of Japanese announcement)

August 5, 2016

Company name: Japan Asia Investment Co., Ltd.
Listed on: First Section of the Tokyo Stock Exchange (Stock code: 8518) URL: <http://www.jaic-vc.co.jp/>
Head office: Tokyo
Representative: Osamu Hosokubo, President and CEO
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Scheduled date for submission of quarterly report: August 12, 2016
Scheduled date for start of payment of dividends: —
The additional materials of the Financial Results: Yes
The briefing session of the Financial Results: No

(Throughout this report, fractional amounts have been rounded down to the nearest one million yen.)

1. Consolidated business results for the first quarter ended June 30, 2016 (April 1, 2016 to June 30, 2016)

(1) Consolidated results of operations (cumulative total)

(Percentages indicate year-on-year increase or decrease)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For three months ended June 30, 2016	1,045	22.9	33	—	(36)	—	(86)	—
For three months ended June 30, 2015	850	(30.0)	(31)	—	(81)	—	(88)	—

(Note) Comprehensive Income

For three months ended June 30, 2016: (768 millions of yen) (—%)

For three months ended June 30, 2015: (23 millions of yen) (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
For three months ended June 30, 2016	(5.10)	—
For three months ended June 30, 2015	(6.62)	—

(Note) The Company consolidated every ten existing ordinary shares into one share. Effective date of the share consolidation was 1st October 2015. In this connection, net income per share in above chart are calculated on the assumption that the share consolidation was effected on the first day of fiscal year 2015.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	24,531	6,096	16.8
As of March 31, 2016	27,196	6,597	16.8

(Reference) Total shareholders' equity As of June 30, 2016: 4,127 millions of yen As of March 31, 2016: 4,563 millions of yen

2. Dividends

(Base date)	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	Year
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	—	0.00	—	0.00	0.00
Year ending March 31, 2017	—				
Year ending March 31, 2017 (forecast)		0.00	—	0.00	0.00

(Note) Revision of dividends forecast during the current quarterly period: None

3. Outlook for the fiscal year ending March 31, 2017(April 1, 2016 to March 31, 2017)

The overall investment business conducted by the Group (including investment partnerships) is 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. Therefore we do not disclose the results forecast. 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. For details, please refer to “2. Outlook for the fiscal year ending March 31, 2017(April 1, 2016 to March 31, 2017)” on page 13.

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 at the time of writing and certain assumptions. The achievement is not promised. Various factors could cause actual results to differ materially from these result forecasts.

4. Other matters

(1) Changes among significant subsidiaries (Changes among specific subsidiaries resulting in changes in the scope of consolidation): No

[New - company (company name: -) Excluded - company (company name: -)]

(2) Changes in accounting principles, accounting estimates and correction of prior period errors

(i) Changes in accounting principles due to revisions to accounting standards: Yes

[Adoption of practical solution on a change in depreciation method due to Tax Reform 2016]

The Company adopted the “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (ASBJ Practical Issue Task Force (PITF) No. 32, issued on June 17, 2016) from the first quarter ended June 30, 2016, and changed the method for the depreciation of facilities attached buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method. There is no effect of this change on the quarterly consolidated financial statements for the three months ended June 30, 2016.

(ii) Changes other than shown in (i) above: No

(iii) Changes in accounting estimates: No

(iv) Correction of prior period errors: No

(3) No. of shares issued and outstanding (common stock)

(i) Shares issued and outstanding at the end of each period (including treasury stock)

Three months ended June 30, 2016: 17,465,092 shares

Year ended March 31, 2016: 16,848,392 shares

(ii) Shares of treasury stock at the end of each period

Three months ended June 30, 2016: 204,849shares

Year ended March 31, 2016: 204,849shares

(iii) Average number of shares during the period (cumulative quarterly consolidated period)

Three months ended June 30, 2016:	16,871,457 shares
Three months ended June 30, 2015:	13,319,637 shares

(Note) The Company consolidated every ten existing ordinary shares into one share. Effective date of the share consolidation was 1st October 2015. In this connection, numbers of shares above are calculated on the assumption that the share consolidation was effected on the first day of fiscal year 2015.

***Implementation of quarterly review procedures**

The above quarterly financial results are not subject to a quarterly review required under the Financial Instruments and Exchange Act. Review procedures for quarterly consolidated financial statements under the Financial Instruments and Exchange Act had not been carried out at the time of disclosure.

