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**Consolidated Financial Results**  
**for the Year Ended March 31, 2017**  
**[Japanese Standards]**  
(Summary of Japanese announcement)

May 15, 2017

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

Contact: Tetsuro Shimomura, Executive Managing Director

Tel: +81-3-3259-8518 (main)

Scheduled date for ordinary general meeting of shareholders: June 27, 2017

Scheduled date for submission of annual report: June 28, 2017

Scheduled date for start of payment of dividends: —

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

**1. Consolidated business results for the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)**

(1) Consolidated results of operations

(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 the year ended March 31, 2017	4,681	1.9	739	—	540	61.2	564	(20.2)
For the year ended March 31, 2016	4,596	(33.7)	(123)	—	335	(13.8)	707	—

(Note) Comprehensive Income

For the year ended March 31, 2017: 437millions of yen (—%)

For the year ended March 31, 2016: (983)millions of yen (—%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to operating revenues
	Yen	Yen	%	%	%
For the year ended March 31, 2017	32.47	32.38	11.5	2.0	15.8
For the year ended March 31, 2016	49.96	48.69	18.8	1.2	(2.7)

(Reference)Equity in earnings (loss) of affiliates

For the year ended March 31 2017: — millions of yen

For the year ended March 31 2016: — millions of yen

(Note) The Company consolidated every ten existing ordinary shares into one share. Effective date of the share consolidation was 1<sup>st</sup> October 2015. In this connection, net income per share and diluted 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 2016.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2017	25,945	6,851	20.4	299.44
As of March 31, 2016	27,196	6,597	16.8	274.16

(Reference) Total shareholders' equity As of March 31, 2017: 5,293 millions of yen As of March 31, 2016: 4,563 millions of yen

(3) Cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at year-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the year ended March 31, 2017	1,406	(5)	(2,469)	4,815
For the year ended March 31, 2016	974	470	(1,404)	5,915

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 ended March 31, 2017	—	0.00	—	0.00	0.00
Year ending March 31, 2018 (forecast)	—	0.00	—	0.00	0.00

3. Outlook for the fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018)

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 decided to 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 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.

For details, please refer to “2. Outlook for the fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018)” on page 21.

4. Other matters

(1) Changes among significant subsidiaries (Changes among specific subsidiaries resulting in changes in the scope of consolidation): Yes

[New - company (company name: -) Excluded 2 companies (company name: 2 Investment Funds)]

(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

\*Details are shown in page 14.

(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)

Year ended March 31, 2017: 17,884,392 shares

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

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

Year ended March 31, 2017: 204,909shares

Year ended March 31, 2016: 204,849shares

(iii) Average number of shares during the period

Year ended March 31, 2017:	17,385,150shares
Year ended March 31, 2016:	14,161,555shares

(Note) The Company consolidated every ten existing ordinary shares into one share. Effective date of the share consolidation was 1<sup>st</sup> October 2015. In this connection, numbers of shares mentioned above are calculated on the assumption that the share consolidation was effected on the first day of fiscal year 2016.

## Reference: Non-consolidated results

### Business results for the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

#### (1) Results of operations

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

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For the year ended March 31, 2017	3,621	(1.5)	786	4,685.3	672	(1.4)	553	(32.8)
For the year ended March 31, 2016	3,678	(7.0)	16	—	681	—	824	—

	Net income per share	Diluted net income per share
	Yen	Yen
For the year ended March 31, 2017	31.83	31.75
For the year ended March 31, 2016	58.19	56.71

#### (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2017	19,744	5,203	26.2	292.73
As of March 31, 2016	22,025	4,550	20.5	271.63

(Reference) Total shareholders' equity As of March 31, 2017: 5,175 millions of yen As of March 31, 2016: 4,520 millions of yen

\*This report is not subject to audit procedures.

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

The presentation material for the year ended March 31, 2017 will be released on our website by May 31, 2017.

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.

## 1. Business Performance and Financial Condition

### (1) Revenue from Fund Activities

(Millions of yen)

	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Total investment funds' management fees	548	278
Management fees	260	232
Contingency fees	288	46

### (2) Capital Gains

(Millions of yen)

	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Proceeds of sales of operational investment securities (A)	3,485	3,184
Cost of securities sold (B) (Note)	2,027	2,126
Realized capital gains (A)-(B)	1,457	1,057

Investment write-offs (C)	13	72
Provision for allowance for possible investment losses (D)	950	279
Investment income (A)-(B)-(C)-(D)	493	705

(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 March 31, 2016	As of March 31, 2017
Acquisition cost	495	87
Carrying value on consolidated balance sheet	621	308
Difference (Unrealized capital gains)	126	221

## 2.Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2016	As of March 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	8,686	7,396
Operational investment securities	18,076	14,413
Allowance for possible investment loss	(4,063)	(2,415)
Operating loans	205	205
Other	228	442
Allowance for doubtful accounts	(24)	(29)
<b>Total current assets</b>	<b>23,109</b>	<b>20,012</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	64	29
Accumulated depreciation	(44)	(14)
Buildings and structures, net	20	15
Machinery and equipment	712	1,376
Accumulated depreciation	(14)	(85)
Machinery and equipment, net	697	1,290
Vehicles, tools, furniture and fixtures	56	57
Accumulated depreciation	(49)	(50)
Vehicles, tools, furniture and fixtures, net	7	7
Land	24	24
Leased assets	569	—
Accumulated depreciation	(58)	—
Leased assets, net	510	—
Construction in progress	587	2,441
<b>Total property, plant and equipment</b>	<b>1,848</b>	<b>3,780</b>
Intangible assets		
Other	20	38
<b>Total intangible assets</b>	<b>20</b>	<b>38</b>
Investments and other assets		
Investment securities	1,847	1,849
Claims provable in bankruptcy, claims provable in rehabilitation and other	160	119
Other	257	172
Allowance for doubtful accounts	(46)	(27)
<b>Total investments and other assets</b>	<b>2,218</b>	<b>2,113</b>
<b>Total non-current assets</b>	<b>4,087</b>	<b>5,933</b>
<b>Total assets</b>	<b>27,196</b>	<b>25,945</b>

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
<b>Liabilities</b>		
Current liabilities		
Short-term loans payable	2,606	2,247
Lease obligations	30	—
Accrued expenses	344	416
Income taxes payable	60	68
Deferred tax liabilities	32	22
Provision for bonuses	27	33
Provision for loss on liquidation of subsidiaries and associates	128	—
Other	236	36
<b>Total current liabilities</b>	<b>3,467</b>	<b>2,823</b>
Non-current liabilities		
Long-term loans payable	16,512	16,086
Lease obligations	507	—
Deferred tax liabilities	5	11
Net defined benefit liability	100	113
Other	4	58
<b>Total non-current liabilities</b>	<b>17,131</b>	<b>16,270</b>
<b>Total liabilities</b>	<b>20,599</b>	<b>19,094</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,268	5,426
Capital surplus	3,286	3,443
Retained earnings	(4,375)	(3,811)
Treasury shares	(400)	(400)
<b>Total shareholders' equity</b>	<b>3,778</b>	<b>4,657</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	241	253
Deferred gains or losses on hedges	—	(100)
Foreign currency translation adjustment	542	483
<b>Total accumulated other comprehensive income</b>	<b>784</b>	<b>635</b>
Subscription rights to shares	29	28
Non-controlling interests	2,004	1,529
<b>Total net assets</b>	<b>6,597</b>	<b>6,851</b>
<b>Total liabilities and net assets</b>	<b>27,196</b>	<b>25,945</b>