***Cautionary Statements with Respect to Forward-looking Statements and Other Notes**

The additional materials of the Financial Results for the first quarter ended June 30, 2016 was released on our website on August 5, 2016.

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 the Group at the time of writing and certain assumptions. The achievement is not promised. Various factors could cause actual results to differ materially from these result forecasts.

1. Business Performance and Financial Condition

(1) Revenue from Fund Activities

(Millions of yen)

	For three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)	For three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Total investment funds' management fees	70	56	548
Management fees	70	56	260
Contingency fees	—	—	288

(2) Capital Gains

(Millions of yen)

	For three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)	For three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Proceeds of sales of operational investment securities (A)	735	897	3,485
Cost of securities sold(B) (Note)	364	370	2,027
Realized capital gains(A)-(B)	370	527	1,457
Investment write-offs(C)	13	233	13
Provision for allowance for possible investment losses(D)	141	50	950
Investment income (A)-(B)-(C)-(D)	214	242	493

(Note)

The amount of “Cost of securities sold (B)” in above table does not include the amount of “Investment write-offs (C)”.

(3) Unrealized Gains

(Millions of yen)

	As of June 30, 2015	As of June 30, 2016	As of March 31, 2016
Acquisition cost	628	256	495
Carrying value on consolidated balance sheet	1,125	322	621
Difference (Unrealized capital gains)	497	65	126

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	8,686	6,833
Operational investment securities	18,076	17,336
Allowance for possible investment loss	(4,063)	(3,961)
Operating loans	205	205
Other	228	231
Allowance for doubtful accounts	(24)	(28)
Total current assets	23,109	20,616
Non-current assets		
Property, plant and equipment		
Buildings and structures	64	34
Accumulated depreciation	(44)	(14)
Buildings and structures, net	20	20
Machinery and equipment	712	712
Accumulated depreciation	(14)	(25)
Machinery and equipment, net	697	687
Vehicles, tools, furniture and fixtures	56	57
Accumulated depreciation	(49)	(48)
Vehicles, tools, furniture and fixtures, net	7	9
Land	24	24
Leased assets	569	569
Accumulated depreciation	(58)	(67)
Leased assets, net	510	502
Construction in progress	587	587
Total property, plant and equipment	1,848	1,831
Intangible assets		
Other	20	19
Total intangible assets	20	19
Investments and other assets		
Investment securities	1,847	1,690
Claims provable in bankruptcy, claims provable in rehabilitation and other	160	149
Other	257	264
Allowance for doubtful accounts	(46)	(41)
Total investments and other assets	2,218	2,063
Total non-current assets	4,087	3,914
Total assets	27,196	24,531

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Short-term loans payable	2,606	1,812
Lease obligations	30	30
Accrued expenses	344	333
Income taxes payable	60	45
Deferred tax liabilities	32	0
Provision for bonuses	27	14
Provision for loss on liquidation of subsidiaries and associates	128	128
Other	236	210
Total current liabilities	3,467	2,575
Non-current liabilities		
Long-term loans payable	16,512	15,245
Lease obligations	507	499
Deferred tax liabilities	5	5
Net defined benefit liability	100	104
Other	4	4
Total non-current liabilities	17,131	15,859
Total liabilities	20,599	18,435
Net assets		
Shareholders' equity		
Capital stock	5,268	5,363
Capital surplus	3,286	3,381
Retained earnings	(4,375)	(4,461)
Treasury shares	(400)	(400)
Total shareholders' equity	3,778	3,882
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	241	(25)
Foreign currency translation adjustment	542	270
Total accumulated other comprehensive income	784	245
Subscription rights to shares	29	29
Non-controlling interests	2,004	1,938
Total net assets	6,597	6,096
Total liabilities and net assets	27,196	24,531

(2) Consolidated Statements of Income

(Millions of yen)