	(Millions of yen)	
	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Operating revenue	4,596	4,681
Operating cost	3,098	2,645
Operating gross profit	1,498	2,036
Selling, general and administrative expenses		
Salaries and allowances	315	294
Operations consignment expenses	188	177
Provision for bonuses	27	33
Retirement benefit expenses	23	22
Provision of allowance for doubtful accounts	(1)	(14)
Taxes and dues	123	142
Depreciation	10	7
Fund interests expenses	527	231
Other	407	403
Total selling, general and administrative expenses	1,621	1,297
Operating profit (loss)	(123)	739
Non-operating income		
Interest income	27	24
Dividend income	700	122
Foreign exchange gains	174	10
Miscellaneous income	5	6
Total non-operating income	906	164
Non-operating expenses		
Interest expenses	413	353
Miscellaneous loss	34	9
Total non-operating expenses	448	362
Ordinary profit	335	540
Extraordinary income		
Gain on sales of investment securities	61	1
Gain on redemption of investment securities	84	—
Gain on liquidation of subsidiaries and associates	110	—
Gain on sales of non-current assets	—	394
Other	3	15
Total extraordinary income	259	410
Extraordinary losses		
Impairment loss	—	130
Loss on valuation of investment securities	—	42
Provision for loss on liquidation of subsidiaries and associates	128	—
Loss on cancellation of leases	—	181
Other	0	35
Total extraordinary losses	128	389

	(Millions of yen)	
	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Profit before income taxes	466	562
Income taxes - current	(2)	17
Total income taxes	(2)	17
Profit	468	545
Loss attributable to non-controlling interests	(238)	(19)
Profit attributable to owners of parent	707	564



(3) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Profit	468	545
Other comprehensive income		
Valuation difference on available-for-sale securities	(443)	84
Deferred gains or losses on hedges	—	(100)
Foreign currency translation adjustment	(866)	(62)
Share of other comprehensive income of entities accounted for using equity method	(142)	(28)
Total other comprehensive income	(1,452)	(107)
Comprehensive income	(983)	437
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(244)	415
Comprehensive income attributable to non-controlling interests	(739)	21

(4) Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,299	2,415	(5,083)	(410)	1,221
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	969	969			1,938
Profit attributable to owners of parent			707		707
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(4)		9	5
Change in ownership interest of parent due to transactions with non-controlling interests		(94)			(94)
Net changes of items other than shareholders' equity					
Total changes of items during period	969	870	707	9	2,557
Balance at end of current period	5,268	3,286	(4,375)	(400)	3,778

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	572	—	1,163	1,736	34	5,054	8,047
Changes of items during period							
Issuance of new shares - exercise of subscription rights to shares							1,938
Profit attributable to owners of parent							707
Purchase of treasury shares							(0)
Disposal of treasury shares							5
Change in ownership interest of parent due to transactions with non-controlling interests							(94)
Net changes of items other than shareholders' equity	(331)	—	(620)	(951)	(4)	(3,050)	(4,007)
Total changes of items during period	(331)	—	(620)	(951)	(4)	(3,050)	(1,449)
Balance at end of current period	241	—	542	784	29	2,004	6,597

(4) Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,268	3,286	(4,375)	(400)	3,778
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	157	157			314
Profit attributable to owners of parent			564		564
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes of items other than shareholders' equity					
Total changes of items during period	157	157	564	(0)	879
Balance at end of current period	5,426	3,443	(3,811)	(400)	4,657

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	241	—	542	784	29	2,004	6,597
Changes of items during period							
Issuance of new shares - exercise of subscription rights to shares							314
Profit attributable to owners of parent							564
Purchase of treasury shares							(0)
Disposal of treasury shares							—
Change in ownership interest of parent due to transactions with non-controlling interests							—
Net changes of items other than shareholders' equity	11	(100)	(59)	(148)	(1)	(475)	(624)
Total changes of items during period	11	(100)	(59)	(148)	(1)	(475)	254
Balance at end of current period	253	(100)	483	635	28	1,529	6,851

(5) Consolidated Statements of Cash Flows

	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
(Millions of yen)		
Cash flows from operating activities		
Profit before income taxes	466	562
Depreciation	10	7
Impairment loss	—	130
Increase (decrease) in allowance for investment loss	(832)	(635)
Increase (decrease) in allowance for doubtful accounts	3	(9)
Increase (decrease) in provision for bonuses	21	5
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	128	—
Increase (decrease) in net defined benefit liability	11	12
Interest and dividend income	(706)	(125)
Interest expenses	338	260
Loss (gain) on sales of investment securities	(61)	(1)
Loss (gain) on valuation of investment securities	—	42
Loss (gain) on redemption of investment securities	(70)	—
Loss on valuation of operational investment securities	6	159
Decrease (increase) in investment securities for sale	2,058	(539)
Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	36	35
Payment for purchase of investment funds	(4,222)	(4,045)
Dividends from investment funds	3,346	5,736
Increase (decrease) in investment funds of minority interest	156	10
Other, net	(29)	(43)
Subtotal	661	1,562
Interest and dividend income received	706	125
Interest expenses paid	(354)	(280)
Income taxes paid	(58)	(31)
Income taxes refund	19	31
Net cash provided by (used in) operating activities	974	1,406
Cash flows from investing activities		
Purchase of investment securities	(18)	(0)
Proceeds from sales of investment securities	70	6
Proceeds from redemption of investment securities	413	—
Other, net	4	(11)
Net cash provided by (used in) investing activities	470	(5)

	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Cash flows from financing activities		
Repayments of long-term loans payable	(2,448)	(2,781)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(29)	—
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	1,088	311
Other, net	(14)	0
Net cash provided by (used in) financing activities	(1,404)	(2,469)
Effect of exchange rate change on cash and cash equivalents	(67)	(32)
Net increase (decrease) in cash and cash equivalents	(26)	(1,100)
Cash and cash equivalents at beginning of period	5,942	5,915
Cash and cash equivalents at end of period	5,915	4,815

(6) Notes to Consolidated Financial Statements

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

No applicable items

(Changes in accounting principles)

(Adoption of the “Practical Solution on a change in depreciation method due to Tax Reform 2016” )

Following the revision of the Corporation Tax Act, JAIC adopted the “Practical Solution on a change in depreciation method due to Tax Reform 2016” (ASBJ Practical Issue Task Force No. 32, issued on June 17, 2016) from the year ended March 31, 2017, and changed the method for the depreciation of equipment attached buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method. No effect of this change on the consolidated financial statements for the year ended March 31, 2017.

(Changes in accounting estimates)

No applicable items

(Correction of prior period errors)

No applicable items

(Segment Information)

Since the Group carries out investment and managements of funds as a single business segment, business segment information is not presented.

(Per-share Data)

	For the year ended March 31, 2016 (April 1, 2015, to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016, to March 31, 2017)
Net assets per share	¥274.16	¥299.44
Net income per share	¥49.96	¥32.47
Diluted net income per share	¥48.69	¥32.38

Note:

1. The Company consolidated every ten existing ordinary shares into one share. Effective date of the share consolidation was 1<sup>st</sup> October 2015. In this connection, net income per share and diluted net income per share in above chart are calculated on the assumption that the share consolidation was effected on April 1, 2015.

2. The basis for the calculation of net income per share and diluted net income per share is as follows.

	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Net income per share		
Net income attributable to owners of parent (Millions of yen)	707	564
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income attributable to owners of parent relating to common stock (Millions of yen)	707	564
Average no. of shares outstanding during the term (Thousands)	14,161	17,385
Diluted net income per share		
Adjustment of net income attributable to owners of parent (Millions of yen)	—	—
Increase in common stock (Thousands)	370	44
Latent shares not included in diluted net income per share calculation due to lack of dilution effect	Stock acquisition rights issued by resolution of board of directors held on June 24, 2011 (ordinary shares 7 thousand shares)	—

(Important Subsequent Events)  
No applicable items

(7) Breakdown of Operating Revenues and Operating Gross Profit

(Millions of yen)