	For three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)	For three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)
Operating revenue	850	1,045
Operating cost	539	689
Operating gross profit	310	355
Selling, general and administrative expenses	342	321
Operating income (loss)	(31)	33
Non-operating income		
Interest income	4	7
Dividend income	16	28
Foreign exchange gains	32	—
Miscellaneous income	3	5
Total non-operating income	56	41
Non-operating expenses		
Interest expenses	103	93
Foreign exchange losses	—	14
Miscellaneous loss	3	4
Total non-operating expenses	106	111
Ordinary loss	(81)	(36)
Extraordinary income		
Gain on redemption of investment securities	3	—
Gain on liquidation of subsidiaries and associates	29	—
Other	0	—
Total extraordinary income	33	—
Extraordinary losses		
Loss on valuation of investment securities	—	69
Loss from exemption from imputed tax payable attributable to the consolidation tax system	—	33
Other	—	1
Total extraordinary losses	—	104
Loss before income taxes	(48)	(141)
Income taxes - current	(22)	18
Total income taxes	(22)	18
Loss	(26)	(159)
Profit (loss) attributable to non-controlling interests	62	(73)
Loss attributable to owners of parent	(88)	(86)

(3) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)	For three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)
Loss	(26)	(159)
Other comprehensive income		
Valuation difference on available-for-sale securities	220	(267)
Foreign currency translation adjustment	(225)	(270)
Share of other comprehensive income of entities accounted for using equity method	8	(71)
Total other comprehensive income	2	(608)
Comprehensive income	(23)	(768)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(98)	(625)
Comprehensive income attributable to non-controlling interests	74	(142)

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)	For three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)
Cash flows from operating activities		
Loss before income taxes	(48)	(141)
Depreciation	2	1
Increase (decrease) in allowance for investment loss	(51)	(92)
Increase (decrease) in allowance for doubtful accounts	8	1
Increase (decrease) in provision for bonuses	8	(13)
Increase (decrease) in net defined benefit liability	3	3
Interest and dividend income	(16)	(28)
Interest expenses	88	69
Loss (gain) on valuation of investment securities	—	69
Loss on valuation of operational investment securities	2	70
Decrease (increase) in investment securities for sale	155	(208)
Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	14	8
Payment for purchase of investment funds	(540)	(144)
Dividends from investment funds	92	19
Increase (decrease) in investment funds of non- controlling interest	(57)	103
Other, net	116	6
Subtotal	(223)	(274)
Interest and dividend income received	16	28
Interest expenses paid	(161)	(118)
Income taxes paid	(41)	(20)
Net cash provided by (used in) operating activities	(409)	(384)
Cash flows from investing activities		
Purchase of investment securities	(2)	(0)
Other, net	(3)	(3)
Net cash provided by (used in) investing activities	(5)	(3)
Cash flows from financing activities		
Repayments of long-term loans payable	(1,733)	(2,050)
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	700	188
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(1,033)	(1,861)
Effect of exchange rate change on cash and cash equivalents	(43)	(38)
Net increase (decrease) in cash and cash equivalents	(1,492)	(2,287)
Cash and cash equivalents at beginning of period	5,942	5,915
Cash and cash equivalents at end of period	4,449	3,627

(5) Notice Concerning Notes on Matters Regarding the Assumption of Going Concern

No applicable items

(6) Notice Concerning Notes on Significant Changes in Shareholder's Equity

The Company issued Stock Acquisition Rights – 2015-12 Series with Clause for Exercise Price Adjustment of 16,877 on December 29, 2015. For the first quarter ended June 30, 2016, 6,167 of the stock acquisition rights were exercised. As a result, Capital stock and Capital surplus were increased 95 million yen respectively for the first quarter ended June 30, 2016.

(7) Breakdown of Operating Revenues and Operating Gross Profit

(Millions of yen)

	For three months ended June 30,2015 (April 1, 2015 to June 30, 2015)			
	Operating revenues	Percentage of total	Operating cost	Operating gross profit(loss)
Fundmanagement operation	70	8.3%	-	70
Investment operation	776	91.3	537	238
Realized capital gains	735	86.5	364	370
Investment write-offs	-	-	13	(13)
Provision for allowance for possible investment losses	-	-	141	(141)
Income gains	10	1.3	-	10
Fund interests income etc.	30	3.5	17	12
Others	3	0.4	1	1
Total	850	100.0	539	310

(Millions of yen)

	For three months ended June 30,2016 (April 1, 2016 to June 30, 2016)			
	Operating revenues	Percentage of total	Operating cost	Operating gross profit(loss)
Fundmanagement operation	56	5.4%	-	56
Investment operation	984	94.2	687	296
Realized capital gains	897	85.9	370	527
Investment write-offs	-	-	233	(233)
Provision for allowance for possible investment losses	-	-	50	(50)
Income gains	2	0.3	-	2
Fund interests income etc.	83	8.0	33	50
Others	4	0.4	1	2
Total	1,045	100.0	689	355

Information for Reference Purposes:

Consolidated Financial Results for the First Quarter Ended June 30, 2016

August 5, 2016

Consolidated Financial Statements, etc., under the Previous Accounting Standards for the First Quarter Ended June 30, 2016 (As of June 30, 2016)

Disclosure of consolidated financial statements, etc., under the Previous accounting standards

As of Fiscal year ended June 30, 2007 the JAIC Group has adopted “Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations” (Accounting Standards Board of Japan Practical Issues Task Force No. 20 issued on September 8, 2006), and consolidated financial statements, etc., are being prepared with the inclusion in the consolidation of some of the operational investment funds managed by the Group.

Nevertheless, to enable investors and shareholders to have an accurate understanding of the JAIC Group’s business results and financial position, we consider it essential also to disclose financial statements, etc., prepared in accordance with the previous accounting standards. Therefore, for reference purposes, the Group will continue to disclose financial statements, etc., in accordance with the previous accounting standards.

(Throughout this report, fractional amounts have been rounded down to the nearest one million yen.)

1. Consolidated business results for the first quarter ended June 30, 2016 (April 1, 2016 to June 30, 2016)

(1) Consolidated results of operations (cumulative total)

(Percentages indicate year-on-year increase or decrease)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For three months ended June 30, 2016	904	34.2	81	—	33	—	(60)	—
For three months ended June 30, 2015	673	(28.6)	(74)	—	(105)	—	(112)	—

	Net income per share	Diluted net income per share
	Yen	Yen
For three months ended June 30, 2016	(3.58)	—
For three months ended June 30, 2015	(8.45)	—

(Note) The Company consolidated every ten existing ordinary shares into one share. Effective date of the share consolidation was 1st October 2015. In this connection, net income per share in above chart is calculated on the assumption that the share consolidation was effected on the first day of fiscal year 2015.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	20,099	4,600	22.7
As of March 31, 2016	22,680	5,015	21.9

(Reference) Total shareholders' equity As of June 30, 2016: 4,562 millions of yen As of March 31, 2016: 4,976 millions of yen

2. Outlook for the fiscal year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

The overall investment business conducted by the Group is 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. Therefore we do not disclose the results forecast. 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.

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For the year ending March 31, 2017	5,100	26.1	700	747.5	550	(10.2)	375	(37.2)

	Net income per share
	Yen
For the year ending March 31, 2017	22.23

(Note) Revision of dividends forecast during the current quarterly period: None

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 the Group at the time of writing and certain assumptions. The achievement is not promised. Various factors could cause actual results to differ materially from these result forecasts.

Net income per share in above chart is calculated based on average number of shares during three months ended June 30, 2016.

3. Business Performance and Financial Condition

(1) Revenue from Fund Activities

(Millions of yen)

	For three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)	For three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Total investment funds' management fees	124	93	729
Management fees	124	93	441
Contingency fees	—	—	288

(2) Capital Gains

(Millions of yen)

	For three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)	For three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Proceeds of sales of operational investment securities (A)	526	771	2,954
Cost of securities sold (B) (Note)	273	324	1,863
Realized capital gains (A)-(B)	252	447	1,090
Investment write-offs (C)	10	119	10
Provision for allowance for possible investment losses (D)	103	35	559
Investment income (A)-(B)-(C)-(D)	137	291	520

(Note)

The amount of "Cost of securities sold (B)" in above table does not include the amount of "Investment write-offs (C)".

(3) Unrealized Gains

(Millions of yen)

	As of June 30, 2015	As of June 30, 2016	As of March 31, 2016
Acquisition cost	312	130	217
Carrying value on consolidated balance sheet	564	158	303
Difference (Unrealized capital gains)	252	27	86

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	8,202	6,228
Operational investment securities	14,790	14,251
Allowance for possible investment loss	(2,840)	(2,756)
Operating loans	205	205
Other	164	179
Allowance for doubtful accounts	(24)	(28)
Current assets	20,496	18,079
Non-current assets		
Property, plant and equipment		
Buildings and structures	62	30
Accumulated depreciation	(43)	(13)
Buildings and structures, net	18	16
Vehicles, tools, furniture and fixtures	56	57
Accumulated depreciation	(49)	(48)
Vehicles, tools, furniture and fixtures, net	7	9
Land	24	24
Property, plant and equipment	50	49
Intangible assets		
Other	5	4
Intangible assets	5	4
Investments and other assets		
Investment securities	1,847	1,690
Claims provable in bankruptcy, claims provable in rehabilitation and other	158	148
Other	166	166
Allowance for doubtful accounts	(44)	(40)
Investments and other assets	2,128	1,965
Non-current assets	2,184	2,019
Assets	22,680	20,099