		For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)			
		Operating revenues	Percentage of total	Operating cost	Operating gross profit(loss)
			%		
	Fundmanagement operation	548	11.9	-	548
	Management fees	260	5.6	-	260
	Contingency fees	288	6.3	-	288
	Investment operation	4,001	87.1	3,090	910
	Realized capital gains	3,485	75.9	2,027	1,457
	Investment write-offs	-	-	13	(13)
	Provision for allowance for possible investment losses	-	-	950	(950)
	Income gains	69	1.5	-	69
	Fund interests income etc.	445	9.7	98	347
	Others	46	1.0	7	39
	Total	4,596	100.0	3,098	1,498

(Millions of yen)

		For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)			
		Operating revenues	Percentage of total	Operating cost	Operating gross profit(loss)
			%		
	Fundmanagement operation	278	6.0	-	278
	Management fees	232	5.0	-	232
	Contingency fees	46	1.0	-	46
	Investment operation	4,383	93.6	2,638	1,744
	Realized capital gains	3,184	68.0	2,126	1,057
	Investment write-offs	-	-	72	(72)
	Provision for allowance for possible investment losses	-	-	279	(279)
	Income gains	45	1.0	-	45
	Fund interests income etc.	1,153	24.6	160	993
	Others	20	0.4	6	14
	Total	4,681	100.0	2,645	2,036



### 3. Non-consolidated Financial Statements

#### (1) Balance Sheets

(Millions of yen)

	As of March 31,2016	As of March 31,2017
<b>Assets</b>		
Current assets		
Cash and deposits	7,280	5,457
Operational investment securities	14,420	12,770
Allowance for possible investment loss	(2,797)	(1,650)
Operating loans	205	205
Accounts receivable - other	51	247
Other	110	103
Allowance for doubtful accounts	(26)	(30)
Total current assets	19,245	17,102
Non-current assets		
Property, plant and equipment		
Buildings	18	15
Tools, furniture and fixtures	4	6
Land	24	24
Total property, plant and equipment	47	46
Intangible assets		
Other	4	8
Total intangible assets	4	8
Investments and other assets		
Investment securities	1,520	1,484
Shares of subsidiaries and associates	931	863
Claims provable in bankruptcy, claims provable in rehabilitation and other	157	119
Other	162	146
Allowance for doubtful accounts	(43)	(27)
Total investments and other assets	2,727	2,586
Total non-current assets	2,779	2,641
Total assets	22,025	19,744

(1) Balance Sheets

(Millions of yen)

	As of March 31,2016	As of March 31,2017
<b>Liabilities</b>		
Current liabilities		
Current portion of long-term loans payable	2,050	1,453
Accrued expenses	104	82
Income taxes payable	44	56
Provision for bonuses	22	26
Deferred tax liabilities	32	22
Other	249	95
Total current liabilities	2,503	1,735
Non-current liabilities		
Long-term loans payable	14,860	12,675
Provision for retirement benefits	100	113
Deferred tax liabilities	10	16
Total non-current liabilities	14,971	12,805
Total liabilities	17,474	14,540
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,268	5,426
Capital surplus		
Legal capital surplus	1,268	1,426
Other capital surplus	2,111	2,111
Total capital surpluses	3,380	3,537
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(4,355)	(3,802)
Total retained earnings	(4,355)	(3,802)
Treasury shares	(400)	(400)
Total shareholders' equity	3,892	4,760
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	628	514
Deferred gains or losses on hedges	—	(100)
Total valuation and translation adjustments	628	414
Subscription rights to shares	29	28
Total net assets	4,550	5,203
Total liabilities and net assets	22,025	19,744

(2) Statements of Income

(Millions of yen)