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Short-term loans payable	2,050	1,255
Accrued expenses	130	109
Income taxes payable	60	45
Deferred tax liabilities	32	0
Provision for bonuses	27	14
Provision for loss on liquidation of subsidiaries and associates	128	128
Other	268	230
Current liabilities	2,698	1,784
Non-current liabilities		
Long-term loans payable	14,860	13,604
Deferred tax liabilities	5	5
Net defined benefit liability	100	104
Non-current liabilities	14,966	13,713
Liabilities	17,665	15,498
Net assets		
Shareholders' equity		
Capital stock	5,268	5,363
Capital surplus	3,378	3,473
Retained earnings	(4,012)	(4,073)
Treasury shares	(400)	(400)
Shareholders' equity	4,234	4,363
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	600	105
Foreign currency translation adjustment	141	93
Valuation and translation adjustments	741	199
Subscription rights to shares	29	29
Non-controlling interests	9	8
Net assets	5,015	4,600
Liabilities and net assets	22,680	20,099

(Millions of yen)

	For three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)	For three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)
Operating revenue	673	904
Operating cost	403	491
Operating gross profit	270	412
Selling, general and administrative expenses	344	331
Operating income(loss)	(74)	81
Non-operating income		
Interest income	3	6
Dividend income	16	28
Foreign exchange gains	37	-
Miscellaneous income	3	5
Total non-operating income	60	40
Non-operating expenses		
Interest expenses	88	69
Foreign exchange losses	-	14
Miscellaneous loss	3	4
Total non-operating expenses	91	87
Ordinary income(loss)	(105)	33
Extraordinary losses		
Loss on valuation of investment securities	-	69
Other	-	1
Total extraordinary losses	-	71
Loss before income taxes and minority interests	(105)	(37)
Income taxes - current	5	22
Total income taxes	5	22
Loss	(111)	(60)
Profit(loss) attributable to non-controlling interests	0	(0)
Loss attributable to owners of parent	(112)	(60)

(3) Breakdown of Operating Revenues and Operating Gross Profit

(Millions of yen)

	For three months ended June 30,2015 (April 1, 2015 to June 30, 2015)			
	Operating revenues	Percentage of total	Operating cost	Operating gross profit(loss)
		%		
Fundmanagement operation	124	18.5	-	124
Investment operation	545	81.0	401	143
Realized capital gains	526	78.1	273	252
Investment write-offs	-	-	10	(10)
Provision for allowance for possible investment losses	-	-	103	(103)
Income gains	7	1.1	-	7
Fund interests income etc.	12	1.8	13	(1)
Others	3	0.5	1	1
Total	673	100.0	403	270

(Millions of yen)

	For three months ended June 30,2016 (April 1, 2016 to June 30, 2016)			
	Operating revenues	Percentage of total	Operating cost	Operating gross profit(loss)
		%		
Fundmanagement operation	93	10.4	-	93
Investment operation	806	89.1	490	316
Realized capital gains	771	85.2	324	447
Investment write-offs	-	-	119	(119)
Provision for allowance for possible investment losses	-	-	35	(35)
Income gains	1	0.2	-	1
Fund interests income etc.	33	3.7	10	22
Others	4	0.5	1	2
Total	904	100.0	491	412

Business Position

① Investment activities (JAIC+Funds)

i) Breakdown of new investment

	For three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)		For three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)		For the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
Area						
Japan	4	329	8	423	33	3,586
China, Hong Kong, Taiwan	1	193	1	80	2	506
Southeast Asia	-	-	-	-	-	-
Others	-	-	-	-	-	-
Industry						
QOL(Quality of Life)	2	213	1	50	6	453
Renewable Energy Project	2	260	4	209	18	2,788
IT/Internet	-	-	3	230	7	380
Machinery/ Precision machine	-	-	-	-	-	-
Service	-	-	1	14	2	364
Others	1	49	-	-	2	105
Total	5	523	9	504	35	4,093

ii) Balance of investment

	As of June 30, 2015		As of June 30, 2016		As of March 31, 2016	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
Area						
Japan	166	10,788	160	12,188	161	12,092
China, Hong Kong, Taiwan	61	8,154	48	6,130	49	6,431
Southeast Asia	8	490	5	189	6	255
Others	7	4	7	4	7	4
Industry						
QOL(Quality of Life)	50	5,195	46	4,676	46	4,697
Renewable Energy Project	9	1,607	23	3,942	22	3,722
IT/Internet	86	5,233	76	4,280	77	4,484
Machinery/ Precision machine	16	2,679	11	1,729	11	1,729
Service	28	1,366	24	1,286	24	1,286
Others	53	3,355	40	2,598	43	2,863
Total	242	19,438	220	18,513	223	18,783