	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Operating revenue	3,678	3,621
Operating cost	2,510	1,747
Operating gross profit	1,167	1,874
Selling, general and administrative expenses	1,150	1,087
Operating profit	16	786
Non-operating income		
Interest income	15	16
Dividend income	800	122
Foreign exchange gains	219	9
Miscellaneous income	5	6
Total non-operating income	1,041	154
Non-operating expenses		
Interest expenses	341	260
Miscellaneous loss	34	8
Total non-operating expenses	375	269
Ordinary profit	681	672
Extraordinary income		
Gain on sales of investment securities	61	1
Gain on redemption of investment securities	70	—
Gain on liquidation of subsidiaries and associates	10	—
Gain on sales of shares of subsidiaries and associates	—	52
Other	2	3
Total extraordinary income	145	58
Extraordinary losses		
Impairment loss	—	130
Loss on valuation of investment securities	—	42
Other	0	1
Total extraordinary losses	0	173
Profit before income taxes	827	556
Income taxes - current	3	3
Total income taxes	3	3
Profit	824	553

## Information for Reference Purposes:

### Consolidated Financial Results for the Year Ended March 31, 2017

May 15, 2017

#### Consolidated Financial Statements, etc., under the Previous Accounting Standards for the Year Ended March 31, 2017 (As of March 31, 2017)

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

As of Fiscal year ended March 31, 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 year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

##### (1) Consolidated results of operations

(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 the year ended March 31, 2017	3,926	(2.9)	836	913.1	726	18.7	553	(7.2)
For the year ended March 31, 2016	4,043	(10.8)	82	—	612	—	597	—

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to operating revenues
	Yen	Yen	%	%	%
For the year ended March 31, 2017	31.86	31.78	10.4	3.4	21.3
For the year ended March 31, 2016	42.16	41.09	14.3	2.6	2.0

(Note) The Company consolidated every ten existing ordinary shares into one share. Effective date of the share consolidation was 1<sup>st</sup> October 2015. In this connection, net income per share and diluted 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 2016.

##### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2017	20,305	5,722	28.0	321.65
As of March 31, 2016	22,680	5,015	21.9	298.98

(Reference) Total shareholders' equity As of March 31, 2017: 5,686 millions of yen As of March 31, 2016: 4,976 millions of yen

## 2. Outlook for the fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018)

The overall 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.

	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, 2018	4,700	19.7	750	(10.4)	550	(24.3)	470 (15.1)

	Net income per share
	Yen
For the year ending March 31, 2018	26.58

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.

Net income per share in above chart is calculated by the number of shares issued and outstanding excluding the number of shares of treasury stock as at March 31, 2017.

### 3. Business Performance and Financial Condition

#### (1) Revenue from Fund Activities

(Millions of yen)

	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Total investment funds' management fees	729	466
Management fees	441	364
Contingency fees	288	101

#### (2) Capital Gains

(Millions of yen)

	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Proceeds of sales of operational investment securities (A)	2,954	2,275
Cost of securities sold (B) (Note)	1,863	1,423
Realized capital gains (A)-(B)	1,090	852

Investment write-offs (C)	10	159
Provision for allowance for possible investment losses (D)	559	115
Investment income (A)-(B)-(C)-(D)	520	577

(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 March 31, 2016	As of March 31, 2017
Acquisition cost	217	87
Carrying value on consolidated balance sheet	303	185
Difference (Unrealized capital gains)	86	98

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2016	As of March 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	8,202	6,213
Operational investment securities	14,790	13,129
Allowance for possible investment loss	(2,840)	(1,691)
Operating loans	205	205
Other	164	373
Allowance for doubtful accounts	(24)	(29)
<b>Total current assets</b>	<b>20,496</b>	<b>18,201</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	62	29
Accumulated depreciation	(43)	(14)
Buildings and structures, net	18	15
Vehicles, tools, furniture and fixtures	56	57
Accumulated depreciation	(49)	(50)
Vehicles, tools, furniture and fixtures, net	7	7
Land	24	24
<b>Total property, plant and equipment</b>	<b>50</b>	<b>47</b>
Intangible assets		
Other	5	8
<b>Total intangible assets</b>	<b>5</b>	<b>8</b>
Investments and other assets		
Investment securities	1,847	1,849
Claims provable in bankruptcy, claims provable in rehabilitation and other	158	119
Other	166	106
Allowance for doubtful accounts	(44)	(27)
<b>Total investments and other assets</b>	<b>2,128</b>	<b>2,047</b>
<b>Total non-current assets</b>	<b>2,184</b>	<b>2,103</b>
<b>Total assets</b>	<b>22,680</b>	<b>20,305</b>

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
<b>Liabilities</b>		
Current liabilities		
Short-term loans payable	2,050	1,453
Accrued expenses	130	90
Income taxes payable	60	68
Deferred tax liabilities	32	22
Provision for bonuses	27	33
Provision for loss on liquidation of subsidiaries and associates	128	-
Other	268	115
Total current liabilities	2,698	1,782
Non-current liabilities		
Long-term loans payable	14,860	12,675
Deferred tax liabilities	5	11
Net defined benefit liability	100	113
Total non-current liabilities	14,966	12,800
Total liabilities	17,665	14,585
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,268	5,426
Capital surplus	3,378	3,536
Retained earnings	(4,012)	(3,458)
Treasury shares	(400)	(400)
Total shareholders' equity	4,234	5,102
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	600	489
Deferred gains or losses on hedges	—	(100)
Foreign currency translation adjustment	141	194
Total accumulated other comprehensive income	741	583
Subscription rights to shares	29	28
Non-controlling interests	9	7
Total net assets	5,015	5,722
Total liabilities and net assets	22,680	20,305



	(Millions of yen)	
	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Operating revenue	4,043	3,926
Operating cost	2,488	1,750
Operating gross profit	1,554	2,176
Selling, general and administrative expenses		
Salaries and allowances	315	294
Operations consignment expenses	182	173
Provision for bonuses	27	33
Retirement benefit expenses	23	22
Provision of allowance for doubtful accounts	3	(12)
Taxes and dues	123	142
Depreciation	10	7
Fund interests expenses	386	279
Other	399	398
Total selling, general and administrative expenses	1,472	1,339
Operating profit	82	836
Non-operating income		
Interest income	22	20
Dividend income	700	122
Foreign exchange gains	175	10
Miscellaneous income	5	6
Total non-operating income	903	160
Non-operating expenses		
Interest expenses	338	260
Miscellaneous loss	34	9
Total non-operating expenses	373	269
Ordinary profit	612	726
Extraordinary income		
Gain on sales of investment securities	61	1
Gain on redemption of investment securities	70	-
Gain on liquidation of subsidiaries and associates	3	-
Gain on sales of shares of subsidiaries and associates	-	14
Gain on reversal of subscription rights to shares	0	3
Other	2	0
Total extraordinary income	138	20
Extraordinary losses		
Impairment loss	-	130
Loss on valuation of investment securities	-	42
Provision for loss on liquidation of subsidiaries and associates	128	-
Other	0	1
Total extraordinary losses	128	174
Profit before income taxes	623	573

	(Millions of yen)	
	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Income taxes - current	25	21
Total income taxes	25	21
Profit	597	551
Profit (loss) attributable to non-controlling interests	0	(2)
Profit attributable to owners of parent	597	553

(3) Breakdown of Operating Revenues and Operating Gross Profit

(Millions of yen)

		For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)			
		Operating revenues	Percentage of total	Operating cost	Operating gross profit(loss)
			%		
	Fundmanagement operation	729	18.1	-	729
	Management fees	441	11.0	-	441
	Contingency fees	288	7.1	-	288
	Investment operation	3,300	81.6	2,481	818
	Realized capital gains	2,954	73.1	1,863	1,090
	Investment write-offs	-	-	10	(10)
	Provision for allowance for possible investment losses	-	-	559	(559)
	Income gains	49	1.2	-	49
	Fund interests income etc.	295	7.3	47	248
	Others	13	0.3	7	5
	Total	4,043	100.0	2,488	1,554

(Millions of yen)