Note:

1. QOL (Quality of Life); Biotechnology, Medical Service, Welfare Service, Medical Device, Drug Medicine, etc.
2. 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. Classification of industry is changed from FY 2016. This change is also reflected on the figures for three months ended June 30, 2015, and as of June 30, 2015.

② JAIC-Backed IPOs (JAIC+Funds)

i) Number of IPOs

	For three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)	For three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)	For the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)
Japan	1 company	1 company	6 companies
Overseas	-	-	2 companies
Total	1 company	1 company	8 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: 2 overseas companies for the year ended March 31, 2016, 1 domestic company for three months ended June 30, 2016.

ii) First price multiple

	For three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)	For three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Japan	1.7 times	- times	1.7 times
Overseas	- times	- times	- 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

For three months ended June 30, 2016 (From April 1, 2016 to June 31, 2016)

Not applicable

Note: For three months ended June 30, 2016, there was 1 domestic company whose listed shares the group acquired as a result of equity swap between its invested company and previous listed company.

Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

Company Name	Date of IPO	Market	Business	Head quarters
NAGAOKA INTERNATIONAL CORPORATION	29-Jun-15	JASDAQ Standard	Manufacture and sales of internal equipments for oil refining and petrochemical plants, water intake screens and ground water treatment system equipment, R&D of high-speed seabed infiltration system equipment	Japan
SK home Co., Ltd.	05-Aug-15	FSE-Q	Detached house sales business mainly planning, design, sales, construction and control of custom home, and the accompanying real estate sales business	Japan
GreenPeptide Co., Ltd.	22-Oct-15	TSE Mothers	Research, development, manufacture and sale of immunotherapeutic anticancer drugs	Japan
ROZETTA CORPORATION	19-Nov-15	TSE Mothers	Automatic translation service business, translation, interpreter business and language training business for corporates	Japan
Hirose Tusyo Inc.	18-Mar-16	JASDAQ Standard	Foreign exchange trading on margin	Japan
PhoenixBio Co., Ltd.	18-Mar-16	TSE Mothers	In-house study service with "PXB-MICE", chimeric mice with human hepatocytes	Japan

Note: For year ended March 31, 2016, there were 2 overseas companies whose listed shares the group acquired as a result of equity swaps between its invested companies and previous listed companies. The above table doesn't include these companies.

③ Management of Investment Funds (Funds for which JAIC and its Group are responsible for management and provision of essential information)

i) Balance of funds under management

	As of June 30, 2015	As of June 30, 2016	As of March 31, 2016
Total commitment amount in investment funds (Millions of yen)	42,274	37,053	39,335
No. of funds	19	17	17

Note: Funds being wound up after their maturity are not included in the data above.

ii) Funds newly established or whose assets were increased

For three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)			
Newly established		Assets increased	
Total commitment amount in investment funds (Millions of yen)	-	Increase in fund value (Millions of yen)	-
No. of funds	-	No. of funds	-

For three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)			
Newly established		Assets increased	
Total commitment amount in investment funds (Millions of yen)	-	Increase in fund value (Millions of yen)	-
No. of funds	-	No. of funds	-

For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)			
Newly established		Assets increased	
Total commitment amount in investment funds (Millions of yen)	5,201	Increase in fund value (Millions of yen)	-
No. of funds	2	No. of funds	-

iii) Funds to reach maturity within three years of the fiscal year-end

	For the year ending March 31, 2017 (April 1, 2016 to March 31, 2017)	For the year ending March 31, 2018 (April 1, 2017 to March 31, 2018)	For the year ending March 31, 2019 (April 1, 2018 to March 31, 2019)
Total commitment amount in investment funds (Millions of yen)	15,210	6,589	3,535
No. of funds	7	4	2

Notes to tables i) to iii) 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.