		For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)			
		Operating revenues	Percentage of total	Operating cost	Operating gross profit(loss)
			%		
	Fundmanagement operation	466	11.9	-	466
	Management fees	364	9.3	-	364
	Contingency fees	101	2.6	-	101
	Investment operation	3,434	87.5	1,744	1,690
	Realized capital gains	2,275	58.0	1,423	852
	Investment write-offs	-	-	159	(159)
	Provision for allowance for possible investment losses	-	-	115	(115)
	Income gains	30	0.8	-	30
	Fund interests income etc.	1,128	28.7	46	1,082
	Others	25	0.6	6	19
	Total	3,926	100.0	1,750	2,176

## Business Position

### ① Investment activities (JAIC+Funds)

#### i) Breakdown of new investments

	For the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)		For the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
Area				
Japan	33	3,586	29	3,731
China, Hong Kong, Taiwan	2	506	4	584
Southeast Asia	-	-	-	-
Others	-	-	-	-
Industry				
QOL(Quality of Life)	6	453	4	176
Renewable Energy Project	18	2,788	17	3,184
IT/Internet	7	380	7	459
Machinery/Precision machine	-	-	1	20
Service	2	364	3	432
Others	2	105	1	42
Total	35	4,093	33	4,315

#### ii) Breakdown of balance of investment

	As of March 31, 2016		As of March 31, 2017	
	Number of companies	Amount (Millions of yen)	Number of companies	Amount (Millions of yen)
Area				
Japan	161	12,092	139	10,356
China, Hong Kong, Taiwan	49	6,431	45	6,007
Southeast Asia	6	255	5	189
Others	7	4	7	4
Industry				
QOL(Quality of Life)	46	4,697	37	4,153
Renewable Energy Project	22	3,722	29	4,576
IT/Internet	77	4,484	67	3,198
Machinery/Precision machine	11	1,729	11	1,056
Service	24	1,286	21	1,518
Others	43	2,863	31	2,054
Total	223	18,783	196	16,558

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.

## ② JAIC-Backed IPOs (JAIC+Funds)

### i) Number of IPOs

	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Japan	6 companies	5 companies
Overseas	2 companies	- companies
Total	8 companies	5 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 the year ended March 31, 2017.

### ii) First price multiple

	For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Japan	1.7 times	5.6 times
Overseas	- 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

Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

Company Name	Date of IPO	Market	Business	Head quarters
REFINVERSE, Inc.	28-Jul-16	TSE Mothers	Recycled plastic manufacturing from industrial waste. Collection, transportation, intermediate treatment and recycling of industrial waste	Japan
WASHHOUSE CO., LTD.	22-Nov-16	TSE Mothers FSE-Q	Provision of franchise system as a chain headquarter of the coin-operated laundry "WASH House"	Japan
Eltes Co., Ltd.	29-Nov-16	TSE Mothers	Internal and external risk detection and risk consulting services through big data analysis	Japan
Net Marketing. Co. Ltd.	31-Mar-17	JASDAQ Standard	Advertising agency business: Affiliate marketing strategy planning and execution services to support customers' marketing operations Media business: Operates a safe and secure online matchmaking service "Omiai", and related services	Japan

Note: For the year ended March 31, 2017, there were 1 domestic company 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 the 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 the 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 March 31, 2016	As of March 31, 2017
Total commitment amount in investment funds (Millions of yen) (Total commitment amount of JAIC group)	39,335 (14,004)	28,753 (9,427)
No. of funds	17	15

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 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	-

For the year ended March 31, 2017 (April 1, 2016 to March 31, 2017)			
Newly established		Assets increased	
Total commitment amount in investment funds (Millions of yen)	500	Increase in fund value (Millions of yen)	-
No. of funds	1	No. of funds	-

iii) Details of funds newly established

Name of fund	Date of establishment	Total commitment amount (Millions of yen)	Main investment targets
Habataku Mirai Investment Limited Partnership	Feb 2017	500	Companies in Japan under business revitalization

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

	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)	For the year ending March 31, 2020 (April 1, 2019 to March 31, 2020)
Total commitment amount in investment funds (Millions of yen)	11,021	5,263	1,880
No. of funds	7	3	1

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.